

June 2011

Dear Kings Valley resident,

GOOD NEWS! Thanks to the hard work of our staff and consulting engineer, MWSD has received approval for our radionuclide mitigation project.

AND MORE GOOD NEWS – To finance this project and other improvements to our water distribution system, the District has obtained a one million dollar loan at ZERO percent interest from the Colorado Water Resources and Power Development Authority.

We expect to begin construction this year on a new building to be located near the main storage tank. When completed, the building will house ion exchange equipment that has been designed to remove uranium from the eight wells that supply ground water to the main storage tank. Other pumping and distribution system improvements will follow.

Once the work is completed, water entering the distribution system from the main storage tank will have radionuclide levels that are well below the allowable limits. In addition, the District will have a more energy-efficient pumping system and a water distribution system that are expected to have significantly less potential for leakage.

Funding

In 2006, the District residents approved one million dollars of general obligation debt to cover the costs of capital projects, specifically including, but not limited to, infrastructure needed to remove radionuclide contaminants.

The loan from the Colorado Water Resources and Power Development Authority will be repaid from property taxes. Since the District has obtained an interest-free, 20-year loan, the annual costs to each property owner will be significantly less than was envisioned five years ago when the voters approved the issuance of debt.

Project History

As explained in the quarterly letters provided to you, water entering the distribution system from the main storage tank exceeds the level of uranium allowed by the EPA for drinking water. The District has been ordered by the Colorado Department of Public Health and Environment (CDPHE), to resolve the exceedance as quickly as possible.

The District began researching mitigation methods a number of years ago. The CDPHE then asked us to participate in a study to determine options for uranium removal and disposal, and we received a report from the CDPHE about our alternatives in March 2009. After evaluating the recommendations in the report, the District retained AquaWorks, DBO, Inc. (AquaWorks), a consulting engineering firm, to design a water treatment system. The AquaWorks design will cost significantly less than the recommendations in the state report.

In February 2010, AquaWorks submitted a “Drinking Water Construction Application” to the CDPHE. The plan was approved on June 17, 2011.

How are Radionuclides Removed from Water?

The ion exchange media that will be used is a proprietary product marketed by Water Remediation Technology, LLC, (WRT). No chemicals are added to the water during the treatment process, and the media is certified by the EPA for use in drinking water systems. WRT conducted a pilot study, funded by a grant from the CDPHE, that confirmed the ability of the ion exchange media to remove radionuclide contaminants from the District's source ground water supplies.

For additional information about these and other District issues, please visit our website, www.mtwaterandsan.com or call the office at 303-838-1800. You are also invited to attend our board meetings, held at 7 p.m. the first and third Tuesdays of each month at the District office. All meetings are open to the public.

Sincerely,

Board of Directors
Mountain Water and Sanitation District