RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
GREATROCK NORTH WATER AND SANITATION DISTRICT
HELD
OCTOBER 1, 2013

A regular meeting of the Board of Directors (referred to hereafter as "Board") of the Greatrock North Water and Sanitation District (referred to hereafter as "District") was convened on Tuesday, October 1, 2013 at 5:30 P.M., at United Power, 500 Cooperative Way, Brighton, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:
Terry Krayenhagen
Jeffrey Polliard
Brian K. Rogers
John D. Wyckoff

Following discussion, upon motion duly made by Director Wyckoff, seconded by Director Rogers and, upon vote, unanimously carried, the absence of Robert William Fleck was excused.

Also In Attendance Were:
Lisa A. Johnson; Special District Management Services, Inc.

Jennifer Gruber Tanaka, Esq.; White, Bear & Ankele, P.C.

Brad Simons, P.E.; TST Inc. of Denver

David N. Rye; Meadow Homes Development Company

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: Attorney Tanaka advised the Board that, pursuant to Colorado law, certain disclosures may be required prior to taking official action at the meeting. The Board reviewed the Agenda for the meeting, following which Directors Krayenhagen, Rogers, Polliard and Wyckoff each confirmed that they had no conflicts of interest in connection with any of the matters listed on the Agenda.

ADMINISTRATIVE MATTERS

Agenda: Ms. Johnson distributed for the Board's review and approval a proposed Agenda for the District's regular meeting.

Following discussion, upon motion duly made by Director Wyckoff, seconded by Director Rogers and, upon vote, unanimously carried, the Agenda was approved.

Board of Directors' Report: Director Wyckoff reported on the SDA conference. He noted that he truly enjoyed the conference and learned quite a bit. He recommended each Board member attend the conference every other year.

He also reported that the internet at Box Elder Creek Ranch has been repaired.

Manager's Report: Ms. Johnson presented and the Board reviewed the October Manager's Report. A copy of the report is attached hereto, and incorporated herein, by this reference.

Ms. Johnson updated the Board on recent communications she has had with Mr. David Rye. Mr. Rye has requested a meeting with Ms. Johnson, Attorney Tanaka and Attorney Poznanovic regarding the District's objections to the Box Elder Creek Ranch Water Company's draft augmentation plan. A meeting has been scheduled for October 14, 2013.

Also, Ms. Johnson recently received communication from Meadow Homes that a second lot has been purchased and that plans for construction are underway.

Following discussion, upon motion duly made by Director Wyckoff, seconded by Director Rogers and, upon vote, unanimously carried, the Board approved the Manager's Report.

CONSENT AGENDA

Consent Agenda: The Board considered the following actions:

- Approval of the Minutes from the August 28, 2013 special meeting/work session and the September 3, 2013 regular meeting.

- Ratify approval of payment of claims through the period ending September 11, 2013, as follows:

General Fund	$ 64,880.31
Debt Service Fund	$ 97.50
Capital Projects Fund	$ 276.25
Total Claims:	**$ 65,254.06**

- Consider acceptance of cash position schedule and unaudited financial statements through the period ending August 31, 2013.

Following discussion, upon motion duly made by Director Rogers, seconded by Director Polliard and, upon vote, unanimously carried, the Board approved the consent agenda items.

FINANCIAL MATTERS

2014 Budget Work Session: The budget committee comprised of Director Wyckoff, Attorney Tanaka, Mr. Simons, Mr. Rabas and Ms. Johnson, met on September 24, 2013 to begin the process of drafting the 2014 budget. The committee will meet again on October 10, 2013. The Board scheduled a work session to review and discuss the draft 2014 Budget for October 29, 2013 at 5:30 p.m. at United Power and if unavailable the Board plans to meet at Director Rogers' office.

Mr. Rye with Meadow Homes joined the meeting at this point and addressed the Board regarding the concentrate management efforts. Mr. Simons updated him and the Board on the status.

Mr. Rye left the meeting after the update.

Pump House Uses at Rocking Horse Farms Facility: The Board reviewed the invoice received from Olsson Associates, Inc. for services related to pump replacement at the Rocking Horse Farms Facility.

Following discussion, upon motion duly made by Director Rogers, seconded by Director Polliard and, upon vote, unanimously carried, the Board approved the invoice from Olsson Associates, Inc., in the amount of $6,709.56 and asked staff to determine if any regulatory agency can be contacted to file a complaint on Olson Associates, Inc.'s billing practices.

