

Upper Blue Sanitation District
Board of Directors Special Meeting
Tuesday March 25, 2014 @ 9:30 AM

Mr. Robin Theobald called the special meeting to order at 9:30 AM.

Mr. Robin Theobald, Mr. Allyn Mosher, Mr. Michael Turek, Mr. Barrie Stimson, Mr. Tim Gagen, Mr. Gary Gallagher, Mr. Glen Porzak and Mr. John Warner were present.

Mr. Andrew Carlberg and Mrs. Marjorie Borsina attended as well.

Mr. Theobald explained that the District has two major concerns: (1) the Town of Breckenridge's proposal to locate two new water supply intakes below the Iowa Hill waste water treatment plant. (2) The Town of Breckenridge's water cases could potentially reduce dilution flow at the Farmers Korner waste water treatment plant.

Mr. Theobald said that additional regulations would be imposed on the District if two intakes to a drinking water system were located below the Iowa Hill waste water treatment plant. These additional regulations would require additional equipment for treatment which would result in increased costs to both the District's and the Towns mutual constituents. In addition to regulatory requirements there are policy issues. Mr. Theobald said there are things in waste water that cannot be treated for. For example: medicine and hormones. There are other areas of concern. For example: urban runoff, heavy metals from mining, etc. Then those things would be in the drinking water, which the public needs to be made aware of. Mr. Theobald said that the District needs additional information from the Town of Breckenridge on how the new water plant will be operated.

Mr. Warner responded by saying that the Town of Breckenridge does not want to provide tainted, poisoned water to constituents. Mr. Warner said that he did not have a technical answer to the problem of the water plant being located below a waste water treatment plant.

Mr. Gagen said that the Breckenridge Town Council has discussed the water plant and deliberately made the decision to make diversion below the District's waste water plant in order to be good neighbors.

Mr. Theobald asked if the Town of Breckenridge evaluated the Swan River as a water source.

Mr. Gagen said that the Town of Breckenridge had but it was determined there was not enough water in the Swan River. Mr. Gagen said that the Town of Breckenridge had a water study done for the new water plant and the report showed that heavy metals and nitrates were not a problem, but more detailed studies need to be done.

Mr. Gagen said that the second water plant would take the pressure off the Tarn plant which would result in less water being taken out of the river. Mr. Gagen said that the Town of Blue River has contacted the Town of Breckenridge about water service. Mr. Gagen explained the Councils policy on servicing areas outside the Town limits. Mr. Gagen explained that water plants located below a waste water plant discharge is done in other areas.

Mr. Warner said that the Town of Breckenridge is mirroring what the District has done with line extensions in order to service other areas like Blue River, Summit Estates and Woodmoor which would also allow for fire hydrants in these areas.

Mr. Gallagher said that a second water plant is necessary, especially if there is a forest fire.

Mr. Turek said one of the District's major concerns is having enough dilution flow at Farmers Korner

Mr. Gagen said that if the Town of Breckenridge continues to operate with one water plant then more water would have to come out of the river and they have the water rights to do that. But this is not what the Town wants to do.

Mr. Stimson said that he was concerned with water being taken out of the river for snow making which would reduce the District's dilution flows.

Mr. Porzak explained the ski area's water diversion structure.

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Mr. Porzak explained the first two water cases. The Tarn enlargement was originally 27,000 acre feet but the Town realized there was no way it could be developed and would flood homes, so only 2,500 acre feet were moved to the McCain property. The Town of Breckenridge looked at the Swan River, but it was not a good site because it is a big gravel pit.

Mr. Stimson asked if the Town could guarantee dilution flow for the District.

Mr. Porzak said that if the Town of Breckenridge is forced to operate with one water plant they would be forced to use senior water rights above Iowa Hill. Therefore, reducing dilution flow for the District which is why the diversion needs to be downstream of the District's waste water treatment plant.

The Board, Mr. Porzak and Mr. Gagen discussed the issues of a water plant being located below a waste water treatment plant.

Mr. Theobald stated that it is a matter of choice of whether or not to locate a water plant below a waste water treatment plant.

Mr. Theobald asked Mr. Porzak, if the Town of Breckenridge takes water out of the river either above or below the District's waste water plant would it still hurt the District's dilution flow because the Town of Breckenridge water rights are still senior.

Mr. Porzak explained the junior and senior water rights that the Town of Breckenridge has.

Mr. Theobald said that both the District and the Town of Breckenridge are on the same side, so how do we resolve the issues that have been discussed?

Mr. Gagen said that the Town of Breckenridge needs to do more studying on the water plant and water sampling once the Iowa Hill waste water treatment plant is back online. Mr. Gagen said that the water plant is in the early planning stages and would not be built until 2018 or 2019. Mr. Gagen offered a letter from the Breckenridge Town Council assuring the District that it is not the intent of the Town of Breckenridge to injure the District.

Mr. Theobald thought that a letter showing intent would be a good idea. Mr. Theobald asked if the Town of Breckenridge had considered putting the intake to the McCain Reservoir above the Iowa Hill waste water discharge.

The group discussed Mr. Theobald's question. Mr. Porzak said the he would investigate the idea of the intake to the McCain Reservoir being above the Iowa Hill discharge. Although, the McCain Reservoir was not intended for drinking water, the intent was for augmentation in order to put water back into the river. Also, the McCain Reservoir would only be filled during high flow periods which could not happen during dry years.

Mr. Carlberg asked how the District and the Town of Breckenridge could settle the water rights issues.

Mr. Porzak said that he would clarify language in the McCain water exchange case, indicating that the stored water is not intended for drinking water purposes. Mr. Porzak said that he would provide language to the District which would allow the District to divert dilution flow at Farmers Korner and the Town of Breckenridge would not call out the District from taking water, unless the Town of Breckenridge could have called out the District at the Tarn. Mr. Porzak stated that an operational plan will be provided.

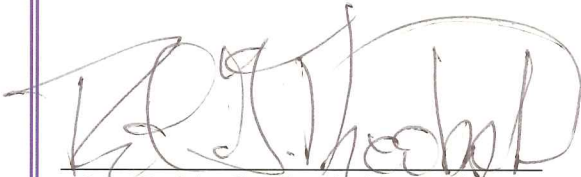
Mr. Gagen said that he would like to see the lines of communication continue between the Town of Breckenridge and the District.

The Board thanked the Town of Breckenridge for their help.

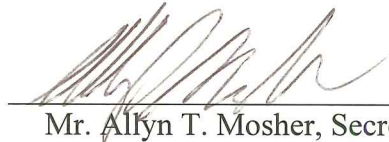
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ADJOURN:

Mr. Turek made a motion to adjourn the meeting at 10:48 AM. Mr. Mosher seconded the motion. The motion was passed unanimously by the Board.



Mr. Robin G. Theobald, President



Mr. Allyn T. Mosher, Secretary