

Meadow Mountain Water Supply Company

January 17, 2014

Dear _____,

As outlined in our last correspondence, your water board has chosen to upgrade our existing water treatment process to include an ultra-fine membrane filtration system to satisfy the Colorado Department of Public Health and Environment (CDPHE) requirements. Your water system, Meadow Mountain Water Supply Company (MMWSC) has been under an enforcement order from CDPHE since 2011 due to high turbidity during spring run-off. A requirement included in the order was to contract a Professional Engineer to evaluate and recommend turbidity treatment technologies and operational upgrades. To this effect the Water Board chose Lidstone and Associates. At the November monthly water board meeting, Lidstone and Associates presented several process options which would eliminate our turbidity issues. After extensive consultation, discussion, and further research by board members, the Innovative Water System ultra-fine membrane filtration process was selected. This system undoubtedly provides the purest water while minimizing capital and operating costs and eliminating the need for continuous chemical coagulant addition. To avoid further CDPHE violations with respect to turbidity during the 2014 spring run-off, the water board is making every effort to have the water plant changes installed and operating by April.

In addition to satisfying CDPHE, the new ultrafine membrane filtration system will be a significant enhancement to our properties. It will eliminate the turbidity problems we have experienced in the past, and will ensure each lot owner an absolutely pristine water supply. After this upgrade, we can boast of having some of, if not *the*, world's best water, from a protected watershed located almost entirely inside Rocky Mountain National Park, and purified by state of the art technology thereby eliminating the necessity for chemical coagulant addition such as potassium aluminum sulfate, commonly known as alum, which is ubiquitous in public water systems and is even used in the Allenspark water system. Our commitment to chemical free, minimally processed water will augment our property values.

To pay for the process upgrade, every lot (developed and undeveloped) is being assessed a one-time fee of \$3,500. As the board realizes that not every lot owner may be able to immediately fund this payment, we have provided a four year payment option. The payment option is \$250 per quarter for 16 quarters, resulting in a total payment of \$4,000. The four year payment option has an imputed interest rate of 7.4% with the first installment of \$250 due April 1.

The board is making a special request to all property owners – please, if possible, pay the full amount of \$3,500 as soon as possible, **before the April 1 deadline**. The funds are needed to enable the possibility of installation before 2014 spring run-off. To show our commitment, each board member has already paid their \$3,500. The process upgrade is projected to cost \$170,000 to \$200,000, with \$120,000 due prior to April. If a significant number of lot owners select the four year payment option, our operating reserves will not be able to fund the balance of the project costs and we will need to seek a financing solution, adding to the cost of the project.

Please note that the board has evaluated every option to keep water flowing to our homes. It is to no one's advantage to 'do nothing' or challenge CDHPE regarding their right to terminate our water supply. They have the authority. This assessment is the best and lowest cost option to protect our water supply, and at the same time enhance our property values by using state of the art filtration technology to produce safe, chemical free and minimally processed water.

Regards,

Your MMWSC Water Board