

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

Held January 18, 1995

Present were Chairman Ballagh, Vice-Chairman Ela, Treasurer Garber, Secretary Wheeler and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount and Stenographer Day-Biondich. Dan Brown was present as a guest.

Chairman Ballagh called the public hearing on the inclusion to order at 7:30 p.m. Chairman Ballagh noted that the public hearing had been published in accordance with C.R.S. 32-1-401 et. seq.

INCLUSION OF PROPERTIES: Director Ballagh noted that no guests present addressed the Board concerning the public hearing. Manager Schuster read aloud the Order for Inclusion of the property in the Whiskey Flats area and several lots in the Meserve Fruit Tracts. Director Ballagh closed the public hearing. Director Ela moved to adopt the resolution and include said properties. Director Garber seconded the motion and it passed unanimously.

INDIAN CREEK ESTATES: Dan Brown presented a letter to the Board of Directors asking the District to extend water service to their subdivision which is located in the vicinity of Kannah Creek and Highway 50 to Delta (west of U.S. Highway 50 and between Kannah Creek and Indian Creek). Mr. Brown's letter stated that he and his partner would be responsible for installing the line from the Meserve Fruit Tracts to their subdivision at Clifton Water District standards. The water line would be the property of the District and come complete with a one-year warranty. Mr. Brown would want to be reimbursed \$1,250 from the District for each tap sold to recapture a portion of, or all of his investment for installing the water line. The Board suggested that Mr. Brown work with Manager Schuster to prepare a presentation for the next Board meeting. It was the general consensus of the Board that the District would not be opposed to such an idea.

1995 PICKUP BIDS: Director Ballagh noted that the bid for a new pickup had been properly advertised and the time for accepting bids on the pickup truck was closed. Manager Schuster opened the bids that were received on the pickup. They were as follows: Jim Fuoco Motor Company bid \$14,317.00; Western Slope Chrysler, Plymouth & Dodge bid \$13,965.00; Western Slope Ford bid \$12,789.00; a bid was not received from Ed Bozarth Chevrolet. Director Garber moved to purchase the Ford from Western Slope Ford at the price of \$12,789.00 with an estimated delivery of six to eight weeks. Director Lewis seconded the motion and it passed unanimously.

MINUTES OF DECEMBER 21, 1994: Director Garber moved to accept the minutes of the December 21, 1994 meeting and Director Wheeler seconded the motion. The motion to accept the minutes as prepared passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Garber moved to approve the financial report paying the \$29,859.31 as shown on the report, \$20,893.04 itemized on the supplemental report and a transfer of funds of \$1,500.00. Director Wheeler seconded the motion. Director Wheeler suggested investing some money in two-year Treasurer Bills. Director Ballagh suggested

Minutes
January 18, 1995
Page Two

diversifying the District's investments. Director Wheeler questioned why there was such an increase in Workers' Compensation and Wage and Benefits for the month of December. Manager Schuster stated that he thought the increase in Workers' Compensation was the quarterly payment and he would check to make sure and make a report at the February meeting. The increase in Wages was a combination of the Directors compensation for 1994 and Christmas bonuses for the employees. Director Ela pointed out that the bonuses were still within the budget. After a fifteen minute discussion, the motion to accept the financial report and accounts payable passed unanimously.

MANAGERS REPORT - MEMORANDUM DATED DECEMBER 28, 1994: In a memorandum dated December 28, 1994, Manager Schuster explained to the Directors the provisions of CRS 32-1-502 et seq. as explained to him by Attorney Bechtel. CRS 32-1-502 gives the District all the protection needed to avoid a takeover of the District's facilities by the City of Grand Junction.

BY-LAWS: Manager Schuster informed the Board that due to the timing of the completion of the by-laws and the move of Dufford Waldeck, Attorney Bechtel did not have sufficient time to review and comment on the by-laws that were sent to her. Manager Schuster asked that this item be discussed at the next meeting. Director Ela moved to table discussion on the by-laws to the next meeting. Director Garber seconded the motion and it passed unanimously.

