

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held January 19, 2000

Present were Chairman Pro Tem Garber, Secretary Teal, Treasurer Wheeler, Director Ballagh, and Director Lewis. Staff present were Dale Tooker, David Reinertsen, Dave Payne, Ruth Kubin, and Cindy Day.

Chairman pro tem Garber called the meeting to order at 7:30 p.m.

REORGANIZATION OF THE BOARD - Chairman pro tem Garber stated that reorganization of the Board was necessary and he would open the floor for nominations. Director Lewis nominated Director Garber for Chairman. Director Teal seconded the motion. Director Teal nominated Director Wheeler for Vice-Chairman. Director Lewis seconded the motion. Director Ballagh nominated Director Teal for secretary. Director Lewis seconded the motion. Director Wheeler nominated Director Ballagh for treasurer. Director Lewis seconded. Director Lewis moved for acclimation of the motions for the following:

Director Garber - Chairman;

Director Wheeler - Vice-Chairman;

Director Teal - Secretary; and

Director Ballagh - Treasurer.

Director Ballagh seconded the motion which passed unanimously

MINUTES OF DECEMBER 15, 1999 - Director Ballagh moved to accept the minutes of the December 15, 1999, meeting. Director Wheeler seconded the motion. The motion to accept the minutes with corrections passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Ballagh moved to approve the financial report paying the \$114,958.57 as shown on the report and \$15,565.29 as itemized on the supplemental report. Director Teal seconded the motion. The motion to approve the financial report passed unanimously.

EXPRESS AGENDA - The Directors reviewed the express agenda items. All items were accepted as presented.

Y2K - In preparation for the Y2K event, staff developed a *Y2K Procedures & Plans* action plan which identified various staffing requirements and responsibilities. The action plan was implemented and no problems were experienced during the calendar change over. To date, the District's customer billing and data bases have shown no ill affects with none expected.

Purchase of GVICo Shares from Fruita Marketing - Thirty shares of Grand Valley Irrigation Company (GVICo) were purchased on December 30, 1999 from Fruita Marketing. Share price paid was \$240.00 per share for a total of \$7,200.00. This brings the total number of GVICo shares owned by the Clifton Water District to 1,530.

Cost of AWWA Participation - A report identifying the costs and time associated with Manager Tooker's participation in the American Water Works Association for the 1999 calendar year has been provided to the Board. The total cost of participation for 1999 was \$1,752.98 and the time involvement was 164.3 hours (7.9% of the annual work hours).

Watermark of Excellence Award - The Watermark of Excellence Award nominees for July through December 1999 were Dennis Carlson (Water Treatment Operator), Lori Cosslett (Meter Reader), and Mark Dalley (Distribution Technician). An awards luncheon was held on December 23. Dennis Carlson was selected as the Watermark of Excellence Award recipient. A recap of the winter Watermark of Excellence Award expenses have been provided to the Board of Directors. Total cost of the Watermark of Excellence Award, December 1999, was \$406.07 and within the 1999 remaining budget for Employee Awards/Clothing.

Fish Sampling Results of September 1999 - As reported earlier, the Colorado Division of Wildlife sampled five ponds on District property for the purpose of identifying native and non-native species. There were a total of five ponds sampled, The gravel pit pond just east of the water treatment plant was void of fish, and there were no native fish found in the sampling of all five ponds. The large pond directly west of the new office location contained Large Mouth Bass and Channel Catfish and the three small ponds dug for the Mt. Garfield Middle School Outdoor Classroom just east of the new office location contained a non-game, non-native mosquito fish. The report will remain on file.

RMP (Risk Management Program) Public Meeting - The Mesa County Local Emergency Preparedness Committee (LEPC) has scheduled a mandatory Public Meeting for 7:00 p.m. Tuesday, January 25 at the Two Rivers Convention Center. The Public Meeting will address Grand Valley facilities that submitted Risk Management Plans to the US EPA in June 1999. The District sent meeting notification letters to approximately 160 property owners of record located within the treatment plant's zone of influence as a part of the public notification requirement.

Status of District Property - Contracts for the District's Orchard Mesa property and the office at 137 Third Street were completed. Any development in either of these issues will be reported to the Board as needed.

Health Insurance for 2000 - Rocky Mountain HMO delivered the increases in health insurance premiums for the year 2000 to the District. The increase was 13% which amounted to a \$12,800 increase in premiums annually. Management met with staff and it was decided to reduce coverage from the Rocky Mountain H10 Plan to the Rocky Mountain HMO Fit B Plan which would result in a \$7,600 annual increase, a difference of \$5,200 annually.

AWARD 99-02 (4 MG SETTLING POND PHASE 1) - Assistant Manager Reinertsen stated that the bid opening for Project 99-02, 4 MG Settling Pond (Phase I), had taken place on January 18, 2000. Bids presented were: Continental West Constructors, Inc. - \$87,587.00; Palisade Constructors, Inc. - \$65,898.00; Charles W. Sickles Construction - \$88,478.00; Skyline Contracting, Inc. - \$87,486.00; Taylor Constructors - \$69,900.00; Triple J Construction - \$53,500.00; and Weeminuche Construction Authority - \$96,622.24. Assistant Manager Reinertsen stated that because the appropriate paperwork was not submitted by Triple J Construction, the apparent low bidder, staff was recommending that the bid be awarded to Palisade Constructors, Inc. Director Ballagh moved that Project 99-02 be awarded to Palisade Constructors, Inc. in the amount of \$65,898.00. Director Lewis seconded the motion which passed unanimously.

PERSONNEL MANUAL CHANGES TO SECTION 5 (HOURS OF OPERATION) - Staff prepared an updated version of Section 5, Hours of Operation, for the Clifton Water District Personnel Manual. The policy states that the office hours will be Monday through Friday 8 a.m. to 5 p.m. except holidays and identifies that the Manager has the discretion of adjusting the operating hours of the office to serve the needs of the District's customers. Director Ballagh moved acceptance of the revised Section 5 of the District's Personnel Manual. Director Lewis seconded the motion which passed unanimously.

PERSONNEL MANUAL CHANGES TO SECTION 8.7 (EMPLOYEE PERFORMANCE EVALUATIONS) - Staff prepared an updated version of Section 8.7, Employee Performance Evaluations, for the Clifton Water District's Personnel Manual. The proposed changes in Section 8.7 identified updated procedures for Performance Evaluations. Director Lewis moved acceptance of the changes to Section 8.7 of the Personnel Manual. Director Teal seconded the motion. After several changes were made to the proposed Section update, Director Ballagh moved to defer further discussion of this item until revisions could be made and presented again. Director Wheeler seconded the motion to defer which passed unanimously.

PERSONNEL MANUAL CHANGES TO SECTION 8.8 (CHANGES IN COMPENSATION LEVEL) - Staff prepared an updated version of Section 8.8, Changes in Compensation Level, for the Clifton Water District's Personnel Manual. The changes identify procedures to adjust compensation levels. After several changes were suggested, Director Ballagh moved to defer further discussion of this item until revisions could be made and presented again. Director Wheeler seconded the motion which passed unanimously.

WAGGONER CONTRACT FOR THE INSTALLMENT PURCHASE OF A MULTIPLE UNIT TAP FEE - Staff presented a contract with the Waggoner's and John Whiting for the installment purchase of a multiple unit tap fee for the Waggoners (customers of the Hidden Valley Water Company). Director Ballagh moved to authorize the Chairman and Secretary of the Board to sign the contract which the Board had directed staff to prepare at the October 20, 1999, meeting creating a variance to the District's Water Usage Fee Policy for the Waggoner's to make payments to the District for the multiple unit tap charges. Director Lewis seconded the motion which passed unanimously.

OTHER UNFINISHED BUSINESS - Information was presented to the Board regarding customer complaints of 'white particles' in their water. Plant Supervisor Payne stated that, after some analysis, it was discovered that the particles were plastic pieces. Further investigation revealed that a lawsuit has been initiated by Rhcem Manufacturing against Perfection Corporation that manufactures the dip tubes in certain hot water heaters. In question are the suspected dip tubes installed in residential water heaters from 1993 through 1996 that remained available for purchase until September 1999. The Board will be kept informed concerning any future developments.

ADVANCED MANAGEMENT INSTITUTE 2000, UNIVERSITY OF UTAH - Director Lewis deferred discussion of this item to the executive session.

CHILDREN'S WATER FESTIVAL - Director Wheeler moved to commit funds up to \$1,000 to cover one-third of the cost of the Children's Water Festival (which will be held on May 16 and 17, 2000) that runs over the amount donated by other sponsors. Director Lewis seconded the motion which passed unanimously.

APPOINT DESIGNATED ELECTION OFFICIAL - Director Lewis moved that Cindy Day be appointed to act as the Clifton Water District Designated Election Official for the 2000 Election. Director Ballagh seconded the motion which passed unanimously.

DESIGNATED PUBLIC PLACE FOR MEETINGS AND POSTINGS PLACES WITHIN DISTRICT BOUNDARIES FOR NOTICES OF PUBLIC MEETING - Director Ballagh moved that the designated meeting place for the public meetings be the Water District office at 510 34 Road in Clifton with public notices being posted at the Clifton Fire Station, Clifton Branch of the Mesa County Recorder's office, and the Clifton Sanitation #2 office. Director Teal seconded the motion which passed unanimously.

AVAILABILITY OF SERVICE CHARGE POLICY AMENDMENT - Each year, by policy, the Board is to set the amount that is charged for the Availability of Service Charge. Director Ballagh moved adoption of the Availability of Service Charge Policy amendment which states that: "In fiscal year 1999, the average monthly usage charge per user was \$22.41 and the Board has determined that the availability of service charge shall be 35.7% of the average monthly usage charge per user in 1999 which is \$8.00 per month." Director Wheeler seconded the motion. Staff requested an addition to the Availability of Service Charge policy that states specifically that out-of-District customers will be charged 1.5 times the in-District rate. The Board directed Manager Tooker to seek an opinion from Attorney Bechtel concerning changing the policy without a public hearing. Manager Tooker will report Bechtel's counsel at the February meeting. The motion to adopt the amended Availability of Service Charge Policy passed unanimously.

PERSONNEL MANUAL CHANGES TO SECTION 3 (EMPLOYMENT STRUCTURE) - Section 3, Employment Structure, of the Clifton Water District's Personnel Manual had been revised and presented to the Board. Director Lewis moved adoption of the revised Section 3 of the District's Personnel Manual. Director Teal seconded the motion. The motion to accept the revised Section 3 with minor corrections passed unanimously.

PERSONNEL MANUAL CHANGES TO SECTION 6 (MEAL AND COFFEE BREAKS) - An updated version of Section 6, Meal and Coffee Breaks, for the Clifton Water District's Personnel Manual was presented to the Board. Director Lewis moved acceptance of the revised Section 6 for the District's Personnel Manual. Director Ballagh seconded the motion. The motion to accept the revised Section 6 with minor corrections passed unanimously.

PERSONNEL MANUAL CHANGES TO SECTION 10 (HOLIDAYS) - A staff report was included in the Board packet concerning Personnel Manual Section 10, Holidays. Revisions to the policy removed Colorado Day/Columbus Day as a holiday and uniformly recognized President's Day as a holiday for all employees. Director Ballagh moved acceptance of the revised Section 10 for the District's Personnel Manual. Director Wheeler seconded the motion. The motion to accept the revised Section 10 with minor corrections passed unanimously.

PERSONNEL MANUAL CHANGES TO SECTION 11 (ANNUAL LEAVE) - Manager Tooker stated that because Colorado/Columbus holiday was removed in Section 10, he was proposing that the District add eight (8) hours of personal leave for each employee Under Section 11. The addition of eight (8) hours will increase the personal leave to a total of 16 hours per year. Director Wheeler moved adoption of the revised Section 11. Director Lewis seconded the motion which passed unanimously.

OUT-OF-DISTRICT SERVICE FOR PROPERTY AT 1890 REEDER MESA ROAD - Manager Tooker stated that Mr. Oscar Massey was requesting that the Clifton Water District include his residence and the area below the 4800-foot contour line in the out-of-District service area. Mr. Massey currently receives water from the City of Grand Junction's raw water flow line and the City was requiring Mr. Massey to seek an alternative water supply. The area that Mr. Massey is requesting the District to service is in the S1/2 of the SE1/4 of Section 7, Township 2 South, Range 2 East of the Ute Meridian. There are approximately 38 acres below the 4800 foot contour line. Director Ballagh moved that the District allow Mr. Massey to receive potable water from the District at out-of-District rates. Director Lewis seconded the motion which passed unanimously.

LIFE INSURANCE AND ACCIDENTAL DEATH PROPOSAL - Manager Tooker requested that the Board to consider providing a \$20,000 Life Insurance and Accidental Death policy for each employee. It was the consensus of the Board that if there were funds available for said coverage in the budget, it was at the Manager's discretion what benefits were purchased for the District personnel.

OTHER NEW BUSINESS - It was the consent of the Board members that a letter of commendation to the Management of the District be written for their Y2K preparedness.

Director Garber stated that, in light of issues in the news, he would like to confirm that the District has an identification card program in place for all staff members.

Director Ballagh questioned what the District policy was in regard to how much and what type of action is taken on the part of District staff that goes beyond the meter service connection of each customer. After some discussion it was decided that staff will make a presentation in this regard to the Board at a future meeting.

It was the consensus of Board and staff that a planning meeting would be scheduled for the beginning of February. Staff will schedule the meeting and notify the Directors of the date and time.

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Manager Tooker presented a memorandum to the Board regarding surplus equipment that has accumulated at the District. Bids for said equipment will be accepted until 3:00 p.m. on Friday, January 21, 2000, at which time bids will be opened and awarded.


A memorandum was presented to the Board regarding new staff positions. Director Garber stated that each person should be congratulated and wished well in their endeavors.


MANAGER'S PERFORMANCE EVALUATION - Director Teal moved to enter executive session for this discussion. Director Lewis seconded the motion and it passed unanimously at 10:00 p.m.


At 11:30 p.m. Director Ballagh moved to exit from the executive session. Director Lewis seconded the motion which passed unanimously.

The meeting adjourned by mutual consent at 11:35 p.m.

ATTEST:


Secretary









**MINUTES OF THE PLANNING MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held February 2, 2000

Present were Chairman Garber, Secretary Teal, Treasurer Ballagh, and Director Lewis. Staff present were Dale Tooker, David Reinertsen, and Dave Payne.

Chairman Garber called the meeting to order at 6:00 p.m. noting that the time and place for said planning meeting was published in accordance with C.R.S. 29-1-106 (3)(a).

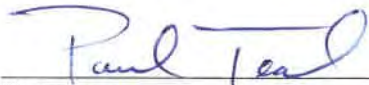
It was the consensus of the Directors that there would be no ballot questions in the election.

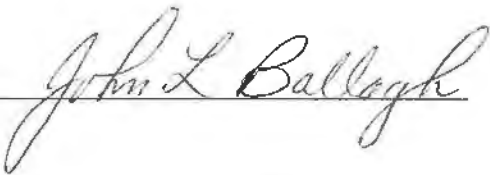
Director Wheeler entered the meeting at 7:15 p.m.

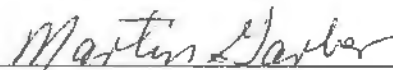
Planning items discussed by the Board included a review of staff's preliminary major Capital Improvement plan and planning direction for the District.

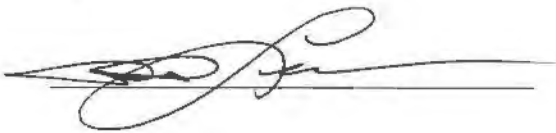
By unanimous consent the meeting was adjourned at 8:00 p.m.

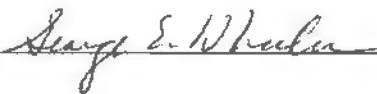
ATTEST:


Secretary









**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held February 16, 2000

Present were Chairman Garber, Vice-Chairman Wheeler, Secretary Teal, Treasurer Ballagh, and Director Lewis. Staff present were Dale Tooker, David Reinertsen, Dave Payne, Ruth Kubin, and Cindy Day.

Chairman Garber called the meeting to order at 7:30 p.m.

MINUTES OF JANUARY 19, 2000 - Director Wheeler moved to accept the minutes of the January 19, 2000, meeting. Director Teal seconded the motion. The motion to accept the minutes with corrections passed unanimously.