ENGINEER'S REPORT

Engineer's Report: Mr. Simons presented the Engineer's Report to the Board. A copy of the report is attached hereto and is incorporated herein by this reference.

System Development Fee Analysis: Mr. Simons presented the System Development Fee Analysis. His preliminary recommendations are as follows:

- For a development with a dual distribution system, the fee should be set at $9,977 per SFE.
- For developments with a single distribution system, the fee should be set at $22,627.

The Board discussed the analysis in detail. Staff will take their comments under advisement and present a final recommendation on the System Development Fee

and policy for implementation of the fee on any new developments to the Board at the November meeting.

Evaporation Ponds:

Analysis for Evaporative Ponds and Concentrate Matters: Director Wyckoff, Mr. Simons and Ms. Johnson met with representatives of the Colorado Department of Public Health and Environment ("CDPHE") recently to discuss the District's concentrate management issues. Options for mitigation were discussed to include blending the concentrate water with irrigation water, using the concentrate water for dust suppression through an intergovernmental agreement with Adams County and preparing a request to reclassify Box Elder Creek to allow for concentrate water discharge. After much discussion, the CDPHE determined that it was not likely that the District would receive a permit to blend with irrigation water. Dust suppression could still be explored as well as reclassification of Box Elder Creek to allow for discharge.

Status of Blending Ratios: Mr. Simons reported that based on information received from the County, it seems unlikely that the District would be allowed to blend concentrate water with irrigation water to be used in Box Elder Creek Ranch. Therefore, staff determined that comments from the CSU Extension Agent were not needed and asked the Agent not to attend the meeting.

OPERATIONS AND MAINTENANCE MATTERS

Operations and Maintenance Update and Completed Work Order List: The Board reviewed the operations and maintenance update and the completed work order list. A copy of the report is attached hereto and incorporated herein by this reference.

Ms. Johnson provided an update to the monthly report. She noted that Dan LaCoe recently repaired the fascia at the Greatrock North facility. She also noted that operations staff has scheduled time to "house clean" all three plant sites on Friday, October 4, 2013.

The Board then discussed recent concerns expressed by a few residents regarding high alkalinity and brown/pink/blue rings in toilets. Mr. Simons explained that the reduction in R.O. treatment has caused harder water. Director Krayenhagen asked Mr. Simons to draft an article for the newsletter regarding this issue. Mr. Simons will also talk with Mr. Rabas about changing the treatment process to increase R.O. treatment to help mitigate the issue.

Monthly Flow Report: The Board reviewed the monthly flow report covering August 6, 2013 through September 5, 2013.

Water Quality Issues in Box Elder Creek Ranch and Rocking Horse Farms: The Board reviewed the monthly water quality report.

Purchase and Installation of a Variable Frequency Drive on Greatrock North Pump No. 2: Ms. Johnson reported that the project is scheduled to be completed in approximately one week.

Annual Hydrant Flushing and Valve Exercising: Ms. Johnson reported to the Board that the valve exercising has begun in Greatrock North and that staff will then complete Box Elder Creek Ranch and then Rocking Horse Farms. Ms. Johnson then reported that the proposal to inspect the curb stops in Rocking Horse Farms is for approximately 16 hours at $58 per hour or $928. Ms. Johnson noted that once the valve exercising is complete, operations staff will work on hydrant maintenance. The Board was supportive of moving forward with the inspections of curb stops in Rocking Horse Farms.

Low Water Pressure Issues at Mr. Benke's Residence: Ms. Johnson reported to the Board that Mr. Benke replaced his pressure reducing valve which solved his low pressure issues. She also noted that the curb stop at his property needs to be straightened. Ms. Johnson reported that this work will be included in the overall report received from operations staff regarding the inspection of all valves including curb stops in Rocking Horse Farms.

OTHER BUSINESS

District Website: Ms. Johnson reported to the Board that a draft website has been created. Director Wyckoff and Ms. Johnson met to review the content and identified revisions. Ms. Johnson will review the website and then share the website address with all Board members. At that time, the Board will need to review the site and provide additional revisions. The goal is to have the website go "live" shortly after the November Board meeting.

COMMUNITY COMMENTS

Community Comments: There were no community comments.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

THESE MINUTES APPROVED AS THE OFFICIAL OCTOBER 1, 2013 MINUTES OF THE GREATROCK NORTH WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

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Terry Krayenhagen

_____
Robert William Fleck

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Jeffrey L. Polliard

_____
Brian K. Rogers

_____
John D. Wyckoff