METER READER VEHICLE: Manager Schuster told the Board that he was currently checking into other means of transportation for the meter readers. Manager Schuster said that the Jeep that is currently being used is running and still in use for the time. Director Lewis suggested checking into different ways of insuring the personal vehicle of the meter readers to allow the District to pay the meter readers for mileage and leave the responsibility of maintenance of the vehicle to the readers. Manager Schuster will make a report on the options at the next meeting.

DISPOSITION OF FRONT STREET PROPERTY/WATER OFFICE/SHOP/STORAGE AREA SITE: Manager Schuster stated that the property located at 306 Front Street, 302 Front Street and 146 Third Street could be made into two lots and sold as residential building sites. The property is currently in three deeds with four water and sewer taps on it. Director Ballagh suggested offering all the property and the four taps for sale and leaving the rest to the buyer. Director Ela suggested contacting a realtor and letting them market it. Manager Schuster reiterated the information he had presented to the Board on various site options at the previous meetings and also told them of a 3.7 acre parcel for sale which was already zoned for commercial use listed at \$75,000. This acreage is located near I-70 B and 30 1/2 Road. Several ideas were discussed and Manager Schuster was informed to investigate other options.

ALTERNATIVE WATER SOURCES: Manager Schuster told the Directors that no response had been received from Ute Water Conservancy District yet, however, it had been reported to him that they were looking favorably at the proposal. Mr Aubert from Ute had informed Manager Schuster that their District was doing a study on the cost of Ute making water before any decisions could be made.

TRAINING FOR BACKHOE OPERATORS: Manager Schuster reported that the operators had been through safety training on the backhoe with Ron Johnson from Century Equipment. Mr. Johnson is currently at an operational training seminar for backhoe operators. A backhoe operations seminar is planned after his return. Manager Schuster is also seeking a knowledgeable backhoe operator in the Valley to train the District employees in the proper operation of this equipment in addition to Mr. Johnson.

ORCHARD MESA CHECK CASE, 91CW247: Manager Schuster stated that he had contacted Jim Rooks at Orchard Mesa and asked if there was any way the District could assist Orchard Mesa since the Water Court Judge would not let the District intervene in the case. Mr. Rooks thanked Manager Schuster for the District's support and said that he would get in touch with Manager Schuster after talking to his Board. No response has been received at this time.

OTHER NEW BUSINESS: Director Garber stated that the District may have been wise in not purchasing water from the Whiting Brothers as there had been a finding in Water Court that was not favorable to the City in regard to Grand Mesa Reservoir Company water.

TIME AND PLACE FOR PUBLIC MEETINGS: Director Ela moved to continue holding Board meetings at the water office (137 Third Street) and to continue to post notices of said meetings at the water office, the Fire Station, Clifton Sanitation District #2 and in the office of the Mesa County Clerk and Recorder. Director Wheeler seconded the motion and it passed unanimously.

JANUARY FINANCIAL REPORT: Manager Schuster informed the Board that because of the time of the audit for the District, it would be impossible for the Directors to have the Profit and Loss Statement for the month of January at the February meeting if the meeting was held on the third Wednesday. Manager Schuster stated that if the meeting were held one week later the full report should be ready. Director Lewis moved to postpone the February meeting to the fourth Wednesday, being February 22. Director Garber seconded the motion and it passed unanimously.

CONSIDER JOINING CLUB 20: Director Lewis moved to join Club 20 at the \$50.00 level. Director Wheeler seconded the motion. Manager Schuster stated that the District may want to join Club 20 to stay apprised of where the group stands on different issues. After some discussion the motion to join Club 20 passed unanimously.

Minutes
January 18, 1995
Page Four

OTHER NEW BUSINESS: Director Ela stated that on the agenda for the next month he would like to see the consideration of joining the Mesa County Water Association.