MINUTES OF FEBRUARY 1, 2000 - Director Wheeler moved to accept the minutes of the February 1, 2000, planning meeting. Director Ballagh seconded the motion. The motion to accept the minutes as presented passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Ballagh moved to approve the financial report paying the \$40,388.35 as shown on the report and \$76,404.28 as itemized on the supplemental report. Director Teal seconded the motion. The motion to approve the financial report passed unanimously.

EXPRESS AGENDA - The Directors reviewed the express agenda items. All items were accepted as presented.

Risk Management Plan (RMP) Public Meeting - On January 25, 2000, Assistant Manager Reinertsen and Plant Supervisor Payne represented the Clifton Water District at a Public Meeting held at Two Rivers Convention Center. This public meeting was held to discuss the various Risk Management Plans that were submitted by local industries and utilities in Mesa County. The Public Meeting was attended by approximately 60 people and included media representatives. Several Clifton Water District customers were in attendance. This meeting fulfills the compliance requirements of Section 4 - Public Law No. 106-40 which mandated all RMP filers to "describe and discuss the local implications of the risk management plan" submitted by the facility "including a summary of the off-site consequence analysis portion of the plan."

Project 99-02 (4 MG Settling Pond Phase 1) - Construction began on the valve vault building on February 1, 2000. The project is progressing satisfactorily.

2000 Election - Currently there are two individuals interested in filling the two Board positions expected to be vacated by Director Lewis and Director Wheeler. At the February 1, 2000, planning meeting, the consensus of the Board was to not have any other ballot issues during the May election.

Customer Service - Two new payment drop boxes have been established to improve the District's customer service and bill payment opportunities. The new drop boxes are located at Albertsons in the Peachtree Shopping Center and Safeway at 29 and F Roads.

PERSONNEL MANUAL CHANGES TO PARAGRAPH 8.7 (EMPLOYEE PERFORMANCE EVALUATIONS) AND 8.8 (CHANGES IN COMPENSATION LEVEL) - As directed by the Board at the January 19, 2000, meeting, staff presented an amended Section 8, Compensation, for the Clifton Water District Personnel Manual. Director Ballagh moved acceptance of the presented Section 8. Director Lewis seconded the motion. The motion to accept the amended Section 8, Compensation, for the Clifton Water District Personnel Manual with corrections passed unanimously.

AVAILABILITY OF SERVICE CHARGE POLICY - Manager Tooker stated that Attorney Bechtel recommended that if new language were to be added to the policy changing the out-of-District Availability of Service charge, an official public hearing would be required. Manager Tooker stated that there is currently only one out-of-District customer effected by the Availability of Service Charge Policy and he was recommending that no changes be made in the policy.

PROJECT 99-01 (GUNNISON AVENUE) - Assistant Manager Reinertsen recapped the Gunnison Avenue project. Staff requested that the Board approve advertising and final payment for the project. Director Ballagh moved to approve advertising and final payment of the Clifton Water District Project 99-01. Director Wheeler seconded the motion which passed unanimously.

CANAL TELEMETRY LINE REPLACEMENT/UPGRADE - Assistant Manager Reinertsen reiterated the staff report that had been included in the packet for Board review. The District has the option of repairing the telemetry line that is underground, installing a new line on the Public Service power poles. Staff recommended utilizing the Public Service power poles and upgrading the line for future use. Staff also recommended that the Board authorize the signature of the Public Service Pole License Contract and the payment of an annual fee to utilize the poles. Director Lewis moved to authorize the signature of the Pole License Contract for the District to install the canal telemetry line overhead. Director Teal seconded the motion which passed unanimously.

OTHER NEW BUSINESS - It was the consensus of the Board to hold a planning meeting on March 1, 2000, at the Water Office at 5:00 p.m.

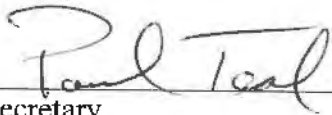
Director Ballagh moved that all District checks require two signatures which can be one Board member and the Manager. Director Lewis seconded the motion. After some discussion, the motion passed with Directors Lewis, Ballagh, and Garber voting for the motion and Directors Teal and Wheeler voting against the motion.

Assistant Manager Reinertsen told the Board about the B½ Road Project wherein Mesa County recently informed the District that they would be installing a box culvert on B½ Road where there is currently a bridge. The District had to relocate the 10" line that runs along B 1/2 Road to accommodate the County replacing the bridge with a box culvert. Assistant Manager Reinertsen stated that this item was not included in the 2000 budget because the District had no knowledge of the Plans of the County until in January. No action was necessary.

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The meeting adjourned by mutual consent at 8:45 p.m.

ATTEST:


Secretary







**MINUTES OF THE PLANNING MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held March 1, 2000

Present were Chairman Garber, Secretary Teal, Treasurer Ballagh, and Director Wheeler. Staff present were Dale Tooker and David Reinertsen.

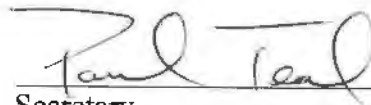
Chairman Garber called the meeting to order at 5:00 p.m. noting that the time and place for said planning meeting was published in accordance with C.R.S. 29-1-106 (3)(a).


It was the consensus of the Board to update and improve the District's By-laws. The Board drafted a detailed set of by-laws for the District. Staff was directed to prepare said District By-Laws and submit them to the District's attorney for opinion.

Director Ballagh made a motion to change the regular scheduled Board meeting time from 7:30 p.m. to 6:30 p.m. Director Teal seconded the motion which passed unanimously.

By unanimous consent the meeting was adjourned at 8:17 p.m.

ATTEST:


Secretary





Resolution Adopting a Flexible Benefits Plan

WHEREAS the Clifton Water District wishes to adopt a voluntary cafeteria-style Flexible Benefit Plan within the context of Section 125 of the Internal Revenue Code for the benefit of the District's eligible employees;

WHEREAS the District believes that it is important to provide supplemental benefits to eligible employees;


WHEREAS the Flexible Benefit Plan will be voluntary;

WHEREAS the premiums for the Flexible Benefit Plan will be paid by the employee as a pre-tax payroll deduction;

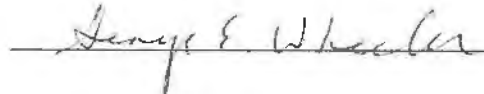
NOW THEREFORE BE IT RESOLVED that the Clifton Water District Board of Directors hereby adopts the American Family Life Assurance Company's (AFLAC) Flexible Benefits Plan for the Clifton Water District with an effective date of May 1, 2000,

BE IT FURTHER RESOLVED that the Manager of the Clifton Water District without further resolution may execute the Adoption Agreement and any related documents or amendments which may be necessary or appropriate to adopt the plan or maintain its compliance with applicable Federal, State, and local law effective March 15, 2000.

ATTEST:



Secretary







**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held March 15, 2000

Present were Chairman Garber, Vice-Chairman Wheeler, Secretary Teal, and Treasurer Ballagh. Staff present were Dale Tooker, David Reinertsen, Dave Payne, Ruth Kubin, and Cindy Day. Bill Christopher was present as a guest.

Chairman Garber called the meeting to order at 6:30 p.m.

MINUTES OF FEBRUARY 16, 2000 - Director Wheeler moved to accept the minutes of the February 16, 2000, meeting. Director Teal seconded the motion. The motion to accept the minutes as presented passed unanimously.

MINUTES OF MARCH 1, 2000 - Director Ballagh moved to accept the minutes of the March 1, 2000, planning meeting. Director Teal seconded the motion. The motion to accept the minutes as presented passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Wheeler moved to approve the financial report paying the \$93,220.88 as shown on the report and \$103,399.90 as itemized on the supplemental report. Director Teal seconded the motion. The motion to approve the financial report passed unanimously.

EXPRESS AGENDA - The Directors reviewed the express agenda items. All items were accepted as presented.

SDA Board Member Workshop - There will be an SDA workshop for Board members on Wednesday, June 14, 2000, at the Parachute/Battlement Mesa Rec Center. When staff receives registration information, it will be passed on to the Board.

Project 99-02 (4 MG Settling Pond Phase 1) - There have been several project delays due to vendor material delivery issues. While the project was approximately one week behind schedule as of 02/29/00, sufficient time remains to complete project critical components (canal line connections) prior to water delivery from the Grand Valley Irrigation Canal.

U.S. West New Vector Group, Inc. Cellular Agreement. This agreement is dated March 25, 1997. The Agreement is a 25-year lease with an initial five year period and four 5-year renewal periods. The District is currently receiving \$6,000 annually for 1997-2002. The contract rates as scheduled are: 2002-2007 - \$7,200 annually; 2007-2012 - \$8,640 annually; 2012-2017 - \$10,368 annually; and 2017-2022 - \$12,441. The contract may be canceled at the end of any one-year period and the lease amount has already been identified for each five-year term.

Water Treatment Goals and 1999 Performance - Staff has included a report on the Water Treatment Goals and 1999 Performance in the Board packet.

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Canal Telemetry Line Replacement/Upgrade - The Public Service pole license agreement was approved by Public Service Company. Local Public Service facility engineers evaluated existing pole conditions and determined all to be approved for the new overhead line attachment. Materials have been ordered and a qualified installer secured (Sturgeon Electric). Work is scheduled to be performed between March 20 and March 30.

Project 99-01 (Gunnison Avenue) - Advertising has been completed and no objections to final payment were received. Final retainage of \$2,046.47 was presented for payment. Total final project costs were \$30,579.36, including subcontractor and materials. Fifteen thousand dollars was budgeted for this project. Funds for this project were budgeted under the Construction Line Upgrades line item. Due to numerous change orders because of on-site conditions, the preliminary budget estimates were exceeded. There is, however, sufficient funding in the line item to accommodate the cost overruns without a budget transfer.

B ½ Road Canal Cost Summary - Relocation work was completed within the time frame identified by the Mesa County Road & Bridge Department. In addition to two new 10" main line valves, new C-900 10" main line was installed. Total cost for this relocation project was \$11,753.00, including subcontractor, materials, and Clifton Water District staff and equipment. This project was completed over a two week period with one six hour period of customer service outage. This item was not budgeted in 2000, and staff is requesting a \$12,000.00 budget adjustment from Contingency to Construction Line Upgrades under new business.

OTHER UNFINISHED BUSINESS - Director Garber read a letter from Robert Elsberry, Chairman of the Board of Ute Water Conservancy District, stating that they would be interested in having an Executive Committee of the Ute Board meet with the Clifton Water District Board in regard to discussions on a unified Grand Valley Water System. Manager Tooker will contact Larry Clever, Ute Water Conservancy District Manager, to schedule a meeting for Wednesday, April 5, 2000, at 5:00 p.m. at the Clifton Water District office.

ORCHARD MESA IRRIGATION DISTRICT CANAL EASEMENT - Staff worked with Attorney Krohn to draw up an easement for Orchard Mesa Irrigation District on the Water District's Orchard Mesa property. The easement meets with the approval of Orchard Mesa Irrigation District and staff. Director Ballagh moved to grant an easement to the Orchard Mesa Irrigation District across Water District property on Orchard Mesa because the Orchard Mesa Canal legally exists there, it is mutually agreeable to both parties, the District wishes to continue to work with Orchard Mesa Irrigation District, and to authorize signatures on the easement. Director Teal seconded the motion which passed unanimously.

RESOLUTION ADOPTING A FLEXIBLE BENEFITS PLAN - A Resolution required for the District to establish a supplemental voluntary employee-paid cafeteria-style benefit plan was presented to the Board. The company selected to provide the cafeteria plan is AFLAC (American Family Life Assurance Company). Director Ballagh moved to adopt the following Resolution to adopt a Flexible Benefits Plan under Section 125 of the Internal Revenue Code:

WHEREAS the Clifton Water District wishes to adopt a voluntary cafeteria-style Flexible Benefit Plan within the context of Section 125 of the Internal Revenue Code for the benefit of the District's eligible employees;

WHEREAS the District believes that it is important to provide supplemental benefits to eligible employees;

WHEREAS the Flexible Benefit Plan will be voluntary;

WHEREAS the premiums for the Flexible Benefit Plan will be paid by the employee as a pre-tax payroll deduction;

NOW THEREFORE BE IT RESOLVED that the Clifton Water District Board of Directors hereby adopts the American Family Life Assurance Company's (AFLAC) Flexible Benefits Plan for the Clifton Water District with an effective date of May 1, 2000,

BE IT FURTHER RESOLVED that the Manager of the Clifton Water District without further resolution may execute the Adoption Agreement and any related documents or amendments which may be necessary or appropriate to adopt the plan or maintain its compliance with applicable Federal, State, and local law effective March 15, 2000.

The supplemental benefits plan is administered at no cost to the District and is in addition to existing health care coverage. Director Wheeler seconded the motion which passed unanimously after some discussion.

LIFE INSURANCE PLAN - Staff requested authorization to sign the application to Principal Life Insurance Company for the District-financed \$20,000 Life and Accidental Death Insurance Policy for eligible employees. Director Wheeler moved that the Board allow the Manager to sign the contract for the life insurance plan with Principal Life Insurance Company as presented. Director Teal seconded the motion which passed unanimously.

BUDGET TRANSFER - Staff requested a \$12,000.00 transfer of funds from Contingency to Construction Line Upgrades line item to cover the costs associated with the unplanned and unbudgeted B ½ Road County project. Director Ballagh moved to transfer \$12,000 from Contingency to Construction Line Upgrades in the 2000 budget for the B1/2 Road County Project. Director Wheeler seconded the motion which passed unanimously.

LABORATORY SUPERVISOR - Manager Tooker stated that Gretchen Losbaugh has been selected as the Laboratory Supervisor from approximately 16 applicants and five interviewees for the position. Ms. Losbaugh has experience in analytical chemistry and gas chromatography and will take over the position on April 3, 2000.

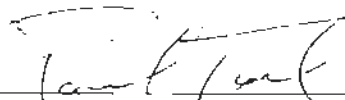
SULPHUR GULCH RESERVOIR - Manager Tooker stated that the District participated in filing a preliminary objection to the proposed Sulphur Gulch Reservoir near DeBeque with Orchard Mesa Irrigation District and Palisade Irrigation District. The project initiated by the Denver Water Board and Northern Colorado Water Conservancy District is a Colorado main stream pump back storage similar to the earlier proposed Roan Creek Project. The water would be earmarked for restoration, protection, and enhancement of endangered fish. The preliminary objection filed will provide the District with future information concerning the project, as well as getting the District involved with the Project. The Colorado River District intends to file a statement of opposition in this case as well. No action was necessary at this time.

Minutes
March 15, 2000
Page Four

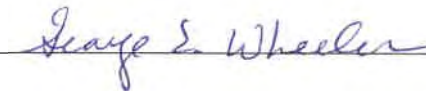
EXECUTIVE SESSION - 137 THIRD STREET PROPERTY - Director Teal moved to enter executive session for the purpose of discussion the District property at 137 Third Street. Wheeler seconded the motion which passed unanimously. After approximately 30 minutes, Director Ballagh moved to exit from executive session. Director Wheeler seconded the motion which passed unanimously. Director Wheeler moved that the District make a counteroffer as discussed in the executive session to the potential buyer on the property at 137 Third Street. Director Teal seconded the motion which passed unanimously.

The meeting adjourned by mutual consent at 8:57 p.m.

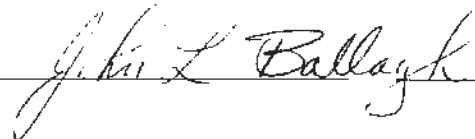
ATTEST:



Secretary







**MINUTES OF THE PLANNING MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held April 5, 2000

Present were Chairman Garber, Secretary Teal, Treasurer Ballagh, and Director Wheeler. Staff present were Dale Tooker, David Reinertsen, and Dave Payne. Guests present were Ute Water District Board members Wallace Downer, Bob Elsberry, Dot Hoskins, Bob King, and Jacque Stafford, and Ute Water Conservancy District Manager Larry Clever.

Chairman Garber called the meeting to order at 5:00 p.m. noting that the time and place for said planning meeting was published in accordance with C.R.S. 29-1-106 (3)(a).

Board members from Clifton Water District and Ute Water Conservancy District discussed issues concerning unification of water utilities. The discussion was informal and for informational purposes at this time. Staff will work with respective Boards on future meetings and will send invitation letters to the City of Grand Junction and the Town of Palisade for any future meetings.

