



MEMORANDUM

DATE: May 22, 2014
TO: City Council
Cc: Bill Bell, City Manager, Rob Joseph, Assistant City Manager, Lisa DelPiccolo, City Clerk
FROM: John Harris, Public Works Director
RE: May 2014 Project 7 Board Meeting Update

I attended the Project 7 board meeting on May 22, 2014.

Montrose continues to consume approximately thirty nine percent (39%) of all P7 treated water delivered. Consumption is up approximately 18 percent during the month (Montrose - April 2014 vs. April 2013). 2014 consumption throughout the system is down significantly from the seven year average. Consequently, revenues from treated water sales are down significantly. However, Adam Turner (P7 Director) is managing monthly expenses well.

Kelly Neal Skates presented the Annual Financial Statements and Independent Auditor's Report. The Project 7 Water Authority is currently financially healthy.

A draft of the 2014 Consumer Confidence Report (CCR) was distributed to the Board for review. The CCR will be distributed to the public in June 2014.

Three Board of Director positions (Chairman, Vice-Chairman, and Secretary/Treasurer) were up for election. Randy Meaker (Menoken Water) was elected as Chairman, Wayne Blair (Town of Olathe) was elected as Vice-Chairman, and Vicki Ripp (Tri-County Water) was elected as Secretary/Treasurer.

A lengthy discussion ensued regarding the addition of fluoride to treated water. Adam noted that Project 7 will exhaust the current supply of U.S. manufactured fluoride by July 2014. Project 7 currently owns the last known U.S. sourced dry powder fluoride in existence. There are currently no remaining U.S. manufacturers of fluoride. Adam presented the following four fluoridation options for consideration:

1. Purchase new product from Chinese sources
2. Purchase Sodium Fluoride from yet to be determined sources
3. Switch to an acid feed system
4. Discontinue fluoridation

Board members unanimously expressed concern with poor/non-existent quality assurance and quality control issues with Chinese manufactured products. The Sodium Fluoride product is approximately thirty-three percent (33%) as effective and costs approximately three times more than the dry powder product currently in use. Switching to an acid feed system requires significant upgrades to the water treatment plant, introduces additional corrosion issues, requires extensive operator training, and requires additional permitting. Dillon, Palisade, Boulder, and Aspen have discontinued water fluoridation. Adam also noted that fluoride is naturally occurring in our source waters. Each Board member discussed his/her opinion of the options presented. After considerable discussion, the Board unanimously voted to discontinue fluoridation after the existing U.S. sourced dry powder product is exhausted. Adam will develop talking points and educational materials for citizens opposed to the decision.

Adam encouraged board members and the public to attend a State of the River Meeting tentatively scheduled for June 2 at 7:00 p.m. after the Gunnison Basin Roundtable meeting at the Montrose Holiday Inn Express.