Director Ballagh stated that he had received an invitation from Governor Romer et. al. to attend the State Conference on Smarthgrowth. The Special District Association was paying the attendance fee for Director Ballagh to attend the conference and he asked the District to pay for the room for the two-day conference. Director Garber moved that the District assist Director Ballagh's attendance at the conference. Director Lewis seconded the motion and it passed unanimously.

Assistant Manager Tooker told the Directors that he would like to see them attend the RMS AWWA sponsored teleconference in March. Assistant Manager Tooker added that the teleconference is an attempt to inform public officials, boards and council members on the impact of the Safe Drinking Water Act (SDWA). Manager Schuster informed the Board that this is an opportunity for the Board members to hear drinking water information from the experts to compare what the experts had to say vs. what the staff has said about the SDWA impacts.

Director Garber moved to adjourn the meeting. Director Lewis seconded the motion and it passed unanimously.

The meeting adjourned at 10:15 p.m.

ATTEST:

George E. Wheeler
Secretary

John L. Ballagh

Martin Garber

DD Lewis

Wm. M. Ela

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

Held February 22, 1995

As posted in accordance with C.R.S. 32-1-903(2) in three public places in the District and the Mesa County Clerk and Recorder's Office, the Directors met at 7:00 p.m. at the Charles A. Strain Water Treatment Plant for the purpose of examining the pilot nanofiltration unit in operation. In attendance at the Plant were Chairman Ballagh, Vice-Chairman Ela, Treasurer Garber, Secretary Wheeler and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount and Laboratory Director Robinson. Guests present were Mrs. Lois Beeson, a property owner at Southgate Town Houses, and Mr. John Peichel from Osmonics. Assistant Manager Tooker passed out graphs showing the reduction of total dissolved solids, total hardness, sulfates, chlorides and trihalomethanes (THM's) experienced with the nanofiltration. After spending an hour observing and discussing the nanofiltration pilot unit, the meeting moved to the Water Office.

Chairman Ballagh called the meeting to order at 8:05 p.m. In addition to those in attendance at the Plant were Stenographer Day-Biondich and guests Dan Brown and Doug Meagley.

MRS. LOIS BEESON: Manager Schuster gave a brief description of the problem that Mrs. Beeson is facing. Mrs. Beeson owns one of the four townhouses located at Southgate. The four townhomes are served by one meter. The person responsible for paying the water bill does not always pay the bill on time and the result is a \$1.00 penalty the first and second times and a notice of disconnection of water service the third time. Mrs. Beeson asked the Board if the District could bill each of the owners one-fourth of the monthly billing and put a lien on units that did not pay. Director Garber informed Mrs. Beeson that the District policy was that each water meter receive one bill and that the District would not do separate billings for units using a single meter. It was suggested that Mrs. Beeson either pay \$10 per year for third party notification which would be sent to her anytime the property was put on the shut off list, or to put in a separate tap for her unit. Mrs. Beeson will work with Manager Schuster to settle the problem.

INDIAN CREEK ESTATES: Dan Brown stated that he and his partner, Max Morris, had sent a letter to the District requesting that service be provided to Indian Creek Estates. The developers would install the necessary pipeline and give the system to Clifton to operate. Included in the letter were provisions for the developers to recapture a portion of the money they had spent on the pipeline as customers purchased taps. Director Ballagh stated that he would like to see a little more of what future plans there are for the Whitewater area before committing the District to this project. Director Garber stated that he would like to have money up front for at least 26 taps before the District would agree to such a proposition. Dan Brown asked if the proposal would be better without the recapture agreement and Director Garber stated that it would certainly be more palatable, but that more research was still needed before he would feel comfortable committing the District to the plan. Director Ballagh questioned if the District was looking more like Ute by having lines going places with no ability to loop the system and provide fire protection. He also questioned the dollar commitment of the District.

Minutes
February 22, 1995
Page Two

Director Ela moved to table the discussion until the March 15, 1995 meeting. Director Wheeler seconded the motion and it passed unanimously.