Staff presented a real estate contract for the property at 137 Third Street. The Board ratified the decision to accept the offer and the Chairman of the Board signed the contract.

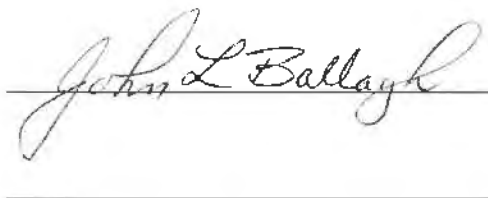
Staff presented Plan Administration Contracts from American Family Life Assurance Company (AFLAC) for the employees voluntary supplemental benefits plan for Board signature.

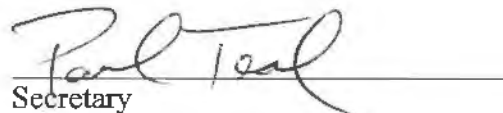
It was the consensus of the Board to schedule the Canvassing of Votes after the May 2 election for May 3, 2000, at 5:00 p.m. Following the Vote Canvassing, there will be a scheduled planning meeting. During this meeting there will be time allotted for a new Board member orientation and staff will present the 2000 Planning Report for discussion.

Staff reported that a nearby land owner was witnessed trespassing on District property. The individuals were confronted by Assistant Manager Reinertsen. As a result of this confrontation, the individuals wrote letters to *The Daily Sentinel*, the Army Corps of Engineers, Colorado Department of Health, and Mesa County, claiming that the Clifton Water District was illegally dumping asphalt and concrete on the river bank and District property. Manager Tooker informed the Board that he had scheduled a meeting with the Army Corps of Engineers for Friday, April 7, 2000, and would have a report prepared for the Board at the next regularly scheduled Board meeting.

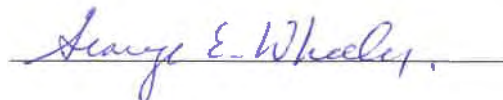
By unanimous consent the meeting was adjourned at 7:30 p.m.

ATTEST:




Secretary





**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held April 19, 2000

Present were Chairman Garber, Vice-Chairman Wheeler, Secretary Teal, and Treasurer Ballagh. Staff present were Dale Tooker, David Reinertsen, Gretchen Loshbaugh, Ruth Kubin, and Cindy Day. Nate Kever, Mary Brenes, and Bill Christopher were present as a guests .

Chairman Garber called the meeting to order at 6:30 p.m.

Minutes of March 15, 2000 - Director Ballagh moved to accept the minutes of the March 15, 2000, meeting. Director Teal seconded the motion. The motion to accept the minutes with corrections passed unanimously.

Minutes of April 5, 2000 - Director Wheeler moved to accept the minutes of the April 5, 2000, planning meeting. Director Ballagh seconded the motion. The motion to accept the minutes with corrections passed unanimously.

Nate Kever - Nate Kever with Dufford, Waldeck, Milburn, and Krohn was present to discuss District water issues. Director Ballagh moved to enter executive session for discussions with the attorney. Director Wheeler seconded the motion which passed unanimously. After a 15 minute discussion, Director Teal moved to exit from the executive session. Director Wheeler seconded the motion which passed unanimously.

1999 Audit - Mary Brenes with Chadwick, Steinkirchner, Davis, & Co., P.C. presented the 1999 Clifton Water District audit. Director Wheeler moved that the 1999 Clifton Water District Audit be accepted. Director Ballagh seconded the motion which passed unanimously.

Financial Report And Accounts Payable - Director Wheeler moved to approve the financial report paying the \$113,574.62 as shown on the report and \$5,234.85 as itemized on the supplemental report. Director Ballagh seconded the motion. The motion to approve the financial report passed unanimously.

Express Agenda - The Directors reviewed the express agenda items. All items were accepted as presented.

Canal Telemetry Line Replacement/Upgrade - Sturgeon Electric installed the new telemetry line and Public Service Company has inspected and approved the installation. Contractor work was completed by March 29, 2000. Treatment Plant staff have confirmed continuity of all the wires and connected the Treatment Plant to the Canal House via the new telemetry line.

Project 99-02 (4 MG Settling Pond Phase 1) - The contractor has completed installation of approximately 400 lineal feet of the 30" lines. The valve building is complete except for electrical work and final touch-up painting. The piping and valving was complete by March 31 in anticipation of canal use. All fittings were tested and no leakage has been detected. The project is currently at approximately 70% complete. Final completion of the original project and all issued change orders is expected by the end of April 2000.

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April 19, 2000
Page Two

GVICo Water - Water was turned into the Grand Valley Canal the week of April 3 and the water treatment plant switched over sources from the Colorado River to the Grand Valley Canal effective April 7.

Desert Vista Subdivision (Reeder Mesa Road) - Staff is in communication with Jim Dyer, owner/developer of the Desert Vista Subdivision on Reeder Mesa Road, to meet District requirements for the installation of an approved pump station which is necessary to provide water pressure to the Desert Vista Subdivision. The Desert Vista Subdivision was started in 1996 under the out-of-District Construction Policy at that time. The construction of a pump station by the developer was allowed by policy to provide pressure to customers above the 4800 foot contour. Staff is working on a long-range plan to incorporate the pump station to provide pressure to other District customers on Reeder Mesa Road, the Whiskey Flats area, and looping into Blair Road.

AFLAC Supplemental Benefits - The AFLAC supplemental benefit program was presented to the District employees and has been initiated. All IRS Section 125 documentation and plan administration has been completed and participating employees will begin the supplemental benefits program on May 1, 2000.

Clifton Water District Newsletter - The newsletter has been purposely delayed so that it can be used to identify the District's election on May 2. Candidate profiles are included in the newsletter which will be distributed to customers the week of April 24.

Election Status - The District election for the two vacant Board positions will be held on May 2, and vote canvassing will take place on May 3. There are four candidates for the two Board positions. The candidates are: Billy A. Christopher; A.C. Berry, Perry Rupp, and Brian Woods. The election is being held in conjunction with Clifton Sanitation District and Clifton Fire Protection District at the Clifton Fire Station.

Vote Canvassing - It was the consensus of the Board that the vote canvassing for the May 2, 2000, election will be held at 8:30 a.m. on May 3, 2000, at the Clifton Fire Station. Director Teal will be the Board representative in addition to one eligible elector of the District and the Designated Election Official. The oath of office for the new Board members will be issued to them at the May 17, 2000, meeting.

Army Corps of Engineer Meeting - Manager Tooker met with Randy Snyder from the Army Corps of Engineers to discuss claims of illegal dumping of asphalt and concrete on the District property. Manager Tooker stated that Mr. Snyder inspected the District's property and had no concerns related to the alleged dumping of asphalt and concrete. After some discussion it was decided that Manager Tooker will seek a consultant to evaluate the property for wetlands delineation. Manager Tooker will keep the Board members informed on this topic.

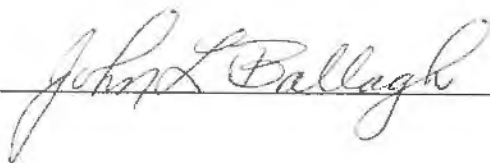
Policy House Cleaning - Manager Tooker recommended that Policy 911, Investment Policy Exception, be eliminated from the District's Policy Manual because all investments are in compliance with the five-year maturity criteria and the exception is not needed. Director Teal moved to rescind Policy 911, Investment Policy Exception. Director Ballagh seconded the motion which passed unanimously.

Lymon Hubbard - Out-of-District Service Request - A staff report was presented at the meeting in regard to an out-of-District Water Service Request for approximately 10 households that are above the 4800 foot contour line and approximately two miles from the District's distribution system on Reeder Mesa Road. Director Ballagh moved approval of Mr. Hubbard's request for out-of-District water service. Director Wheeler seconded the motion. After discussion wherein the Board re-emphasized the District's position to refrain from serving water above the 4800-foot contour, the motion to approve Lymon Hubbard's request was unanimously defeated.

The meeting adjourned by mutual consent at 9:10 p.m.

ATTEST:


Secretary







**MINUTES OF THE PLANNING MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held May 3, 2000

Present were Chairman Garber, Secretary Teal, Treasurer Ballagh, and Director Wheeler. Staff present were Dale Tooker, David Reinertsen, and Dave Payne. New Board-members-elect present were Brian Woods and Perry Rupp.

Chairman Garber called the meeting to order at 5:00 p.m. noting that the time and place for said planning meeting was published in accordance with C.R.S. 29-1-106 (3)(a).

Director Garber conducted a brief new Board member orientation for Mr. Woods and Mr. Rupp identifying numerous District activities and answering questions. All Board members and the Board-members-elect received a packet that contained copies of the District's Policy Manual, Personnel Manual, General Specifications Manual, Safety Manual, the Special District Association Board Member Manual, Special District Association Rules for Effective Board/Staff Team, and numerous materials to assist the transition to the Clifton Water District Board of Directors.

Staff presented the Planning Report 2000 and the Major Capital Improvement Plan for 2000 through 2005. Manager Tooker summarized the reports. No action was taken.

By unanimous consent the meeting was adjourned at 8:05 p.m.

ATTEST:

John L. Ballagh
Martin Garber

Paul Teal
Secretary
George E. Wheeler
Brian Woods

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held May 17, 2000

Present were Chairman Garber, Vice-Chairman Wheeler, Secretary Teal, and Treasurer Ballagh. Staff present were Dale Tooker, David Reinertsen, David Payne, Gretchen Loshbaugh, Ruth Kubin, and Cindy Day. Board members-elect Brian Woods and Perry Rupp were also in attendance.

Chairman Garber called the meeting to order at 6:30 p.m.

Unfinished Business - Chairman Garber stated that unfinished business would be addressed at the beginning of the meeting prior to the oath of office for the new members.

Certificate of Authority for Office Sale - Staff requested ratification of the Statement of Authority signed by Chairman Garber granting the authority for Manager Tooker to sign all documents associated with the sale of the property at 137 Third Street. Director Teal moved ratification of the Statement of Authority. Director Ballagh seconded the motion which passed unanimously.

Director Garber read and presented a plaque to George Wheeler for his years of service. Director Garber stated there was also a plaque for Dickie Lewis. Director Ballagh moved to enter the resolutions for George Wheeler and Dickie Lewis into the minutes. Director Teal seconded the motion which passed unanimously.

The resolution for George Wheeler read:

RESOLUTION IN HONOR OF *GEORGE E. WHEELER*

WHEREAS George E. Wheeler has served on the Clifton Water District Board of Directors from November 21, 1990 to May 2, 2000; and

WHEREAS George E. Wheeler's service was outstanding; and

WHEREAS George E. Wheeler's ideals and principals were incorporated into various Water District policies and decisions.

NOW THEREFORE BE IT RESOLVED that the Clifton Water District and Board of Directors express their appreciation for George E. Wheeler's efforts.

BE IT FURTHER RESOLVED that this resolution be presented to George E. Wheeler as an expression of appreciation for his dedication to the Clifton Water District.

The resolution for Dickie Lewis read:

RESOLUTION IN HONOR OF *DICKIE D. LEWIS*

WHEREAS Dickie D. Lewis has served on the Clifton Water District Board of Directors from May 20, 1992 to February 17, 2000; and

WHEREAS Dickie D. Lewis's service was outstanding; and

WHEREAS Dickie D. Lewis's ideals and principals were incorporated into various Water District policies and decisions.

NOW THEREFORE BE IT RESOLVED that the Clifton Water District and Board of Directors express their appreciation for Dickie D. Lewis's efforts.

BE IT FURTHER RESOLVED that this resolution be presented to Dickie D. Lewis as an expression of appreciation for his dedication to the Clifton Water District.

Oath of New Directors - Designated Election Official Cindy Day administered the Oath of Office to Brian Woods and Perry Rupp for Directors of the Board of the Clifton Water District for terms of four years each. Directors Woods and Rupp and Designated Election Official Cindy Day signed the appropriate "Oath of Office" forms for submittal to the proper government agencies.

Minutes
May 17, 2000
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Reorganization of the Board - Chairman Garber stated that he would entertain motions to reorganize the Board positions. Director Teal nominated Martin Garber as Chairman, John Ballagh as Vice-Chairman, Paul Teal as Secretary, Brian Woods as Treasurer, and Perry Rupp as Assistant Secretary. Director Ballagh seconded the motion which passed unanimously.

Signature Cards - Signature cards for the District's accounts were signed by the outgoing and incoming directors.

Minutes of April 19, 2000 - Director Ballagh moved to accept the minutes of the April 19, 2000, meeting. Director Teal seconded the motion. The motion to accept the minutes with corrections passed unanimously.

Minutes of May 3, 2000 - Director Ballagh moved to accept the minutes of the May 3, 2000, planning meeting. Director Teal seconded the motion. The motion to accept the minutes as presented passed unanimously.

Financial Report And Accounts Payable - Director Ballagh moved to approve the financial report paying the \$76,491.54 as shown on the report and \$1,071.54 as itemized on the supplemental report. Director Teal seconded the motion. The motion to approve the financial report passed unanimously.

Express Agenda - The Directors reviewed the express agenda items. All items were accepted as presented.

Vehicle Maintenance Program - Lori Cosslett has been assigned the duties of maintaining the District's new vehicle maintenance program. The new program utilizes computer software to maintain all vehicle records and the scheduling of preventative maintenance. Detailed reports and vehicle costs are produced to assist in the management of the District's fleet.

Valve Maintenance Program - Distribution department has initiated a valve maintenance program. The program includes scheduled valve operation and data entry collected from emergency repairs and maintenance projects.

Supervisor's Franklin Covey Training - Dale Tooker, Dave Reinertsen, Ruth Kubin, Dave Payne, Gretchen Loshbaugh, and Mark Dalley will be attending a time management course on May 23 in Grand Junction. Since all supervisors will be in the training course in Grand Junction, the appropriate chain of command procedures have been discussed with staff.

1999 Employee of the Year - Dennis Carlson, Water Treatment Plant Lead Operator, was selected as the 1999 Employee of the Year. Dennis was the Watermark of Excellence awardee in December 1999 and has done an outstanding job for the District.

Authorize New ACH Agreement - Staff requested the Board to sign an updated ACH (Automated Clearing House) contract with Palisade National Bank for electronic payment of water bills. Director Ballagh moved acceptance and signature of the ACH Contract. Director Teal seconded the motion which passed unanimously.

Update Backflow Prevention Policy - Staff recommended the approval of the updated Backflow Prevention Policy. The update is necessary because Article 14 has been changed to Article 12. All references in the District's policy to Article 14 have been replaced with Article 12. Director Rupp moved acceptance of the updated Backflow Prevention Policy. Director Teal seconded the motion which passed unanimously.

Budget Transfer for Confined Space - At the November 1999 Board of Directors meeting, the Board approved transferring the ownership of the District's confined space tripod and winch retrieval system to Clifton Sanitation District #2 and Clifton Fire Protection District's Confined Space Rescue Program. The donation of the existing Clifton Water District confined space equipment was authorized in fiscal year 1999, however, a specific donation date was not identified and the 2000 budget did not include the allocation of funds for the replacement purchase. Staff requested a transfer of \$5,700.00 from the Contingency line item to the Safety Equipment line item in the fiscal year 2000 budget. Director Ballagh moved that the transfer of \$5,700 be made from the Contingency line item to the Safety Equipment line item with a budget summary to be presented at the June meeting showing this transfer. Director Teal seconded the motion which passed unanimously.

Project 99-02 - Final Payment - A staff report was included in the Board packet requesting Board authorization to advertise for final payment to Palisade Contractors, Inc. for the completion of Project 99-02, Settling Pond (Phase I) in the amount of \$9,596.65. Director Teal moved that the District advertise for final payment to Palisade Constructors, Inc. Director Woods seconded the motion which passed unanimously.

Major Capital Improvement Plan Approval - At the May 3 Planning Meeting, staff presented the Board with the Planning Report dated May 3, 2000, and the Major Capital Improvement Plan (MCIP) for 2000 - 2005. Staff requested approval of the Major Capital Improvement Plan. Director Ballagh moved to defer discussion of this item to the next Board meeting. Director Garber stated that since there were no objections, this item would be deferred for discussion at the June 21, 2000, meeting. An orientation tour of District facilities and property for the new Board members will take place at the June 7, 2000, planning meeting.

July Vacations - Manager Tooker and Assistant Manager Reinertsen both have scheduled activities out of town centered around the July 4 holiday. Manager Tooker stated that the chain of command has been implemented to handle any emergency situations that may arise. No action was taken on this item.

