RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
GREATROCK NORTH WATER AND SANITATION DISTRICT
HELD
SEPTEMBER 3, 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, September 3, 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
Robert William Fleck
Jeffrey Polliard
John D. Wyckoff

Following discussion, upon motion duly made by Director Wyckoff, seconded by Director Polliard and, upon vote, unanimously carried, the absence of Brian K. Rogers 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

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, Fleck, 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 Polliard and, upon vote, unanimously carried, the Agenda was approved, as amended.

Board of Directors' Report: Director Wyckoff reported that all of the facilities have been mowed and weeds have been sprayed.

The Board also discussed the low water pressure issue at Buck Benke's home in Rocking Horse Farms. Director Wyckoff summarized the efforts to date to try and determine the cause of his low water pressure issues. Mr. Benke will replace his pressure regulating valve. If that does not correct the issue, staff will perform a timed flow test right before the water meter and then again at the curb stop to try and determine if there is a restriction in the water line. Staff will also straighten the curb stop valve to allow for use of the curb stop at the property.

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

CONSENT AGENDA

Consent Agenda: The Board considered the following actions:

- Approval of the Minutes from the August 6, 2013 regular meeting.
- Ratify approval of payment of claims through the period ending August 19, 2013, as follows:

General Fund	$	38,608.19
Debt Service Fund	$	-0-
Capital Projects Fund	$	407.64
Total Claims:	**$**	**39,015.83**

- Consider acceptance of cash position schedule and unaudited financial statements through the period ending July 31, 2013.
- Ratify approval of Independent Contractor Agreement for installation of a variable frequency drive on the Greatrock North Pump No. 2 between the District and Water Technology Group.

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

FINANCIAL MATTERS

2014 Budget Work Session: The Board discussed the process for drafting the 2014 Budget and reviewing and revising the long range projections. Director Wyckoff, Ms. Johnson, Mr. Simons, Attorney Tanaka and Mr. Rabas will meet to prepare the list of items to be considered in the 2014 Budget and long range plan.

Ms. Johnson will then schedule a budget work session shortly after the regular meeting in October to present the draft 2014 Budget to the Board and solicit revisions and comments.

Imposition of AOS Fees to All Vacant Lots Within the District That are Within 100 Feet of a Water Main Line: The Board discussed the imposition of AOS fees on all vacant lots within the District that are within 100 feet of a water main line and directed staff to move forward with notifications to rate payers and to add this item to the November 5, 2013 Agenda for consideration.

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.

Reserve Analysis: Mr. Simons summarized his work to complete the reserve analysis that was prepared by Olsson Associates, Inc. He provided a 5/10/20 year normalization of costs to be reserved on an annual basis to meet the reserve demands. Mr. Simons recommended budgeting $29,000 per year to meet the future operation and maintenance and capital replacements. A copy of the analysis report is attached hereto and incorporated herein by this reference.

System Development Fee Analysis: Mr. Simons reported that he is continuing his efforts to complete the system development fee analysis.

Evaporation Ponds:

Analysis for Evaporative Ponds and Concentrate Matters: Mr. Simons reported that he has scheduled a meeting with the Colorado Department of Public Health and Environment ("CDPHE") to discuss the concentrate management issue with them to determine options for mitigation.

Status of Blending Ratios: The Board entered into discussion regarding the status of blending ratios and its effects on soils and landscape in Box Elder Creek Ranch. It was noted that the CSU Extension Agent indicated he would attend the meeting tonight, but, he did not attend. Mr. Simons will follow-up and see if he can attend the October meeting.

Installation of Pumps and Variable Frequency Drive at Rocking Horse Farms Facility: It was noted that the project has been completed.

Purchase and Installation of a Variable Frequency Drive on Greatrock North Pump No. 2: It was noted that the project is scheduled to begin in mid-September.

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.

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

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

Responsibility to Maintain the Pressure Regulating Valves in Rocking Horse Farms: The Board discussed the responsibility to maintain the pressure regulating valves ("PRVs") in Rockinghorse Farms. Ms. Johnson reported that a field sampling inspection of meter pits in Greatrock North and Box Elder Creek Ranch determined that PRVs are not installed in the meter pits and, therefore, pursuant to the District's Rules and Regulations, if a homeowner in those subdivisions has a PRV installed on their service line, it would be the homeowner's responsibility to maintain it. Given this, the Board determined that the responsibility to maintain the PRV in Rockinghorse Farms is the homeowner's responsibility as it is in Greatrock North and Box Elder Creek Ranch.

DEVELOPMENT PROJECTS

Development Projects: The Board reviewed the status of the current development projects.

Box Elder Creek Ranch Filing No. 3 Development: It was noted that Meadow Homes has sold one lot in Filing 3 and has another under contract to sell. A building permit has been issued for the lot that sold and construction is underway.

OTHER BUSINESS

District Website: Ms. Johnson reported to the Board that the District's website draft is almost complete. Ms. Johnson will schedule a meeting with President Krayenhagen and Director Wyckoff in the next few weeks to review the draft website.

2013 Special District Association ("SDA") of Colorado's Annual Business Meeting: The Board discussed the SDA's Annual Business Meeting and it was noted that each SDA member is entitled to one vote per district for the nomination and vote for SDA directors. The vote can be made one of two ways – either by having an official representative at the meeting or by filing an official proxy designation.

Following discussion, upon motion duly made by Director Wyckoff, seconded by Director Polliard and, upon vote, unanimously carried, the Board designated Director Wyckoff, as the official representative for the District, to vote for Lisa Johnson, on the District's behalf at the meeting. If Director Wyckoff is unable to attend, the Board authorized Karen Steggs as the proxy for the District to vote for Lisa Johnson at the Annual 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

THESE MINUTES APPROVED AS THE OFFICIAL SEPTEMBER 3, 2013 MINUTES OF THE GREATROCK NORTH WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

_____
Terry Krayenhagen

_____
Robert William Fleck

_____
Jeffrey L. Polliard

_____
Brian K. Rogers

_____
John D. Wyckoff