SALE OF A PORTION OF GUNDERSON ISLAND: Doug Meagley from the Natural Resources Conservation Service (formerly Soil Conservation Service) asked if the District would be interested in selling a portion of Gunderson Island to School District #51 to use for their outdoor classroom. Mr. Meagley went on to say that if the District would sell the property, "Go Colorado" funds could be used for the purchase and asked how much the District would want if they did sell. Director Lewis moved to sell some property to District #51 for their outdoor classroom. Director Ela seconded the motion. Director Ela asked how much land the School District would need and stated that he felt the District should try to help the School District but felt that 40 to 50 acres would be the maximum that the District could do without and that a long-term lease was more appealing than selling the property. Director Lewis stated that he was opposed to selling the property. Director Ballagh called the question and the motion to sell property to School District #51 was defeated unanimously. Director Lewis then moved that the District resume negotiations with the School District for a long-term lease for up to 60 acres toward the south end of Gunderson Island with provisions for the District to pay a penalty if they would need to break the lease. Director Garber seconded the motion and it passed unanimously.

NANOFILTRATION: Mr. John Peichel from Osmonics reported that the pilot nanofiltration test was going smoothly. Mr. Peichel also told the Board of Directors that the cost for the multi-media filter, cartridge filter, two chemical injection systems and membranes to produce two million gallons of water per day would cost the District approximately \$2.5 million for the equipment. The cost of the building to house the unit and electrical work would be in addition to that. Mr. Peichel continued by stating that the District would need to make sure that there was enough electrical service to the plant to operate the equipment. Manager Schuster stated that the plant would definitely need more diesel generating capacity, but thought there was enough Public Service Company power available at the plant for nanofiltration.

MINUTES OF JANUARY 18, 1995: Director Lewis moved to accept the minutes of the January 18, 1995 meeting and Director Wheeler seconded the motion. The motion to accept the minutes as prepared passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Lewis moved to approve the financial report paying the \$106,818.75 as shown on the report, \$7,549.84 itemized on the supplemental report and a transfer of funds of \$1,500.00. Director Garber seconded the motion. Director Ballagh asked if abandoned pipe lines were depreciated in the audit or not. Manager Schuster will check with Mike Nelson to see exactly how the abandonment of pipelines is handled in the financial report. The motion to approve the financial report passed unanimously after a 20 minute discussion.

Minutes
February 22, 1995
Page Three

BY-LAWS: Director Ela stated that he would rather see the District operate from their policy's than to adopt either of the presented by-law forms, however, if he had to accept one or the other it would be the short By-Laws dated October 19, 1994. Director Lewis moved to adopt the By-Laws dated October 19, 1994. Director Wheeler seconded the motion. Director Garber stated that he had never seen by-laws as brief as the October 19, 1994 By-Laws and that he would prefer something more restrictive that spells out in detail the operating procedure of the District. Director Ballagh stated that the present Board would like to believe that people elected to the Board would know the rules, however, he felt that something more definitive may be beneficial to the District in the long run. Director Ela suggested going to the statutes for the operation as directed by law and the policy book for the operation of the District. The motion to adopt the October 19, 1994 By-Laws passed with two yes votes, Director Garber voting against it and Director Wheeler abstaining. Director Ela moved to repeal the previous By-Laws of the District dated March 8, 1951 and put the October 19, 1994 By-Laws in place. Director Lewis seconded the motion and it passed unanimously.

WATER OFFICE/SHOP/STORAGE AREA SITE: Manager Schuster informed the Board that he had written a letter to Commissioner Genova with a copy being sent to Mike Serra, Mesa County Land and Property Facilities Manager, inquiring about the possibility of swapping a piece of land owned by the County on 32 1/2 Road just north of the Grand Valley Canal for the property the District owns on Front and Third Streets. Manager Schuster stated that he had not received any word back since his January letter. In response to a question posed at the January Board meeting, Manager Schuster told the Board that he did not have a crystal ball, but in his opinion the land presently owned by the District at Third and Front Streets was not satisfactory to meet the needs of the District in the next twenty years. Director Wheeler said that the District needed at least three acres for a office/shop/storage area in his opinion. Director Ela said he thought it was essential that the office remain within walking distance of the Clifton Townsite residents. Director Ela moved to table the issue until the District received an answer from the County to Manager Schuster's letter. Director Garber seconded the motion and it passed unanimously.