Unauthorized Fire Hydrant Use - James B. Lehr, owner of JBL Pest Control dba Bug-Out Pest Control, Inc., requested that the Board drop the \$500 Unauthorized Fire Hydrant charge he had been assessed. District personnel witnessed one of his employees taking water from a District fire hydrant without authorization. According to Policy 901, Fire Hydrant Usage Policy, staff assessed a \$500 penalty and a \$2.30 per 1,000 gallon water usage fee for a total of \$502.30. Director Ballagh moved to waive the \$500 penalty for JBL Pest Control dba Bug-Out Pest Control, Inc. dated April 29, 2000 as requested in a letter from James B. Lehr. Director Teal seconded the motion which was unanimously defeated.

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May 17, 2000
Page Four

Other New Business - Manager Tooker presented a memo in regard to the District's 1999 audit as presented by Mary Brenes of Chadwick, Steinkirchner, and Davis, PC at the March Board meeting. Chairman Garber stated if there were no objections, he would defer discussion of the memorandum to the June meeting.

Director Garber requested that Manager Tooker present a break down of the wages and benefits for each employee to the Board at the June meeting.


Assistant Manager Reinertsen updated the Board members of proposed major developments that may be occurring in the near future.


At 8:08 p.m. Director Ballagh moved to enter executive session to discuss personnel matters. Director Teal seconded the motion which passed unanimously.

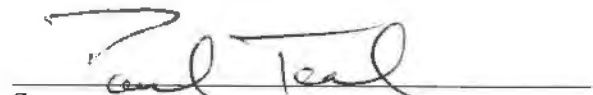
At 9:00 p.m. Director Teal moved to exit from executive session. Director Ballagh seconded the motion which passed unanimously.

Director Ballagh moved to adjourn the meeting. Director Teal seconded the motion which passed unanimously. The meeting was adjourned at 9:05 p.m.


ATTEST:








Secretary





**MINUTES OF THE PLANNING MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held June 7, 2000

Present were Chairman Garber, Vice Chairman Ballagh, Secretary Teal, Treasurer Woods, and Vice Secretary Rupp. Staff present were Dale Tooker and David Reinertsen.

Chairman Garber called the meeting to order at 5:05 p.m. noting that the time and place for said planning meeting was published in accordance with C.R.S. 29-1-106 (3)(a).

From 5:05 p.m. to 6:30 p.m. the Board was taken on a tour of the District facilities in the Whitewater area. Areas visited by the Board were the Orchard Mesa Property, Plant #1 site, Whitewater, Indian Creek Pump Station on Desert Road, Whiting exchange on Blair Road, and the general distribution system of the Whitewater area.

At 7:15 p.m. Director Teal moved to enter executive session to discuss personnel issues. Director Rupp seconded the motion which passed unanimously.

At 8:00 p.m. Director Teal moved to exit from executive session. Director Rupp seconded the motion which passed unanimously.

Director Teal moved to distribute a questionnaire to all Clifton Water District employees requesting their confidential response which would be mailed back to Chairman Garber by June 16, 2000, and the results will be presented to the Manager at the June 21, 2000, regularly scheduled Board meeting. Director Woods seconded the motion which passed unanimously.

By unanimous consent the meeting was adjourned at 8:05 p.m.

ATTEST:

John L. Ballagh
Brian Woods

Paul Teal
Secretary
Rupp/Rupp
Martin Garber

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held June 21, 2000

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods, and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, David Payne, Gretchen Loshbaugh, and Cindy Day.

Chairman Garber called the meeting to order at 6:30 p.m.

Minutes of May 17, 2000 - Director Ballagh moved to accept the minutes of the May 17, 2000, meeting. Director Teal seconded the motion. The motion to accept the minutes as presented passed unanimously.

Minutes of June 7, 2000 - Director Teal moved to accept the minutes of the June 7, 2000, planning meeting. Director Woods seconded the motion. The motion to accept the minutes as presented passed unanimously.

Financial Report And Accounts Payable - Director Ballagh moved to approve the financial report paying the \$70,264.23 as shown on the report and \$395.53 as itemized on the supplemental report. Director Teal seconded the motion. The motion to approve the financial report passed unanimously.

Express Agenda - The Directors reviewed the express agenda items. All items were accepted as presented. Director Teal moved acceptance of the express agenda as presented. Director Woods seconded the motion which passed unanimously.

Special District Association (SDA) Conference 2000 - The SDA Conference is scheduled for September 13-15 in Vail. Housing Registration Forms are available from staff for those Board members interested in attending.

Nanofiltration Plant Operation - Normal operational shut down of the Nanofiltration plant was May 17, 2000. Total Dissolved Solids (TDS) concentrations have been reduced because of run-off. The Nanofiltration plant will resume operation when it is needed to meet Water Quality Goals.

Project 99-02 (Phase I) - Included in the packet is a Staff Report with the final project costs for Phase I of the Settling Pond Project.

Vehicle Maintenance - Controllable Cost - In conjunction with the updated Vehicle Program and the District's Controllable Cost Program, staff has conducted an evaluation of the routine maintenance costs for the District's Fleet. Fleet discounts have been negotiated and an estimated annual cost savings of \$230 will be achieved using a selected vendor for routine preventative maintenance (oil, transmission, radiator). This evaluation was performed in conjunction with the new fleet management program identified at last month's Board meeting.

Water Mark of Excellence Award - The January - June 2000 Water Mark of Excellence Award luncheon will be held at 12:00 noon Tuesday June 27, 2000 at the District Office. The Water Mark of Excellence Nominees will be introduced and the Awardee will be introduced.

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June 21, 2000
Page Two

Updated 2000 Budget - An updated 2000 Budget has been provided to the Board. The 2000 Budget shows the recent transfers from the Contingency line item.

Bylaws - Staff recently received comments from the District's attorney concerning the District's Bylaws revision. Staff will prepare the Bylaws for discussion at the July 19, 2000 meeting.

Clifton Water District Summer Picnic - The Clifton Water District summer picnic has been scheduled for August 12, 2000, from 5:00 p.m. to 9:00 p.m. at Canyon View Park. If Board members are planning on attending, please RSVP to Ruth Kubin.

Major Capital Improvement Plan 2000 - 2005 - Manager Tooker stated that staff was requesting approval of the Major Capital Improvement Plan 2000 - 2005. Director Woods moved to accept the Major Capital Improvement Plan 2000 - 2005 as presented. Director Teal seconded the motion. After discussion, the motion to accept the Major Capital Improvement Plan 2000 - 2005 passed unanimously.

1999 Audit Memo - Manager Tooker stated that his memorandum dated May 5, 2000, regarding the 1999 audit was additional information that he wanted the Board members to use as a reference. Manager Tooker will summarize his memorandum to be filed with the 1999 Clifton Water District Audit.

Plant Investment Fee Credit Policy - Manager Tooker stated that \$19,702 in Advanced Payment Toward Taps had been removed from the District's accounting according to the Plant Investment Fee Credit Policy (Policy #411). Manager Tooker explained that when the policy was instituted on April 20, 1995, each of the entities of record having Plant Investment Fee Credits had been contacted and given five years to use the credit. A copy of the policy had been forwarded to each party. Director Ballagh moved that the Board recognize that the time allowed for installation of taps owned for a period of time had been exceeded, that the appropriate property owners had been notified in accordance with the Clifton Water District Plant Investment Fee Credit Policy #411, that those notified have not responded, and that the taps that had been a credit are no longer recognized as the District owing them taps or value for taps. Director Teal seconded the motion. The parties having credit amounts being removed include Lois Beeson; Foster, Foster, Coleman; Doll House Subdivision; Dairyland Subdivision; and Commercial Park. The motion passed unanimously.

Nanofiltration Membrane Replacement - Staff has performed continued evaluation of the Nanofiltration membranes during the past Nanofiltration plant operation. Nanofiltration Skid #4 with 13,834 hours of operation requires the replacement of the membranes. Operational data (rejection and conductivity profiles) provides the basis to determine replacement. The cost of the membrane replacement is \$68,000. The budgeted amount for membrane replacement is \$76,500. The membrane life of skid #4 met the original projections. The Board acknowledged that this amount was within budgeted amounts.

District's Property and Liability Insurance Renewal - The District's insurance through Home Loan and the Hartford Insurance Group is due for renewal. To ensure that the coverage and premiums are competitive, staff performed a comparison with the Special District Association Property and Liability Pool. For comparable coverage, the Special District Association Pool quoted \$27,550 and Home Loan quoted \$20,171. The District's 2000 premium increased \$2,217 from the 1999 premium of \$17,954. Director Teal moved that the District's Property and Liability Insurance with Hartford Insurance Group through Home Loan be continued through May 2001. Director Woods seconded the motion which passed unanimously.

Authorize advertisement of Bids - Project 2000-01 - Staff requested Board approval to advertise for bids for Distribution replacement projects on E ½ Road and 33 Road. Director Ballagh moved that staff be authorized to advertise for bids for Project 2000-01. Director Rupp seconded the motion which passed unanimously.

Project 99-02 (Phase II) - Staff informed the Board that the District has received approval for the project from the State Engineers office and requested Board approval to advertise for bids for the completion of the Raw Water Settling Pond Project 99-02 (Phase II). Director Teal moved that staff be authorized to advertise for bids for Project 99-02 (Phase II). Director Woods seconded the motion which passed unanimously.

Colorado Water Workshop - Manager Tooker stated that he was planning to attend the Colorado Water Workshop, July 26 - 28 in Gunnison, Colorado. This Workshop is a cooperative, educational forum that explores the West's water concerns. The Board agreed that the workshop was relevant to District water issues. No action was necessary on this item.

Budget Committee - Staff requested that the Board form a Budget Committee for the preparation of the 2001 Budget. It was decided that Brian Woods would chair the committee with Directors Ballagh and Rupp serving as committee members along with management.

Other New Business - Manager Tooker reported that Ute Water Conservancy District has a one million gallon storage tank that they want to dispose of. Manager Tooker will further investigate acquiring this tank and keep the Board members informed on his findings.


At 8:55 p.m. Director Ballagh moved to enter executive session to discuss personnel matters. Director Rupp seconded the motion which passed unanimously.

At 11:15 p.m. Director Teal moved to exit from executive session. Director Ballagh seconded the motion which passed unanimously.

Minutes
June 21, 2000
Page Four

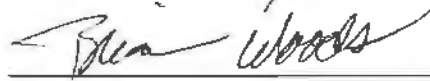
Director Ballagh moved to adjourn the meeting. Director Teal seconded the motion which passed unanimously. The meeting was adjourned at 11:20 p.m.

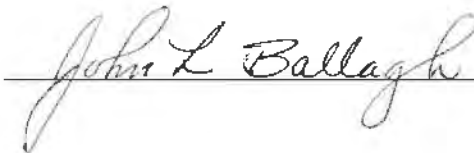
ATTEST:


Secretary









**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held July 12, 2000

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, and Assistant Secretary Rupp. Brian Woods' absence was excused. Staff present were Dale Tooker, Dave Payne, Gretchen Loshbaugh, Ruth Kubin, and Cindy Day.

Chairman Garber called the meeting to order at 6:30 p.m.

Minutes of June 21, 2000 - Director Ballagh moved to accept the minutes of the June 21, 2000, meeting. Director Teal seconded the motion. The motion to accept the minutes with corrections passed unanimously.

Financial Report And Accounts Payable - Director Teal moved to approve the financial report paying the \$56,335.84 as shown on the report and \$1,400.00 as itemized on the supplemental report. Director Ballagh seconded the motion. The motion to approve the financial report passed unanimously.

Express Agenda - The Directors reviewed the express agenda items. All items were accepted as presented. Director Ballagh moved acceptance of the express agenda with a wording change in the Hidden Valley Water Company item. Director Teal seconded the motion which passed unanimously.

Watermark of Excellence Award - On Tuesday, June 27, 2000, the District held the Watermark of Excellence award ceremony. Violet Church, Tom Shawler, and Brian Sheley were nominated for the Watermark of Excellence Award for January to June of 2000. Tom Shawler was selected as the Watermark of Excellence awardee.

Special District Association Spring Workshop - Manager Tooker and Directors Rupp and Woods attended the Special District Association Spring Workshop in Battlement Mesa on June 21, 2000. The Workshop covered the latest developments in TABOR/Gallagher, the legal and practical responsibilities of board members, budgeting and finance procedures, and managing the elements of conflict.

Laboratory Recertification for Organic Analysis - Gretchen Loshbaugh, Laboratory Supervisor, has been successful in obtaining recertification of the Clifton Water District laboratory for the analysis of organic compounds. The certification was put on hold after the departure of the previous laboratory supervisor.

Hidden Valley Water Company - John Whiting from Hidden Valley Water Company has experienced some technical problems after installing a pressure pump station for Hidden Valley Water Company users. One of the conditions questioned by Mr. Whiting was the delivery of water from the Clifton Water District to the Hidden Valley Water Company at their one-inch tap. On June 23, 2000, distribution staff determined that the District was delivering water to the Hidden Valley Water Company and at 76 psi and 61 gallons per minute. The flow rate meets the conditions of the contract with Hidden Valley Water Company to deliver 50 gallons per minute at the tap

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July 12, 2000
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Clifton Water District Summer Picnic - As a reminder, the Clifton Water District summer picnic is scheduled for August 12, 2000, at Canyon View Park from 5 p.m. to 9 p.m. Please RSVP to Ruth Kubin.

Bylaws - Manager Tooker received comments from the District's Attorney concerning the draft Bylaws. The changes recommended by the District's Attorney were made and the Bylaws were distributed to the Board members at the meeting. Director Ballagh moved to defer discussion on this item until the August 16, 2000, meeting. Director Teal seconded the motion which passed unanimously.

Review Plant Investment Fee Policy #410 - Manager Tooker stated that the District had received the preliminary planning report for a recreational vehicle campground with multiple units or spaces. The current Plant Investment Fee Policy #410 does not address the impacts of the campgrounds on the District and how transient use units should be interpreted. Some discussion took place on this item, and it was decided that Manager Tooker will further investigate the District's options for presentation to the Board at the regular August meeting.

Mesa County Correspondence Concerning Statement of Purpose - Correspondence from Mesa County concerning the District's Statement of Purpose and the Boundary Map was distributed to the Board. Manager Tooker stated that he had responded to the letter concerning the Statement of Purpose. This item was informational only.

Other New Business - Director Garber requested that staff present a report to the Board showing the engineering costs to the District since 1997.

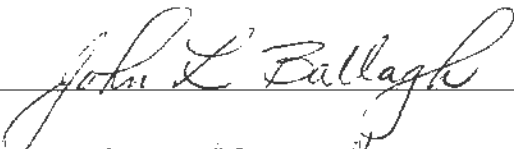
At 9:00 p.m. Director Ballagh moved to enter executive session to discuss legal issues and the employee questionnaire. Director Teal seconded the motion which passed unanimously.


At 9:52 p.m. Director Teal moved to exit from executive session. Director Ballagh seconded the motion which passed unanimously.


Director Ballagh moved that, following an evaluation of the results of the employee questionnaire and discussion with the manager, the Board is seeking the input from staff on the identification of values and fundamental principals to develop a Vision to be presented to the Board within 60 days for the evaluation of the District's Mission Statement and Vision. Director Teal seconded the motion which passed unanimously.

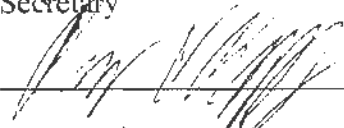
The meeting was adjourned at 10:05 p.m. by unanimous consent.


ATTEST:







Secretary




**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held August 16, 2000

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods, and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, Dave Payne, Gretchen Loshbaugh, Ruth Kubin, and Cindy Day.

Chairman Garber called the meeting to order at 6:30 p.m.

Minutes of July 12, 2000 - Director Teal moved to accept the minutes of the July 12, 2000, meeting. Director Rupp seconded the motion. The motion to accept the minutes with corrections passed unanimously.

Financial Report And Accounts Payable - Director Ballagh moved to approve the financial report paying the \$77,556.15 as shown on the report and \$1,403.88 as itemized on the supplemental report. Director Teal seconded the motion. The motion to approve the financial report passed unanimously.

Express Agenda - The Directors reviewed the express agenda items. The following items were accepted as presented:

Ute Water Tank - Previously it was reported to the Board that staff was evaluating an offer from Ute Water to donate a 1 MG tank to the District if the District paid for the removal. Evaluation of the project identified lead paint on the tank that would need to be abated before dismantling. The abatement estimates made it too costly for the District to efficiently move and utilize the tank.