ALTERNATIVE WATER SOURCES: Manager Schuster told the Directors that he, Assistant Manager Tooker and Director Ballagh had lunch with three representatives from Ute Water Conservancy District to talk about water sources over the next 25 years. Manager Schuster informed the Board that Ute would be responding to his November letter in the near future.

MESA COUNTY WATER ASSOCIATION: Manager Schuster reported that he had contacted the Mesa County Water Association and was informed that the Association made an appeal for money once each year and that they asked for \$25 to \$30 for membership. Director Garber moved to contribute \$50 to the Mesa County Water Association to defray the cost of mailings to the Clifton Board of Directors. Director Lewis seconded the motion and it passed with Director Ela abstaining from the vote.

ADVANCE PAYMENT TOWARD TAPS: Manager Schuster gave the background information on the policy of advance payment toward taps. Director Ela moved to have Manager Schuster get with Attorney Bechtel to prepare a policy for the March 15, 1995 meeting which would require the pre-paid taps to be activated or eliminate the credit. Director Lewis seconded the motion and it passed unanimously.

AWWA TELECONFERENCE: Assistant Manager Tooker asked the Board how many of them planned on attending the AWWA Teleconference on March 9, 1995. All the Directors except Director Ballagh stated that they would be there. Director Ballagh will contact Assistant Manager Tooker to let him know if he will attend.

OTHER OLD BUSINESS: Director Ballagh stated that he would like Manager Schuster to contact Mike James from Mountain Tree Service to find out his status on the land that he has been using at the Charles A. Strain Water Treatment Plant.

COMBINATION DOMESTIC/FIRE FLOW TAP FEE: Manager Schuster asked the Board to consider a domestic/fire flow fee for water customers requiring both domestic water and water for fire protection. At the present time the District has a domestic plant investment fee as well as a fire flow fee. Manager Schuster wanted the Board to initiate a domestic/fire flow fee in accordance with the schedule presented in his February 7, 1995 memorandum. Director Ballagh asked if the equipment used to measure domestic/fire flow water would also provide greater protection to the District as far as backflow prevention is concerned. Manager Schuster stated that it would indeed provide protection to the District, and that anything on the customer's side of the assembly would still remain the customer's responsibility. Director Lewis moved to adopt the policy for combination domestic/fire flow tap fees as prepared by Manager Schuster on February 7, 1995 and as shown below. Director Ela seconded the motion and it passed unanimously.

<u>PLANT INVESTMENT FEES*</u>		<u>FIRE LINE TAPS</u>		<u>COMBINATION DOMESTIC/FIRE FLOW FEES</u>	
<u>Tap Size</u>	<u>Fee</u>	<u>Tap Size</u>	<u>Fee</u>	<u>Tap Size</u>	<u>Fee</u>
3/4"	\$ 2,500	4" or Less	\$ 6,660	1" X 4"	\$13,250
1"	\$ 4,000	6"	\$ 9,335	1 1/2" X 6"	\$19,850
1 1/2"	\$ 7,000	8"	\$12,500	2" X 8"	\$25,225
2"	\$ 9,175	10"	\$16,665	2" X 10"	\$31,150
3"	\$16,660	12"	\$23,335		

PLANT DEDICATION: Manager Schuster informed the Board that the dedication of the treatment plant to the Charles A. Strain Water Treatment Plant would occur during National Drinking Water Week on May 10, 1995 at 3:30 p.m. An open house with plant tours and refreshments are planned at that time.