Budget Committee - The Clifton Water District budget committee met on Wednesday, August 9, 2000. The committee discussed the proposed 2001 budget and agreed on a schedule of events which is included in the Board packet. The Board will receive the proposed budget at the September 20, 2000, meeting.

District's Fundamental Values and Vision Statement - District staff has been working on identifying fundamental organizational values in preparation of developing a Vision Statement for the District. A full report will be presented at the September Board meeting.

Project 99-02 Progress - District staff has received approval from the Office of the State Engineer and the Army Corps of Engineers to proceed with Phase II of the project. The Board previously authorized the bidding process and advertisement is scheduled for August with a bid opening of September 14, 2000.

Wage and Benefit Survey - Manager Tooker prepared and distributed a Wage and Benefit Survey to 40 utilities. Data are currently being compiled and a report and recommendation will be presented to the Board with Budget projections.

Special District Association Annual Conference Registration - Registrations are available for the SDA Annual Conference September 13 through 15.

Minutes
August 16, 2000
Page Two

Bylaws - Director Ballagh moved acceptance of the Clifton Water District Bylaws. Director Teal seconded the motion. The motion to accept the Bylaws of the Clifton Water District as corrected passed unanimously.

Plant Investment Fee Policy #410 - Staff presented a revision of the Plant Investment Fee Policy #410. After a discussion, Director Ballagh moved to defer further action to the September 20, 2000, meeting. Director Woods seconded the motion which passed unanimously.

Engineering Costs - Board requested staff to identify engineering costs paid by the District in the last three years. The engineering costs paid in 1998 were \$28,248; in 1999 they were \$23,409; and YTD is \$15,465. The Board discussed the effectiveness of selecting job specific engineering services versus a staff engineer. No action was taken.

Special District Association TABOR 205 Luncheon - There is a luncheon scheduled for Monday, August 21, 2000, at 12 Noon at Two Rivers Convention Center sponsored by the Grand Junction Chamber of Commerce regarding TABOR 205. Speakers will identify how TABOR 205 will effect business in the State, Special Districts, and possible negative effects on the citizens of Colorado. Several representatives from the District are planning on attending on their own time.

Designate Person to Prepare 2001 Budget - Director Woods moved that Manager Tooker prepare the Clifton Water District 2001 Budget. Director Ballagh seconded the motion. In discussion it was stated that Manager Tooker work with the Budget Committee for the preparation of the 2001 Budget. The motion passed unanimously.

Radio Station KAFM Antenna Request - Board was presented a Staff Report identifying the request from KAFM to install an antenna on District tanks north of I-70. Director Woods moved to deny the antenna request. Director Ballagh seconded the motion which passed unanimously. The Board stated that staff should develop a policy or an amendment to the Access Request Policy addressing permanent attachments to District facilities.

Ballot Initiative 1999-2000 #205, Amend TABOR - Taxcut 2000 (Proposed Resolution of Opposition) - Board packets included: (1) the proposed Initiative 1999-2000 #205; (2) *Tax Cut 2000 Defies Logic* article by J. Evan Goulding; and (3) the Overview and Frequently Asked Questions concerning Taxcut 2000 prepared by Sherman & Howard, L.L.C. The Taxcut 2000 proposal could severely impact the future needs of the Clifton Water District. Manager Tooker recommended that the District officially oppose this proposal because of the impact to organizations that collect property taxes and the negative effects to all Colorado taxpayers. Director Teal moved to adopt a Resolution of Opposition to Proposed Ballot Initiative Number 1999-2000 #205 "Amend TABOR Taxcut 2000" which follows. Director Ballagh seconded the motion.

**RESOLUTION OF OPPOSITION TO PROPOSED BALLOT INITIATIVE
NUMBER 1999-2000 #205 "AMEND TABOR TAXCUT 2000"**

WHEREAS the Clifton Water District (District) has been established under the Special Districts Act CRS 32-1-101 et. seq. having the authority to collect taxes for various purposes; and

WHEREAS the District currently does not collect property taxes, however, reserves the authority to do so in the future; and

WHEREAS the proposed Amend TABOR Taxcut 2000 amendment to the Colorado Constitution, if approved by Colorado voters as a part of the November 2000 elections, would require a reduction of \$25.00 per tax bill per year, beginning in 2001; and

WHEREAS it is undefined whether, or to what extent, the State of Colorado would reimburse the District for lost revenues resulting from the passage of the proposed amendment; and

WHEREAS analysis of the initiative states, "If there is no State replacement, the measure would have a substantial negative fiscal impact on local governments." and

WHEREAS the tax cut proposal, if approved by Colorado voters, would severely restrict the District's ability to operate and meet the future needs of the District operating under Colorado law and could, depending upon Constitutional interpretations, jeopardize the District's ability to meet future obligations.

NOW THEREFORE BE IT RESOLVED by the Clifton Water District Board of Directors that The District takes a position in opposition to the proposed constitutional amendment known as Amend TABOR - Taxcut 2000, because of the negative impact it would have on the District's future ability to meet its operational responsibilities to its constituents, and potentially all agencies relying upon tax collections and the potential negative impact to all Colorado tax payers.

RESOLVED on this 16th day of August, A.D., 2000.

After some discussion, the motion to adopt said Resolution passed unanimously.

Burns and McDonnell Engineering Services for Treatment Plant Upgrade - Manager Tooker stated that Paul Fischer and Vincent Hart from Burns and McDonnell completed a comprehensive preliminary evaluation and report of the Charles A. Strain Water Treatment Plant and future needs. Manager Tooker gave a brief explanation of the evaluation. It was the consensus of the Board that this was a staff item, and no Board action was necessary.

Other New Business - Assistant Manager Reinertsen stated that current policy for the multiple user fee is 70% of the tap fee. The District currently has a commercial account that originally paid the full tap fee plus 70% additional for a total of two units. However, this account has added onto their building for a total of six units and has not paid the 70% for the extra four units. It was the consensus of the Board that, since the owner of this commercial account is aware of District policy, the owner shall be billed for the additional units.

Director Ballagh reported that a selenium study was being done on the Colorado River, and in order to be a party to the study comments will need to be submitted prior to September 17, 2000. Concentrate discharge from the Nanofiltration system was discussed and the Board suggested that staff get a copy of the proposed Colorado State Regulation 37 and review the regulation and how it may impact the District's operations.

Director Garber stated that he was contacted by Jerry Basquette, a customer and real estate agent. Mr. Basquette questioned current policy that has staff turn off the customer's water when the property is changing ownership, or in this case, a new renter, when the new owner or new renters name is unknown. Mr. Basquette has previously been called out of courtesy from a District employee. Recently, when this employee was on vacation, Mr. Basquette was not called.

Since he did not get called and the new renters name was unknown, staff turned the water off to his rental creating an inconvenience for scheduled carpet cleaning. Manager Tooker stated that he believed that the confusion in this situation is procedural and can be corrected with more uniform internal procedures.

At 9:44 p.m. Director Teal moved to enter executive session to consider personnel issues. Director Ballagh seconded the motion which passed unanimously.

At 10:24 p.m. Director Teal moved to exit from executive session. Director Ballagh seconded the motion which passed unanimously.

Director Ballagh moved to approve payment of \$304.34 to Ms. Stacey Lucero, 612 Tropicana, for damages to her vehicle as it is over the pre-approved \$250 for self insurance. Director Teal seconded the motion which passed unanimously.

The meeting was adjourned at 10:34 p.m. by unanimous consent.

ATTEST:

John L. Ballagh
Martin Barber

Paul Teal
Secretary
[Signature]
[Signature]

**RESOLUTION OF OPPOSITION TO PROPOSED BALLOT INITIATIVE
NUMBER 1999-2000 #205 "AMEND TABOR TAXCUT 2000"**

WHEREAS the Clifton Water District (District) has been established under the Special Districts Act CRS 32-1-101 et. seq. having the authority to collect taxes for various purposes; and

WHEREAS the District currently does not collect property taxes, however, reserves the authority to do so in the future; and

WHEREAS the proposed Amend TABOR Taxcut 2000 amendment to the Colorado Constitution, if approved by Colorado voters as a part of the November 2000 elections, would require a reduction of \$25.00 per tax bill per year, beginning in 2001; and

WHEREAS it is undefined whether, or to what extent, the State of Colorado would reimburse the District for lost revenues resulting from the passage of the proposed amendment; and

WHEREAS analysis of the initiative states, "If there is no State replacement, the measure would have a substantial negative fiscal impact on local governments." and

WHEREAS the tax cut proposal, if approved by Colorado voters, would severely restrict the District's ability to operate and meet the future needs of the District operating under Colorado law and could, depending upon Constitutional interpretations, jeopardize the District's ability to meet future obligations.

NOW THEREFORE BE IT RESOLVED by the Clifton Water District Board of Directors that

The District takes a position in opposition to the proposed constitutional amendment known as Amend TABOR - Taxcut 2000, because of the negative impact it would have on the District's future ability to meet its operational responsibilities to its constituents, and potentially all agencies relying upon tax collections and the potential negative impact to all Colorado tax payers.

RESOLVED on this 16th day of August, A.D., 2000.

ATTEST:

John L. Ballagh
Martin Barber

Paul Teal
Secretary
[Signature]
[Signature]

BY-LAWS OF THE CLIFTON WATER DISTRICT

Section 1. Authority. The Clifton Water District is a governmental subdivision of the State of Colorado and a body corporate possessing those powers of a public or quasi-municipal corporation which are specifically authorized by, and compliance with, C.R.S. Section § 32-1-101 et seq.

Section 2. Purpose. It is hereby declared that these by-laws, adopted in accordance with C.R.S. § 32-1-1001(1) (m), will serve a public purpose and are adopted to facilitate the conduct of the business, objects, and affairs of the Clifton Water District and of the Board of Directors.

Section 3. Policies of the Board. It shall be the policy of the Clifton Water District Board of Directors, consistent with the availability of revenues, personnel and equipment, to use its best efforts to provide drinking water and related services to the inhabitants and property owners within the District. It is also the policy of the Board of Directors to promote public health and welfare by assuring drinking water that meets or exceeds applicable State and Federal regulations and providing sufficient quantity by using the most practical technology, science, and governmental policies relative to the drinking water industry's role in the stewardship of water resource and to communicate this information to its customers as far as practical.

Section 4. Board of Directors. All powers, privileges and duties vested in, or imposed upon the Clifton Water District (hereinafter referred to as "District") by law shall be exercised and performed by and through the Board of Directors (hereinafter referred to as "Board"), whether set forth specifically or impliedly in these by-laws.

Section 5. Office.

- a. Business Office. The principal business office of the District shall be at 510 34 Road in Clifton, Colorado, unless otherwise designated by the Board.
- b. Establishing Other Offices and Relocation. The Board, by resolution, may from time to time, designate, locate and relocate its executive and business office and such other offices as, in its judgment, are necessary to conduct the business of the District.

Section 6. Meetings.

- a. Regular Meetings. Regular meetings of the Board shall be held on the third Wednesday of each month at 6:30 p.m. local prevailing time in the board room at the business office.
- b. Meeting Public. All meetings of the Board, other than those held in executive session, shall be open to the public. The Board, upon the affirmative vote of two-thirds of the quorum present, may hold an executive session only at a regular or special meeting and for the sole purpose of considering any of the following matters: (i) the purchase, acquisition, lease, transfer or sale of any real, personal, or other property interest; except that no executive session shall be held for the purpose of concealing the fact that a member of the Board has a personal interest in such purchase, acquisition, lease, transfer or sale; (ii) conferences with an attorney for the District for the purposes of receiving

legal advice on specific legal questions; (iii) matters required to be kept confidential by federal or state law or rules and regulations; (iv) specialized details of security arrangements or investigations; (v) determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators; (vi) personnel matters except if the employee who is the subject of the session has requested an open meeting, or, if the personnel matter involves more than one employee, and all of the employees have requested an open meeting; (vii) consideration of any documents protected by the mandatory non-disclosure provisions of Part 2 of Article 72 of Title 24 of the Colorado Revised Statutes, commonly known as the "Open Records Act"; except that no adoption of any proposed policy, position, resolution, rule, regulations, or formal action shall occur at any executive session which is not open to the public.

- c. Notice of Meetings. Section 6.a shall constitute formal notice of regular meetings to Board members, and no other notice shall be required to be given to the Board, other than the permanent posting. Notice of the time and place for all regular meetings shall be posted in at least three public places within the boundaries of the District, and, in addition, one such notice shall be posted in the office of the Mesa County Clerk and Recorder in accordance with C.R.S § 32-1-903(2). Such notices shall remain posted and shall be changed in the event that the time or place of such regular meetings is changed.
- d. Special Meetings. Special meetings may be called by any Director by informing the other Directors of the date, time, and place of such special meeting, and for the purpose for which it is called, and by posting notice of such special meeting as provided in C.R.S § 24-6-402(c), 24-hours prior to such meeting.

Section 7. Conduct of Business.

- a. Quorum. All official business of the Board shall be transacted at a regular or special meeting at which a quorum is present. A quorum is defined pursuant to C.R.S. § 32-1-103(16) as more than one-half of the directors serving on the board.
- b. Vote Requirements. Any action of the Board shall require the affirmative vote of a majority of the Directors present and voting. When special or emergency circumstances affecting the affairs of the District and the health and safety of District residents so dictate, then those Directors available at the time may undertake whatever action is considered necessary and may so instruct the District's employees.
- c. Order of Business. The business of all regular meetings of the Board shall be transacted, as far as practicable, in the following order:
 - (1) Silent roll call of members;
 - (2) Public Hearings and Visitors;
 - a) Published and Scheduled Public Hearings;
 - b) Guests (20 minute presentation);
 - c) Reports of Professional Consultants;

- (3) Approval of the minutes of the previous meetings (and any special meeting held after the last regular meeting);
 - (4) Election matters and resolutions, election of Board Officers, approval and determination of bonds at the first meeting after the May election;
 - (5) Approval of bills and appropriations;
 - (6) Reports of Manager, Officers and Committees;
 - (7) Unfinished Business;
 - (8) New Business and Special Orders; and
 - (9) Adjournment.
- d. Resolution and Orders. Each and every action of the Board necessary for the governing and management of the affairs of the District, for the execution of the powers vested in the District, and for carrying into effect the provisions of Article 1 of Title 32, C.R.S., as amended, shall be taken by the passage of motions, orders or resolutions.
- e. Minute Book. Within a reasonable time after passage, all orders, resolutions and motions and all minutes of Board meetings shall be recorded in a book kept for that purpose and shall be attested by the secretary.

Section 8. Directors. Officers and Personnel.

- a. Director Qualifications and Terms: Surety Bond. The number of Directors shall be five, each of whom shall be electors of the District. The term of each Director shall be determined by relevant statutory provisions, and elections shall be held in even numbered years and conducted in the manner prescribed by Part 8 of Article 1, Title 32, C.R.S., as amended. Each Director shall, at the expense of the District, furnish a faithful performance surety bond in an amount not less than \$1,000 pursuant to the provisions of C.R.S. § 32-1-901(2), as amended. This bond shall be filed at the same time and in the same manner as the oath of office described in paragraph 8.b below.
- b. Oath of Office. Each member of the Board, before assuming the responsibilities of the office, but in no event later than 30 days after election except for good cause shown, shall take and subscribe an oath of office in the following form, and such oath of office shall be filed with the Clerk of the Mesa County District Court and with the Division of Local Government in the Colorado Department of Local Affairs:

OATH OF OFFICE OF DIRECTOR

STATE OF COLORADO)
)
COUNTY OF MESA)

I, _____, will faithfully support the Constitution of the United State of the State of Colorado, and the laws made pursuant thereto, and will faithfully perform the duties of office of Director of the Clifton Water District, upon which I am about to enter.

Signature

Subscribed and sworn to before me this _____ day of _____, 20_____.