WATER FESTIVAL: Assistant Manager Tooker informed the Board that Ute Water was again planning the Water Festival for the fifth graders in the Valley. Last year the District sponsored a bus to transport the students from their school to Mesa State College and back. Assistant Manager Tooker went on to say that Ute Water was also seeking co-sponsors for the festival for the future. Director Lewis moved to sponsor a bus again this year at a cost of \$70. Director Ela seconded

Minutes
February 22, 1995
Page Five

the motion and it passed unanimously. Director Lewis moved to authorize staff to explore with other water purveyors in the valley the possibility of co-sponsoring the festival for 1996. Director Garber seconded the motion. Director Ballagh stated that he felt it was a very good idea which he fully supported. The motion to explore the possibilities of co-sponsoring the festival for 1996 passed unanimously.

Director Lewis moved to adjourn the meeting. Director Wheeler seconded the motion and it passed unanimously.

The meeting adjourned at 11:15 p.m.

ATTEST:

John L. Ballagh
Wm. M. Ela

Serge E. Wheeler
Secretary

Martin Garber

[Signature]

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

Held March 15, 1995

Present were Chairman Ballagh, Treasurer Garber, Secretary Wheeler and Director Lewis. Vice-Chairman Ela's absence was excused. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount, Laboratory Director Robinson and Stenographer Day-Biondich. Guests present were Bob Czarnecki, Ronald W. Hutchinson, Robyn Thompson, Betty McDaniel and Mike Nelson and Mary Brenes from Chadwick, Steinkirchner and Davis, Company.

DERIVATIVES - BOB CZARNECKI: Bob Czarnecki from A.G. Edwards was here to explain derivatives to the Board of Directors. At the February meeting some concern was expressed as to how safe the District's investments in Ginnie Mae's, Freddie Mac's and FHLMA bonds were. Mr. Czarnecki explained that the bonds that the District holds are very safe because they are direct obligations of the United States Government. Mr. Czarnecki continued by stating these investments were safe as long as we did not borrow against the bonds. The Orange County problem with bonds started when they leveraged their investments by borrowing 80% of their bonds value and using 20% as collateral. Director Ballagh asked Mr. Czarnecki if it would be all right for Director Ela to contact Mr. Czarnecki directly if he had further questions and Mr. Czarnecki stated that it would be fine.

RONALD W. HUTCHINSON: Mr. Ronald Hutchinson currently lives at 628 Noble Court. Mr. Hutchinson stated that he was very upset with the District's current policy toward minimum usage charges. Mr. Hutchinson recently moved from 638 Avalon Court in Stonegate Subdivision to 628 Noble Court in the same subdivision and had to pay a minimum water fee at both residences. This meant that Mr. Hutchinson paid \$14.00 for the 4,000 gallons of water used in one month in the same subdivision. Mr. Hutchinson stated that he felt that \$14.00 was "pretty stout" for 4,000 gallons of water. Mr. Hutchinson went on to state that a monthly minimum should only be charged one time per customer, not one time per address and that the District should be more concerned with each individual customer than with each address. Director Garber explained that the District policy states that the minimum charge is applied to each residence and that the policy is in place to allow each customer to be treated equally. Mr. Hutchinson stated that he felt the policy needed to be re-examined. Director Ballagh stated that the Board would take the policy under consideration.

ROBYN THOMPSON: Manager Schuster explained to the Board that the water for Robyn Thompson at 449 Lark had been shut off on Tuesday, March 14, 1995 for non-payment. Ms. Thompson stated that she had called into the office and told someone in the office that she would not be able to pay her bill until March 31, 1995. Ms. Thompson further stated that the office personnel that she had spoken with had told her that was fine and that, because she had some leaks, would adjust her bill accordingly. Manager Schuster stated that the water bill at 449 Lark did not qualify for a leak adjustment and that none of the office personnel remembered talking to her. Manager Schuster continued by stating that when an individual calls the office and they are on the shut-off list, they are given a code number and Ms. Thompson had no code number. Director Ballagh asked exactly what it was the Ms. Thompson

Minutes
March 15, 1995
Page Two

wanted. Ms. Thompson stated that she wanted her water turned back on and she would pay her bill, including the \$20.00 turn fee, in full on March 31. Director Garber moved to turn the water on until March 31 at which time she would be expected to pay \$96.30 and if the bill was not paid in full that day the water would be shut off again and she would have another \$20.00 turn fee added to her total due. Director Wheeler seconded the motion and it passed with Director Lewis voting nay.