County Clerk, District Court Clerk,
Chairman of the Board of Directors,
or Notary

- c. Election of Officers. After taking oath and filing bonds, the Board shall elect one of its members as Chairman of the Board and President of the District, one of its members as a Treasurer of the Board and District, and a Secretary who may be a member of the Board. The Secretary and Treasurer may be one person, but, if such is the case, shall be a member of the Board. The Board may also elect one of its members as Vice Chairman of the Board and Vice President of the District. The officers shall be elected by a majority of the Directors voting at said elections. The election of the officers shall be conducted biennially at the first regular meeting of the Board following the regular biennial election of the Directors held in May of even numbers years. Each officer so elected shall serve for a term of two years, which term shall expire upon the election of their successor or upon their reelection to that office.
- d. Vacancies. Any vacancy on the Board shall be filled by appointment by the remaining director or directors, the appointee to serve until the next regular election, at which time, the vacancy shall be filled by election for any remaining unexpired portion of the term. If, within 60 days of the occurrence of any vacancy, the Board fails, neglects, or refuses to appoint a director from the pool of any duly qualified, willing candidates, the Mesa County Commissioners may appoint a Director to fill such vacancy. The remaining Director or Directors shall not loose their authority to make an appointment to fill any vacancy unless and until the Mesa County Commissioners has actually made an appointment to fill that vacancy.
- e. President and Chairman. The president shall be the chairman of the Board and shall preside at all meetings; and shall also be the chief executive officer of the District. Except as otherwise authorized, the president shall sign all contracts, deeds, notes, debentures, warrants and other instruments on behalf of the District.

- f. Vice President and Vice Chairman. The vice president shall be the vice chairman of the Board and shall preside at all meetings in the absence of the chairman of the Board. Except as otherwise authorized, the vice president shall sign all contracts, deed, notes, debentures, warrants, and other instruments on behalf of the District in the absence of the president.
- g. Secretary. The secretary shall keep, or cause to be kept, in a well bound book, a record of all District proceedings, minutes of all meetings, certificates, contracts, bonds, given by employees, and all corporate acts which shall be open to inspection of all electors, as well as to all other interested parties. The secretary shall keep, or cause to be kept, all other records of the District; may act as secretary at meetings of the Board and record all votes, or cause all votes to be recorded; shall maintain a record of the proceedings of the Board in a minute book, or cause the same to be maintained, which shall be an official record of the Board; and shall perform all other duties incident to that office. The secretary shall be custodian of the seal of the District and shall have the power to affix such seal to and attest all contracts and instruments authorized to be executed by the Board.
- h. Recording Secretary. The Board may appoint a staff member to act as the Recording Secretary for the purposes of keeping the records of the Board meeting, recording all votes, maintaining a record of the proceedings of the Board in a minute book, which shall be an official record of the Board and perform other duties as assigned by the Board.
- i. Treasurer. The treasurer shall keep, or cause to be kept, strict and accurate accounts of all money received by and disbursed for and on behalf of the District in permanent records. The treasurer shall file with the Clerk of the Mesa County District Court, at the expense of the District, a corporate fidelity bond in an amount determined by the Board of not less than \$5,000.00, conditioned on the faithful performance of the duties of the office.
- j. Compensation. No Director shall receive compensation as an employee of the District pursuant to C.R.S § 32-1-902(3)(b). Directors may receive compensation for services pursuant to C.R.S § 32-1-902(3)(a). Reimbursement of actual expenses for Directors shall not be considered compensation.
- k. Additional Duties. The officers of the Board shall perform such other duties and functions as may from time to time be required by the Board, by the by-laws or rules and regulation of the District, or by special exigencies, which shall later be ratified by the Board.
- l. Manager. The Board may appoint a manager to serve for such term and upon such conditions, including salary, as the Board may establish. The manager shall have general supervision over the administration of the affairs, employees and business of the District and shall be charged with the hiring and discharging of employees and the management of District's properties. The manager shall have the care and custody of management of District's properties. The manager shall have the care and custody of all funds of the District in such banks or savings and loan associations as the District may select. The manager should approve all vouchers, orders, and checks for payment. The manager shall

keep, or cause to be kept, regular books of account of all District transactions and shall obtain, at the District's expense, such bond for the faithful performance of the managers duties as the Board may designate.

- m. Personnel Selection and Tenure. The selection of agents, employees, engineers, accountants, special consultants and attorneys of the District by the Board will be based upon the relative qualifications and capabilities of the applicants and shall not be based on political services or affiliations. Agents and employees shall hold their offices at the pleasure of the Board. Contracts for professional services of engineers, accountants, and special consultants and attorneys may be entered into on such terms and conditions as may seem reasonable and proper to the Board.

Section 9. Financial Administration.

- a. Fiscal Year. The fiscal year of the District shall commence on January 1 of each year and end on December 31.
- b. Budget Committee. The Board shall organize a Budget Committee. The Budget Committee is composed of the Treasurer, a member of the Board appointed by the President, the Manager and other electors appointed by the President, which shall be responsible for the preparation of the annual budget of the District and other matters as may be assigned to it by the Board.
- c. Budget. Each year, the District shall adopt an annual budget. In September of each year the Board of Directors shall designate or appoint a person to prepare the budget and submit the same to the Board by October 15th of each year pursuant to C.R.S 29-1-108. Such budget shall present a complete financial plan for the District and shall set forth the following: (i) all proposed expenditures for administration, operations, maintenance, debt service, and capital projects to be undertaken or executed by any spending agency during the budget year; (ii) anticipated revenues for the budget year; (iii) estimated beginning and ending fund balances; (iv) the corresponding actual figures for the prior fiscal year and estimated figures projected through the end of the current fiscal year, including disclosure of all beginning and ending fund balances, consistent with the basis of accounting used to prepare the budget; (v) a written budget message describing the important features of the proposed budget, including a statement of the budgetary basis of accounting used and a description of the services to be delivered during the budget year; and (vi) explanatory schedules or statements classifying the expenditures by object and the revenue by source. No budget adopted shall provide for expenditures in excess of available revenues and beginning fund balances. The requirements and procedures set forth in this Section 9 are intended to comply with C.R.S. § 29-1-103, as amended. If that statute is amended or repealed, this Section 9 shall, if necessary, be amended accordingly.
- d. Notice of Budget. Upon receipt of such proposed budget, the Board shall, pursuant to C.R.S. § 29-1-106, as amended, cause to be published a notice containing the following information; the date and time of the hearing at which the adoption of the proposed budget will be considered; a statement that the proposed budget is open for inspection by the public at the water office; and statement that any interested elector of the District may inspect the proposed budget and file or register any objections thereto at any time prior to its final adoption.

- e. Adoption of Budget. The Board shall hold a hearing to consider the adoption of the proposed budget pursuant to C.R.S. § 29-1-108 as amended, at which time objections of the electors of the District shall be considered. On the day set for consideration of such proposed budget, the Board shall review the proposed budget and revise, alter, increase or decrease the items as it deems necessary in view of the needs of the District and the anticipated revenue of the District. The Board shall provide for sufficient revenues to finance budget expenditures with special consideration given to the proposed ad valorem tax levy before tax is levied. Adoption of the proposed budget shall be effective only upon the affirmative vote of a majority of the members of the Board. Changes to the adopted budget or appropriation shall be made in accordance with the provisions of C.R.S. § 29-1-109, as amended.

- f. Levy and Collections of Taxes. On or before December 15th of each year, the Board shall certify to the Mesa County Commissioners of the mill levy established for the ensuing fiscal year, in order that, at the time and in the manner required by law for the levying of taxes, such Commissioners shall levy such tax upon the assessed valuation of all taxable property within the District.

- g. Filing of Budget. No later than 30 days following the beginning of the fiscal year of the budget adopted, the Board shall cause a certified copy of such budget to be filed with the Division of Local Government in the Department of Local Affairs.

- h. Appropriating Resolution.
 - (1) Before the mill levy is certified pursuant to subsection e of this Section 9, the Board shall enact a resolution adopting the budget and making appropriations of the budget year, pursuant to C.R.S. § 29-1-108(2). The amounts appropriated thereunder shall not exceed the amounts fixed therefor in the budget adopted pursuant to Section 9.e.
 - (2) The income of the District, as estimated in the budget and as provided for in the tax levy resolution and other revenue and borrowing resolutions, shall be allocated in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures authorized by the appropriation resolution.
 - (3) The Board may make an appropriation to and for a contingent fund to be used in cases of emergency or other unforeseen contingencies.

- i. No Contract to Exceed Appropriation. During the fiscal year, neither the Board, nor any officer, employee or agent of the District shall expend or contract to expend any money, or incur any liability, or enter into any contract with, by its terms, involves the expenditures of money in excess of the amounts appropriated. Any contract, verbal or written, contrary to the terms of this sub-section, shall be void ab initio, and no District funds shall be expended in payment of such contracts, except as provided in the following sub-section. Multiple year contracts may be entered into where allowed by law or if subject to annual appropriation.

- j. Contingencies. In cases of emergency caused by a natural disaster, public enemy, or some contingency which could not reasonably have been foreseen at the time of the adoption of the budget, the Board may authorize the expenditure of funds in excess of the

budget by the resolution duly adopted by a majority vote of the entire membership of the Board at a public meeting. Such resolution shall set forth in full the facts concerning the emergency and shall be documented in detail in the minutes of the meeting of the Board at which such resolution was adopted. A certified copy of such resolution shall be filed with the Division of Local Government in the Department of Local Affairs.

- k. Payment of Contingencies. In case of an emergency and the passage of a resolution authorizing additional expenditures in excess of the appropriation as provided in these by-laws, and if there is money available for such excess expenditure in some other fund which will not be needed for expenditures during the balance of the fiscal year, the Board shall transfer the available money from such fund to the fund from which the excess expenditures are to be paid. If available money which can be so transferred is not sufficient to meet the authorized excess expenditure, then the Board may obtain a temporary loan to provide for such excess expenditures. The total amount of the temporary loan shall not exceed the amount which can be raised by a two-mill levy on the total assessed valuation of the taxable property within the limits of the District.
- l. Annual Audit.
 - (1) Pursuant to C.R.S. § 29-1-603, as amended, the Board shall cause to be made an annual audit of the financial statements of the District for each fiscal year. Such audit shall be made as of the end of the fiscal year of the District. The audit report shall be submitted to the District within six (6) months of the close of each fiscal year. The audit shall be conducted in accordance with generally accepted auditing standards by a Certified Public Accountant licensed to practice in Colorado as an individual, partnership, or professional corporation pursuant to Article II of Title 12, C.R.S., but in no event shall such auditor audit the records, books, or accounts which they have maintained.
 - (2) A copy of the audit report shall be maintained in the District office as a public record for a public inspection at all reasonable times.
 - (3) The treasurer shall forward, or cause to be forwarded, a copy of the audit report to the State Auditor or other relevant state official, pursuant to statutory requirements, within thirty days following receipt of the audit.

Section 10. Corporate Seal. The Board shall adopt a seal of the District. The seal of the District shall be a circle containing the name of the District and shall be used on all documents and in such manner as seals generally are used by public and private corporations. The secretary shall have custody of the seal and shall be responsible for its safe keeping and care.

Section 11. Conflict of Interest.

- a. Disclosure of Conflict of Interest. Any Director who is present at a meeting at which is discussed any matter in which the Director has, directly or indirectly, a private pecuniary or property interest shall disclose such interest to the Board. Unless such Director has given seventy-two hours actual advance written notice to the Colorado Secretary of State and to the Board, in accordance with all statutory requirements, such Director shall refrain from advocating for or against the matter and shall disqualify himself from voting on such matter.

Section 12. Indemnification of Directors and Employees. The District shall indemnify and defend any Director, officer, employee, servant, or authorized volunteer, whether or not compensated, elected, or appointed, only to the extent required by applicable laws, including, without limitation, the "Colorado Governmental Immunity Act," codified at C.R.S. § 24-10-101 et. seq., as amended. If that statute is amended or repealed, this section 12 shall be amended to comply with the requirements, if any, of that statute. In any action in which the District may be required to bear the costs of defending an action or the costs of a judgment or settlement resulting from that action, the District reserves the right to designate the attorney whom shall defend such action.

Section 13. Bidding and Contracting Procedures. Except in cases in which the District will receive aid from a governmental agency or purchase through a state purchasing program, a notice shall be published for bids on all construction contracts for work or material, or both, involving an expense of \$25,000 or more. The District may reject any and all bids, and if it appears that the District can perform the work or secure material for less than the lowest bid, it may proceed to do so.

A Notice or Invitation to bid shall be published in a newspaper of general circulation within the District boundaries once per week for three consecutive weeks. The Notice will request sealed proposals for the construction to be done, or for the materials needed. The specifics of the contract will be stated; where and when the plans and specifications may be examined; and the time and place the sealed proposals will be opened and publically read.

The Board retains the right, in its sole discretion, to reject any or all proposals; determine the proposal and subcontractors that will serve the best interests of the District; and determine the proposal and subcontractor which is most responsible to perform the work.

When required, bids must be accompanied by an acceptable bidder's bond, or a certified check payable to the District, in an amount equal to 5% of the bid. If, within the time designated in the Notice of Award, the Contract is not executed, and, if required, Payment and Performance Bonds and Certificates of Insurance are not provided, the District shall keep the bid bond as liquidated damages, and assess such other damages as the District may determine.

Pursuant to C.R.S. § 38-26-105 and 106, as amended, every contractor who is awarded any contract for more than \$50,000 for the construction, erection, repair, maintenance, or improvement of any public work or facility for the District, before entering upon the performance of any such work included in said contract, shall duly execute, deliver to, and file with the Board a good and sufficient bond, or other acceptable surety, approved by the Board in a penal sum not less than one-half of the total amount payable by the terms of the contract. Such bond shall satisfy the requirements of C.R.S. § 38-26-105 and 106, as amended.

The retained percentage to be withheld on periodic payments to the contractor shall be 10%. This retained percentage shall apply to the cost of such major equipment and materials, which are suitably located either at or near the site. In the event that satisfactory progress is being made as construction is being completed, the retained percentage may be reduced with concurrence of the Board.

Section 14. Powers of the Board of Directors. Without restricting the general powers conferred by law, it is hereby expressly declared that the Board shall have the following powers and duties:

- a. To confer upon any appointed officer of the District the power to choose, remove or suspend employees or agents upon such terms and conditions as may seem fair and just and in the best interest of the District.
- b. To determine and designate, except as otherwise provided by law or these by-laws, who shall be authorized to make purchases, negotiate leases for office space, and sign receipts, endorsements, checks, releases, and other documents.
- c. To create standing or special committees and to delegate such power and authority thereto as the Board deems necessary and proper for the performance of such committee's functions and obligations.
- d. To prepare financial reports, other than the statutory audit, covering each year's fiscal activities; and said report, if requested, shall be submitted to the Board and made available for inspection by the public.

Section 15. Modification of By-Laws. These by-laws may be altered, amended or repealed at any regular meeting or at any special meeting of the Board called for that purpose.

ADOPTED this 16th day of August, 2000, by the Board of Directors of the Clifton Water District.

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held September 20, 2000

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods, and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, Dave Payne, and Ruth Kubin.

Chairman Garber called the meeting to order at 6:30 p.m.

Minutes of August 16, 2000 - Director Ballagh moved to accept the minutes of the July 12, 2000, meeting. Director Teal seconded the motion. The motion to accept the minutes with corrections passed unanimously.

Financial Report And Accounts Payable - Director Teal moved to approve the financial report paying the \$141,609.27 as shown on the report and \$549.41 as itemized on the supplemental report, for a total of \$142,158.68. Director Woods seconded the motion. The motion to approve the financial report passed unanimously.

Express Agenda - The Directors reviewed the express agenda items. The following items were accepted as presented:

1. Mesa County Bridge Upgrade, 31½ Road at Grand Valley Canal On September 1, 2000 staff was notified at a pre-bid tour for a bridge design/build project that the District's 10" line crossing above the canal would have to be relocated to accommodate construction of a new 60 foot wide bridge. The bridge project must be complete prior to commencement of the 30 Road Underpass Project in the Spring of 2001. Due to the performance window time constraints and other planned staff activities, staff has secured Banner Associates to provide the design and bid package so this unplanned project can be completed in November 2000. Staff plans to present the Bid Package for authorization to proceed at the October Board Meeting.
2. Tank Inspections U. S. Underwater Services Inc.(USUSI) divers inspected the District's two storage tanks north of I-70. The inspections were performed with the tanks offline and at their normal operating water depths. Real time video indicated the interior conditions were in satisfactory condition with just some minor "staining" along some weld seams and bolts. There was sediment evident on the floors of both tanks, indicating the need for cleaning but not re-painting at this time. USUSI will provide a final report in October 2000.
3. Budget Committee. The District's Budget Committee met on August 23 and September 18 to finalize the draft proposed 2001 Budget to be presented to the Board at this meeting.
4. September Issue of Waterline. The District's *Waterline* Newsletter has been purposely delayed. Staff is preparing the newsletter to include information on the Amend TABOR Tax Cut 2000 Ballot Initiative. *Waterline* will be completed and distributed to District customers prior to the November election. The information in the newsletter will focus on election issues that are important to our customers.