CHADWICK, STEINKIRCHNER AND DAVIS, CO.: Mike Nelson and Mary Brenes presented the audit report for the 1994 fiscal year. The audit showed no irregularities and good fiscal management. After a forty minute discussion which included an overhead projection of pertinent parts of the audit report along with some graphs showing growth in both customers and value to the District, Director Ballagh stated that the staff would contact the auditors after the Directors had a chance to review the draft audit report. The auditors explained that the market value of the Ginne Mae's, Freddie Mac's and FHLMA bonds as compared to the District's investment was not a concern to them due to their high yield and safety.

MINUTES OF FEBRUARY 22, 1995: Director Lewis moved to accept the minutes of the February 22, 1995 meeting and Director Wheeler seconded the motion. The motion to accept the minutes as prepared passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Wheeler moved to approve the financial report paying the \$37,407.50 as shown on the report, \$30,788.39 itemized on the supplemental report and a transfer of funds of \$76,047.56. Director Lewis seconded the motion which passed unanimously after a brief discussion.

MANAGERS REPORT: The Directors questioned the TDS in the river water and how it changed during the course of the day. Laboratory Director Robinson stated that the TDS level in the water was directly related to the river flows. Director Garber asked to see the data that had been taken in the TDS levels examined during the course of one day.

NANOFILTRATION: Assistant Manager Tooker stated that the nanofiltration was still being tested and was doing very well. District personnel ran the unit over 500 hours continuously. There had been some concern as to whether the membranes would return to their original state of removal efficiency after a wash. To the satisfaction of staff, the membranes performed up to specifications after a wash. Testing will continue for a little more than a month at which time Manager Schuster, Assistant Manager Tooker, Laboratory Director Robinson and Plant Superintendent Blount will prepare a report for the Board's review so a decision can be made as to how to proceed to obtain softer water from a reliable supply for the District's customers. Data indicates that the quality of water produced from the existing rapid sand filter is clean enough to eliminate the need for the multi media filtration prior to nanofiltration. The data also indicates that nanofiltration is effective in removing THM precursors, however, not effective in removing the formed THM's.

Minutes
March 15, 1995
Page Three

WATER OFFICE/SHOP/STORAGE AREA SITE: Manager Schuster stated that he had been in touch with Mike Serra, Facilities Manager for Mesa County Land and Property, and had been told that a letter would be forthcoming from the County on the land swap proposal. The letter was expected a few weeks ago and had not yet arrived. Director Lewis stated that he would like to have the District check on the Fiegel Estate property at 3228 F Road again. Director Ballagh asked if the office had enough "walk-in" traffic to warrant looking for a site in the "downtown Clifton" area. Manager Schuster stated that the office really had little "walk-in" traffic as such and that most of the office traffic came from "drive-ups". Director Lewis stated that the District should actively pursue a building site - now.

ALTERNATIVE WATER SOURCES: Manager Schuster told the Board that raw water from the City or treated water from Ute were two alternatives still being considered as an alternative water source. Manager Schuster also said that he thinks Colorado River water treated using membrane technology was still the best bet and best alternative source of water. Assistant Manager Tooker and Laboratory Director Robinson agreed with Schuster's assessment of alternative water sources. Manager Schuster said he thinks Ute is looking to Clifton to pay for oversizing their flow line down Plateau Creek if Clifton is to use Ute water. Manager Schuster also said the City wants to dictate to Clifton where to serve water if the City source is the selected alternative.