5. Uniform Office Procedures. After a customer's complaint at the August Board meeting, staff evaluated the internal procedures when a customer account is changed to a new owner or renter. Staff identified some procedural inconsistencies between office staff that contributed to the confusion and resulted in the customer complaint. Staff established a number of internal and uniform operating procedures to govern account changes so that the inconsistencies will be corrected. District Policy was not, and is not being compromised. Staff will continue to refine the District's internal procedures and improving uniformity.

6. District's Retirement Plan. Staff is awaiting the delivery of a prototype plan from Lincoln National to submit to the District's attorney. J. Pat Gregory, broker for Lincoln National was contacted and informed of the concerns that the Board expressed at the August meeting. A preliminary meeting has been scheduled with Mr. Gregory for the November Board meeting. This schedule will be adequate to update the District's Retirement Plan effective January 1, 2001.

Project 2000-01 (Line Upgrades E ½ and 33 Roads) Staff requested that the Board approve advertising for Final Payment to Continental Pipeline Construction, Inc for the project. The final payment amount is \$4,793.35. Director Ballagh moved to approve advertising for Final Payment of the Clifton Water District Project 2000-01. Director Teal seconded the motion which passed unanimously.

Policy #410 Plant Investment Fee - Staff prepared a revised version of Policy #410 Plant Investment Fees. The revisions identify the District's objective to have a true Plant Investment Fee that does not include any costs associated with new tap installation. After discussion, Director Ballagh moved acceptance of the revised Policy #410. Director Teal seconded the motion, which passed 4 in favor and 1 opposed.

Award Project 9902 (4 MG Settling Pond Phase II) Assistant Manager Reinertsen stated that the bid opening for Project 9902 Phase II had taken place on September 14, 2000 as advertised. Five bids were offered as follows: MA Concrete - \$389,589.00; Palisade Constructors, Inc. - \$436,172.00; Precision Paving - \$398,670.00; Skyline Contracting, Inc. - \$366,920.00; Sorter Construction, Inc. - \$421,000.00. Reinertsen stated that one additional bid was not accepted or opened as the offeror was late for the advertised bid opening time. Staff recommended award of the project to the low bidder, Skyline Contracting, Inc. Discussion between the Board and staff indicated that in order to award a contract for the bid amount, additional funds were needed in the Budget Line Item to procure the remaining Owner Provided Materials. Director Ballagh moved to transfer \$133,000 from the District's Contingency to the CAS Plant Construction budget line item. Director Woods seconded the motion which passed unanimously. Director Teal then moved that Project 9902 Phase II be awarded to Skyline Contracting, Inc. in the amount of \$366,920.00. Director Rupp seconded the motion which passed unanimously.

Clifton Water District Fundamental Organizational Values, Vision Statement and Credo Manager Tooker presented the Fundamental Organizational Values, Vision Statement and Organizational Credo, that were developed by the entire staff over the past three months. During the ensuing discussion, several Directors commended staff on their efforts in developing an

organizational vision for the District. Director Woods moved to accept the Clifton Water District Fundamental Organizational Values, and adopt the Vision Statement and Credo as developed by staff, with the Vision Statement and Credo replacing those identified in the District's Strategic Plan dated September 12, 1997. Director Ballagh seconded the motion which passed unanimously.

2000 Children's Water Festival Request for Additional Funds The Board reviewed the request from Rita Crumpton, the Water Festival Coordinator, for additional funds to cover actual costs incurred above the District's prior \$1,000 commitment. After discussion, Director Ballagh moved to authorize payment of \$123.35 for additional requested funds. Director Teal seconded the motion which passed unanimously.

Wage and Benefit Survey Manager Tooker presented the results of the Wage and Benefit Survey. The Board requested additional information for review and comparison prior to acting on the results of the survey. Manager Tooker asked if the Board approved of releasing the results to the participants. It was Board's consensus to release the information to the participants.

Proposed 2001 Budget and Budget Explanation The Proposed 2001 Budget was presented to the Board by Manager Tooker. During the discussion it was the consensus of the Board to release the Budget Explanation and the Budget Worksheets to the public, if requested. Staff was directed to clarify areas of the Budget prior to the October Board meeting. The Budget hearing will be at the November 15th Board meeting.

Meeting with Mesa County Planning Staff Manager Tooker and Assistant Manager Reinertsen met with Bob Jasper-Mesa County Administrator, Lyle Dechant-County Attorney, Kurt Larsen-County Planning Director, Linda Dannenberger and Keith Fife-County Planning Department, concerning future development in the Whitewater area. The County was briefed again, concerning the District's commitment to not serve water above the 4800 foot contour. Staff presented maps to the County depicting the area under the 4800 foot contour that the District intends to serve. The County DID NOT request an update of the Statement of Purposes but staff from the County and the District will work on a Memorandum of Understanding (MOU) concerning this issue. No action was necessary at this time and staff will keep the Board informed on any developments with this issue.

SDA and RMSAWWA Conference Debriefing This item was tabled until next month's meeting.

Other New Business - Director Garber suggested moving the start time of the monthly Board meetings to 7:30 p.m. After some discussion, Director Teal made a motion to have the Clifton Water District's monthly Board of Directors meeting start at 7:30 p.m. on the third Wednesday of the month and shall end no later than 10:30 p.m. The motion was seconded by Director Ballagh and unanimously approved.

By mutual consent, the Board scheduled a Special Board Meeting for 7:30 p.m. on October 4, 2000, at the Water District office to discuss the Wage & Benefit Survey Results, the FY 2001 Budget Line Items and other items deemed appropriate.

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September 20, 2000
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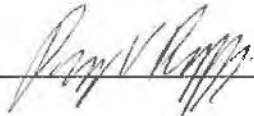
Manager Tooker presented the Board with copies of a letter from John Whiting received on September 20, 2000. Mr. Whiting is requesting a larger tap to replace the 1" tap currently @ 1773 Blair Road. It was the consensus of the Board to consider Mr. Whiting's request at the October 18th meeting. Staff was directed to prepare a staff report for Mr. Whiting's request.

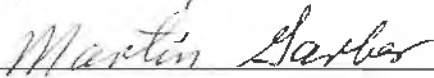
At 10:35 p.m. Director Teal moved to enter Executive Session to consider personnel issues and the Manager's Evaluation. Director Ballagh seconded the motion which passed unanimously.


At 11:25 p.m. Director Ballagh moved to exit from Executive Session. Director Teal seconded the motion which passed unanimously. By mutual consent, the Board agreed to discuss the Manager's evaluation at the October 4th special meeting.

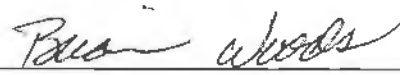
The meeting was adjourned at 11:26 p.m. by unanimous consent.


ATTEST:







Secretary




**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held October 18, 2000

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods, and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, Dave Payne, and Ruth Kubin.

BUDGET HEARING FOR 2001 PROPOSED BUDGET Chairman Garber called the Budget Hearing on the 2001 Proposed Budget to order at 7:30 p.m. noting that the time and place for said hearing was published in accordance with C.R.S. 29-1-106 (3)(a). Chairman Garber further stated that notices for the Budget Hearing had been posted in three public places within the Clifton Water District and one such notice posted in the office of the Mesa County Clerk and Recorder in accordance with C.R.S. 32-1-903(2). Chairman Garber asked for questions or comments and hearing none, Director Woods made a motion to close the Public Hearing portion of the meeting. Director Teal seconded the motion which passed unanimously.

At 7:31 p.m., Chairman Garber called the regular meeting to order.

MINUTES OF SEPTEMBER 20, 2000 - Director Ballagh moved to accept the minutes of the September 20, 2000, meeting. Director Teal seconded the motion. The motion to accept the minutes with corrections passed unanimously.

MINUTES OF OCTOBER 4, 2000 - Director Teal moved to accept the minutes of the October 4, 2000, meeting. Director Woods seconded the motion. The motion to accept the minutes passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Teal moved to approve the financial report paying the total amount \$70,620.28 as shown on the report. Director Woods seconded the motion. After discussion, the motion to approve passed unanimously.

JOHN WHITING - HIDDEN VALLEY WATER COMPANY - Mr. Whiting gave a brief description concerning his request to upgrade the Hidden Valley Water Company meter from 1" to 2". Manager Tooker reviewed the Staff Report which identified that the major issue of concern, a pump station to assure sufficient delivery to Hidden Valley Water Company customers above the 4,800 ft. contour, had been installed by Whiting per the original agreement, dated June 23, 1993. Tooker stated that the District has sufficient water available to accommodate a 2" master meter and staff's recommendation was to permit Mr. Whiting to increase the size of the master meter according to District policy, contingent upon revising the June 23, 1993 agreement. Director Ballagh moved to approve Mr. Whiting's request as recommended by staff and to negotiate a new agreement for Board approval reflecting current conditions. Director Teal seconded the motion. After discussion the motion passed unanimously.

STAFF REPORTS - Treatment Plant Supervisor Payne provided a status report of the membrane replacement activities for Skid 3.

EXPRESS AGENDA - The Directors reviewed the express agenda items. The following items were accepted as presented:

Project 99-02 (4 MG Raw Water Settling Pond Phase II) - Notice to proceed was given to Skyline Contracting, Inc. A preconstruction meeting was held October 12, 2000 and construction will begin on October 16, 2000.

Project 2000-01 Final Summary - The Board has been presented a Final Summary Report for Project 2000-01. The project has been completed satisfactorily and final payment has been advertised and scheduled to be made at the October 18, 2000 meeting.

Vendors List and Purchasing Procedures - Manager Tooker prepared and distributed to the Board a Vendors List and a brief explanation of the internal purchasing procedures of District staff.

HOUSEKEEPING RATIFICATION OF PROJECT 2000-01 - Due to an oversight at the August 2000 Board of Directors Meeting, staff requested Board ratification of a telephone poll conducted on July 21st and 24th, to accept the bid from Continental Pipeline for Project 2000-01. Director Ballagh moved to ratify the results of the telephone poll for contract award of Project 2000-01. Director Teal seconded the motion which was passed unanimously.

PROPOSED 2001 BUDGET - The current version of the Proposed 2001 Budget was distributed. Staff requested postponing adoption of the 2001 Budget until after another meeting of the Budget Committee. The Board agreed to defer the adoption process until after the Budget Committee meeting on November 1, 2000.

STORAGE TANK INSPECTIONS - Staff briefed the Board on the results of the storage tank inspection activities performed on the North and Northwest tanks. The inspection indicated the need for cleaning the sediment accumulated on floor of both tanks. No other major repairs or painting are indicated at this time. A formal staff report will be presented after the tank cleaning efforts are completed.

OTHER NEW BUSINESS - Staff requested Board approval for a proposed budget transfer of \$8,300 from Contingency to the following line items:

- ▶ Water Treatment Vehicle Expense - \$1,200
- ▶ Transmission and Distribution Utilities - \$2,500
- ▶ Transmission and Distribution Vehicle Expense - \$2,000
- ▶ Exempt Salaries - \$2,600

Director Woods moved to approve the transfer as proposed. Director Teal seconded the motion which passed unanimously.

WIRE TRANSFER AGREEMENT WITH PALISADES NATIONAL BANK - Due to the increasing volume of wire transfers, Palisades National Bank (PNB) has requested that the District enter into a formal contract/agreement for wire transfers associated with the Clifton Water District. Director Ballagh moved to enter into the PNB agreement as presented with Director Teal seconding the motion. After some discussion regarding the issue, the matter was tabled until staff can identify the accounts affected by this agreement for review by the Board.

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CONTINUATION OF TURKEY TRADITION - Each year, the Board approves the purchase of either a turkey or ham to be given during the holiday season to the Board members and staff. Director Teal moved to continue this tradition for 2000. Director Ballagh seconded the motion which passed unanimously.

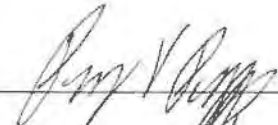
At 9:06 p.m. Director Teal moved to enter Executive Session to discuss personnel issues and the Manager's Evaluation. Director Woods seconded the motion which passed unanimously.

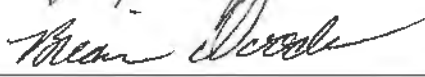
At 9:12 p.m. Director Ballagh moved to exit from Executive Session. Director Woods seconded the motion which passed unanimously.

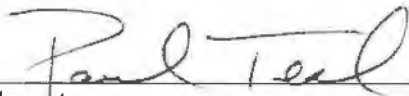
Director Ballagh moved to adjoin the regular meeting. The motion was seconded by Director Woods and unanimously passed.

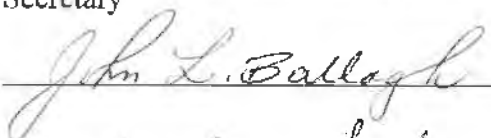
The meeting was adjourned at 9:12 p.m.

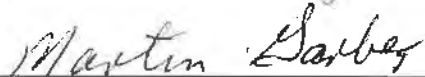
ATTEST:







Secretary




MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS CLIFTON WATER DISTRICT

Held October 4, 2000

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods, and Assistant Secretary Rupp. Staff present were Dale Tooker and David Reinertsen.

Chairman Garber called the meeting to order at 7:30 p.m., noting that the time and place for the special meeting was published in accordance with C.R.S. 32-1-903 (2).

WestWater Engineering Contract Amendment - Manager Tooker presented a staff report identifying WestWater Engineering as the oversight engineer for Phase II of the Raw Water Settling Pond Project. Staff requested Board authorization to sign an Amendment to the original contract for engineering services in the amount of \$12,730 for the Raw Water Settling Pond Project. Funds for the engineering oversight are included in the line item for the construction project. Director Ballagh moved to authorize staff to enter into the contract amendment with WestWater Engineering. Director Teal seconded the motion which passed unanimously.

Special Districts Association Conference Debriefing - Directors Garber and Ballagh along with Manager Tooker presented a briefing on the recently concluded Special Districts Association conference, held in Vail, Colorado. Each attendee presented information learned at the various sessions. Manager Tooker prepared a binder that contains various handouts and the individual attendance reports of the attendees. Also in this binder is the Manager's summary of the Rocky Mountain Section AWWA annual conference that was also in Vail just prior to the SDA conference.

Policy #410 Variance Request - Manager Tooker presented information from a customer in the Whitewater area that was requesting a variance to the District's Policy #410, Section 2 - Number of Taps Required. The specific variance is for the purchase of an additional, individual 3/4" service tap on a single parcel that is already served by a 3/4" service tap. Tooker presented a brief historical review of the current policy. After some discussion, Director Teal moved to grant a variance to the District's Policy #410 for this particular case and allow the additional service tap to the requested single parcel. Director Rupp seconded the motion which passed unanimously. Director Garber abstained from the discussion and vote.

Manager Tooker briefed the Board on a recent request from the Mesa County Building Department to shut the water off to a District customer that Mesa County is having problems with. Tooker told the Building Department representative that by District policy the account was not in arrears and therefore, the District could not shut the water off unless it was requested by the owner of the property. This was presented for information purposes only. The Board concurred with the action taken according to District policy.

Wage & Benefit Survey Summary - Manager Tooker presented the results of the 2000 Wage and Benefit Survey and his recommendations for adjustments in 2001. Based on the data from the 2000 Wage and Benefit Survey, Tooker proposed a \$65,145 wage and benefit increase for 2001. Increases were proposed for Non-Exempt wages, hourly wages and withholding expenses. Tooker also proposed a 1% increase in the District's retirement contribution from 5% to 6% and a continuation the District's health insurance which is expected to increase by 12%. The Board reviewed the data and discussed the information presented. The Board also reviewed

the Special Districts Association, October 1999 Wage and Benefit Survey. After discussion, Director Ballagh moved to adopt the 2000 Wage and Benefit Survey. The motion was seconded by Director Teal. After discussion, Director Ballagh moved to amend his original motion to include "and approve the proposed salary ranges with the exception of lowering the entry level wage of the Assistant Manager, Billing Clerk, and Lead Operator, hold the District's retirement contribution to 5%, and hold the District's health insurance payment to \$550 per month maximum per employee". The amendment was seconded by Director Teal. The motion failed 3-2. Director Ballagh then moved to amend the original motion to include "and approve the proposed salary ranges with the exception of lowering the entry level wage of the Assistant Manager, Billing Clerk, and Lead Operator, and hold the District's retirement contribution to 5%". This amendment was seconded by Director Teal. After discussion, the amendment passed 4-1. The original motion with the approved amendment passed unanimously.

At 10:29 p.m., Director Teal moved to enter into Executive Session to discuss the Manager's performance. Director Ballagh seconded the motion which passed unanimously. Manager Tooker was dismissed until 11:15 p.m., at which time he would return to the executive session and the Board would discuss his performance evaluation. At 12:01 a.m., Director Ballagh moved to exit the Executive Session. The motion was seconded by Director Teal and passed unanimously.


The Directors questioned Manager Tooker's participation in AWWA for 2001 and his normal work schedule. Tooker stated that his duties as Past Chair for the Rocky Mountain Section of AWWA concluded in September and he will have minimal participation in 2001. Tooker also reported that he arrives at 8:30 a.m. and works until 5:30 p.m. or later. Director Teal moved to increase the Manager's salary to \$65,000 effective October 1, 2000 with the condition that he maintains the hours of 8:30 a.m. to 5:30 p.m. unless performing other District duties. Director Ballagh seconded the motion which passed unanimously.

The Meeting was adjourned by mutual consent at 12:15 a.m.


ATTEST:

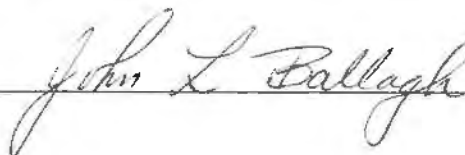


Martin Garber



Secretary





MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS CLIFTON WATER DISTRICT

Held November 15, 2000

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods, and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, and Ruth Kubin. Robert and Shirley Sanders and J. Pat Gregory, Gregory & Associates were present as guests.

At 7:30 p.m., Chairman Garber called the regular meeting to order.

GUESTS - Robert and Shirley Sanders, of 3463 Front Street, Clifton, addressed the Board concerning what they felt were "huge and unexplained discrepancies" in their August and September water bills. The Sanders' contend that the new touch road meter that was installed on July 27, 2000 has been read wrong or is not registering correctly. According to District Policy the Sanders' meter was tested and determined to be accurate. Upon reinstalling the meter, the October water usage returned to normal. The Sanders' were requesting relief of the District's Meter Testing Fee. Director Ballagh moved to dismiss the District's Meter Testing Fee due to the high meter reading which subsequently returned to normal usage the following month. The motion was seconded by Director Teal. After discussion the motion passed 4 - 1. Director Ballagh then moved to credit the Sanders' account \$27.48 which is 50% of the water usage fee for September. This motion was seconded by Director Rupp and passed unanimously.

J. Pat Gregory, of Gregory & Associates, provided information to the Board regarding the changes staff has proposed to the District's Money Purchase Pension Trust. Staff proposed to change the District's Third Party Administrator (TPA) from Baden, Gage and Schroeder to Keystone Retirement Services for cost savings and customer service reasons. Director Ballagh moved to change the District's Third Party Administrator of the Money Purchase Pension Trust to Keystone Retirement Services. After discussion the motion was seconded by Director Teal and passed unanimously. Manager Tooker then proposed three amendments to the District's Money Purchase Pension Trust effective January 1, 2001. The amendments were as follows.

Amendment 2. This amendment changes the plan from an unallocated to an allocated plan.

Section A-3.08 shall be amended to read as follows:

(a) "Shall be used to reduce the employer's contribution for the current plan year."

Amendment 3. This amendment will change the determination of the Disability Benefit for the plan.

Section A - 8.04 (b) shall be amended to read as follows:

(2) "The participant being entitled to Social Security Disability Benefits. In the event a Participant has applied for Social Security Disability Benefits, the disability benefits provided by this Plan shall commence upon qualifying for Social Security Disability Benefits."

Amendment 4. This amendment changes the vesting schedule of the plan.

Section A - 11.02 shall be amended to read as follows:

- (C) 20% vested after 2 years.
- 30% vested after 3 years
- 60 % vested after 4 years
- 80 % vested after 5 years
- 100 % vested after 6 years.

Director Woods moved to have the District enter into the conditions identified in the Money Purchase Pension Trust Amendments 2, 3, and 4 as presented by Staff. Director Ballagh seconded the motion, which passed unanimously.

MINUTES OF OCTOBER 18, 2000 - Director Teal moved to accept the minutes of the October 18, 2000, meeting. Director Rupp seconded the motion. The motion to accept the minutes passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Teal moved to approve the financial report paying the \$252,961.43 as shown on the report and \$12,217.90 as itemized on the supplemental report for a total of \$265,179.33. Director Ballagh seconded the motion. After discussion, the motion to approve the financial report passed unanimously.

EXPRESS AGENDA - The Directors reviewed the express agenda items. The following items were accepted as presented:

Project 99-02 (4 MG Raw Water Settling Pond Phase II) - A brief status report has been included in the Board packet and Skyline Contracting, Inc. is progressing on schedule.

Hidden Valley Water Company - An agreement was prepared and given to Mr. Whiting. Mr. Whiting and his attorney are in the process of reviewing the agreement.

Storage Tank Cleaning - The District contracted U. S. Underwater Services, Inc. to clean the sediment from the floor of the North and Northwest tanks. The cleaning process began November 7 and will conclude November 9.

2001 BUDGET APPROVAL AND RESOLUTION - Manager Tooker reviewed the 2001 Budget and Budget information provided in the Board packet. Director Ballagh moved to adopt the 2001 Budget as revised. After a brief discussion Director Woods seconded the motion, which passed unanimously.

**RESOLUTION OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS
 ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE**

A resolution appropriating sums of money to the various accounts, in the amounts and for the purposes as set forth below, for the Clifton Water District acting by and through its Water Activity Enterprise, Mesa County, Colorado, for the 2001 Budget Year.
 WHEREAS, the Directors have adopted the annual budget for 2001 in accordance with the Local Government Budget Law, on the 15th day of November, 2000, and;

WHEREAS, the Directors have made provision therein to use a combination of revenues and reserves in an amount equal to, or greater than, the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, so as to not impair the operations of the District or its Water Activity Enterprise.

NOW THEREFORE, BE IT RESOLVED by the Directors of the Clifton Water District acting by and through its Water Activity Enterprise, Mesa County, Colorado that the following sums are hereby appropriated from the revenue and reserves of the Water Activity Enterprise, for the purposes stated below:

ESTIMATED BEGINNING BALANCE	\$4,750,000
<u>ESTIMATED EXPENDITURES</u>	
Operating Expenses	
Source of Supply	\$20,000
Water Treatment	\$558,800
Transmission & Distribution	\$326,060
General & Administrative	\$256,000
Labor Expenses	\$1,009,625
<i>Total Operating Expenses</i>	<i>\$2,170,485</i>
Nonoperating Expenses	
Capital Expenses	\$1,392,500
Bond Principal & Interest	\$296,400
Emergency Fund	\$178,149
Reserve Fund	\$519,801
Contingency	\$3,658,005
<i>Total Nonoperating Expenses</i>	<i>\$6,044,855</i>
TOTAL ESTIMATED EXPENDITURES	\$8,215,340
<u>ESTIMATED REVENUES</u>	
Operating Revenue	
Sale of Water	\$2,300,000
Sanitation District	\$9,000
Penalty & Turn Fees	\$49,200
Tap Installation	\$24,000
<i>Total Operating Revenue</i>	<i>\$2,382,200</i>
Nonoperating Revenue	
Plant Investment Fees	\$750,000
Main Line Extension Fees	\$18,000
Disposal of Assets	\$3,500
Availability of Service	\$8,640
Interest	\$286,000
Property Taxes	\$0
Lease Income	\$16,000
Miscellaneous	\$1,000
<i>Total Nonoperating Revenue</i>	<i>\$1,083,140</i>
Total Estimated Revenue	\$3,465,340
Estimated From Reserves	\$4,750,000
Total Funds Available	\$8,215,340
ESTIMATED ENDING BALANCE	\$0

IT IS FURTHER RESOLVED, that there is appropriated from the funds of the District acting by and through its Water Activity Enterprise, Eight Million, Two Hundred Fifteen Thousand, Three Hundred Forty Dollars (\$8,215,340) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2001 or thereafter.

I hereby certify the forgoing is a true copy of a resolution adopted by the Board of Directors of the Clifton Water District acting by and through its Water Activity Enterprise at a regular meeting of the Board held on November 15, 2000. Said budget was displayed for inspection and notice of said display for inspection was duly published in accordance with C.R.S. 29-1-106.

WIRE TRANSFER AGREEMENT - Manager Tooker presented the Wire Transfer Agreement as proposed by Palisades National Bank. Director Ballagh moved to adopt the proposed Wire Transfer Agreement with Palisades National Bank. The motion to adopt was seconded by Director Teal. After discussion, the Board tabled the motion until staff has had the opportunity to correct conditions of the Agreement. The Board directed staff to include a means to terminate the Agreement, remove all statements concerning International Funds and develop a more acceptable indemnification statement.

WOLFORD MOUNTAIN WATER QUALITY REPORT - Manager Tooker presented the annual water quality reports for Board review. The District has copies of the reports from 1995, 1996, 1997, and 1998. The 1999 annual report has not been received yet. A brief history of the Wolford Mountain Project was presented by Director Ballagh and Manager Tooker for the benefit of the Board members not familiar with project. No action was taken as this was informational only.

PRONGHORN SUBDIVISION - Manager Tooker reviewed the request made by Mr. Dan Brown regarding inclusion of Pronghorn Subdivision into the District's Out-of-District service boundary. Director Teal moved to accept the Pronghorn Subdivision in the District's Out-of-District service area for 31 single-family residential lots contingent upon Mr. Brown providing staff with a legal description of the property to be included. Director Rupp seconded the motion which passed unanimously.

GVICO ANNUAL MEETING AND AUCTION - Director Rupp agreed to represent the District at the Annual Shareholders Meeting of the Grand Valley Irrigation Company. Director Ballagh then moved to authorize staff to spend up to \$240.00 per share, not to exceed \$10,000 total, for any additional Grand Valley Irrigation Company Water Shares at the annual auction. Director Teal seconded the motion which passed unanimously.

GRAND VALLEY INTERNET PROPOSAL - Manager Tooker reviewed the request from Grand Valley Internet to provide high speed wireless Internet service and Home Page design at no cost to the District in return for using the District's Plant #1 site for an antenna. Manager Tooker also presented an Agreement for Board approval. Director Ballagh moved to accept the Agreement with Grand Valley Internet. Director Teal seconded the motion. After discussion, the motion passed unanimously.

Director Ballagh then moved for staff to give a 90 day notice to Western Slope Communications, radio station KZKS, to enter into an agreement with the District to permit continued use of the Plant #1 site for their antenna. Director Teal seconded the motion which passed unanimously.

OTHER NEW BUSINESS - Assistant Manager Reinertsen presented six individual requests for inclusion into the District's Out-of-District service area for 555, 351, 371, 391, 1251 and 1291 Reeder Mesa Road. These requests were for parcels acquired by Dan Davidson at the recently completed land auction by Mesa County. Only one of the parcels, 555 Reeder Mesa Road, adjoins the Reeder Mesa Road right-of-way, and the District's distribution system. The remaining properties are not located near any of the District's existing system. Director Ballagh moved to approve the request for inclusion into the District's Out-of-District service area for 555

Reeder Mesa Road. Director Teal seconded the motion which passed unanimously. It was Board consensus to defer a decision on 351, 371, 391, 1251 and 1291 Reeder Mesa Road inclusion request until after additional evaluations are completed by staff and presented to Mr. Davidson.

At 10:16 p.m., Director Ballagh moved to enter into Executive Session to discuss personnel matters. Director Woods seconded the motion which passed unanimously.

At 10:30 p.m. Director Teal moved to exit from Executive Session. Director Ballagh seconded the motion which passed unanimously.

Director Ballagh moved to adjourn the regular meeting. The motion was seconded by Director Woods and unanimously passed.

The meeting was adjourned at 10:32 p.m.

ATTEST:

Martin Barber

John L. Ballagh

Secretary

John V. [Signature]
[Signature]

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held December 20, 2000

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods, and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, and Ruth Kubin.

At 7:30 p.m., Chairman Garber called the regular meeting to order.

MINUTES OF NOVEMBER 15, 2000 - Director Teal moved to accept the minutes of the November 15, 2000, meeting. Director Ballagh seconded the motion. The motion to accept the minutes passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Ballagh moved to approve the financial report paying the total of \$198,904.41 as shown on the report. Director Teal seconded the motion. After discussion, the motion to approve the financial report passed unanimously.

EXPRESS AGENDA - The Directors reviewed the express agenda items. The following items were accepted as presented:

Project 99-02 (4 MG Raw Water Settling Pond Phase II) - A status report has been included in the Board packet and Skyline Contracting, Inc. is progressing on schedule.

GVICo. - Annual Meeting - Director Rupp was unable to attend. Manager Tooker completed and delivered the proxy to GVICo.

Whitewater Pump Station - Staff recently began the upgrade project for the Whitewater Pump Station. As much of the construction and installation as possible is being done in house. The project is scheduled to be completed prior to January 1, 2001. The upgrade will increase the pumping capacity to 600 gallons per minute (gpm) from 170 gpm.

Mesa County Sheriff's Department Regional Training Center - Manager Tooker met with representatives from the Mesa County Sheriff's Department concerning a proposed Regional Law Enforcement Training Center to be located southeast of the Mesa County Land Fill. Water supply and a potential cost share arrangement for the construction of a storage tank were discussed. Any future developments on this issue will be presented to the Board.

GVICo. Water Share Auction - Assistant Manager Reinertsen attended the annual Water Share Auction, held on December 14, 2000. Private parties purchased 18 shares at \$365 per share and 20 shares at \$325 per share. The Clifton Water District did not purchase any shares.

HIDDEN VALLEY WATER COMPANY CONTRACT - Staff presented a revised contract for Board review. After discussion, Director Ballagh moved to defer this item until a map or legal description is included and it is reviewed by Counsel. Director Teal seconded the motion to defer and it passed unanimously.

CLIFTON WATER DISTRICT'S MONEY PURCHASE PENSION TRUST - The new contract for the Clifton Water District's Money Purchase Pension Trust Allocated Director Annuity Contract was not received prior to the meeting. This item is deferred until the new contract is received by staff.

CHADWICK, STEINKIRCHNER, DAVIS & CO. (CSD) ENGAGEMENT LETTER - Director Ballagh moved to accept the Engagement Letter from CSD to perform the District's 2000 audit and authorize acceptance signatures. Director Teal seconded the motion. The Directors discussed the process taken in November 1999 to put the audit to competitive bid wherein CSD was chosen. After discussion the motion passed unanimously.

AUTHORIZE ADVERTISEMENT FOR BID FOR PROJECT 99-02, PHASE III, SETTLING POND LINER - Director Ballagh moved to authorize staff to advertise for bids for Project 99-02, Phase III, Liner Installation. Director Woods seconded the motion which passed unanimously.

MESA COUNTY 31½ ROAD BRIDGE PROJECT - Staff reported on the status of the Mesa County Bridge Replacement Project at 31 ½ Road and the Grand Valley Canal. A 10" main line, running north/south, crosses the canal on 31 ½ Road and was taken out of service on December 13, 2000 to accommodate Mesa County's bridge contractor. The 10" line will not be returned to service until January or February 2001. By removing this line from service, a critical portion of the distribution system redundancy has been temporarily eliminated which has the potential to cause water supply problems during an emergency situation. Staff is working with Mesa County to return this line to service as soon as possible and to correct issues related to Design Build projects that place the District in compromised situations.

WATERMARK OF EXCELLENCE AWARDS - Director Woods moved to accept the Manager's request for the employee awards associated with the Watermark of Excellence Program. Director Teal seconded the motion which passed unanimously.

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ORCHARD MESA PROPERTY - By mutual consent, the board agreed to allow the current Real Estate Listing for the Orchard Mesa property to expire.

By mutual consent, the meeting was adjourned at 9:45 p.m.

ATTEST:

Martin Garber

John L. Ballagh

Paul Teal
Secretary

Ray V. Rupp

Brian Wood