WHITewater WATER LINE: Manager Schuster stated that until the last Board meeting he had fully planned on paralleling the existing 4" water line that runs from the top of Whitewater Hill to the Whitewater Area with a 6" water line this summer. The Board discussed the various options currently available for all of the property in the Whitewater area. After some discussion, Manager Schuster was asked to schedule a meeting the Mesa County Commissioners concerning their plans for development in the Whitewater area. Further discussion will take place when more information is available to the Directors.

POLICY ON ADVANCE PAYMENT TOWARD TAPS: Manager Schuster informed the Board that the "Plant Investment Fee Credit Policy" drawn up by Attorney Bechtel could remove the tap credits that the District now carries on their books within one year. Director Lewis questioned if the word "forfeiture" should be used in the policy. The Directors also wanted the ambiguity in the language in paragraph 3.2 to be removed. Manager Schuster will contact Attorney Bechtel for her opinion. The item will be discussed at the April 19, 1995 Board meeting.

MARCH 9, 1995 AWWA TELECONFERENCE: Manager Schuster stated that he believed the teleconference that all of the Board members attended on "Safe Drinking Water: Critical Choices for Public Officials and Utilities" was well presented. Director Lewis said that from the presentation he believed that the District was in "good shape" with regulations that are now in the works. Manager Schuster told the Board that he had been trying to relate that message to them, however he did not think he had been successful in doing

Minutes
March 15, 1995
Page Four

so. Manager Schuster and Assistant Manager Tooker thanked the Board for their attendance and participation at the teleconference and subsequent panel discussion.

C.R.S. 30-28-110: Manager Schuster informed the Directors that C.R.S. 30-28-110 had been sent to him by Director Lewis. Director Lewis said that this was the statute that gave the District the authority to do what they wanted with their property. Director Lewis further explained that the District could approach the Planning Commission with an idea, however, if the Commission disagreed with what the District wanted to do, the District could continue anyway.

OTHER OLD BUSINESS: Director Ballagh asked Manager Schuster if he had checked on the status of Mountain States Tree Service using land on Gunderson Island, the site of the Charles A. Strain Treatment Plant, for dumping debris from their tree cutting service. Manager Schuster stated that the minutes of the May 19, 1993 Board meeting showed that Mr. James could continue to dispose of the tree material on District property at Gunderson Island as long as he did not burn it. Manager Schuster went on to say he talked with Mr. James and was told most of the tree debris was being disposed of in the Whitewater area.

WHITEWATER WATER LINE: Manager Schuster informed the Board that the pipe that goes under Highway 50 in the Whitewater area was cast iron with lead joints and needed to be replaced. Manager Schuster said that the District might be able to push a 3" PVC pipe inside the existing 4" cast iron pipe. The other choice was to bore under the highway and put in a 6" line. Manager Schuster said the latter of the two choices would be preferred, but was more expensive. Manager Schuster will check on the cost of "bursting" the pipe and report to the Board at the April meeting.

WATER CONSERVATION PLAN: Manager Schuster informed the Board that he and Assistant Manager Tooker had attended a water conservation workshop on March 8, 1995 where a presentation had been made on the Water Conservation Act of 1991. Manager Schuster stated that the only penalty for not having a Water Conservation Plan in place prior to July 1, 1996 was that the District would be unable to borrow funds from the State of Colorado. Manager Schuster wrote to Representative Foster asking for a change in the Act. Clifton water users consume less than 32 gallons per day per capita. This prudent use of water is difficult to decrease when it is lower than the goal set by the Colorado Legislature. Manager Schuster has also sent letters to other water utilities that have low water use asking them to make the same request of their State Representative or State Senator. No action was taken.

BREAK-IN AT THE CHARLES A. STRAIN WATER TREATMENT PLANT: Manager Schuster stated that on the morning of March 15, 1995, Laboratory Director Robinson contacted in at home at 7:00 a.m. and informed him that the plant had been broken into. The intruder had broken two windows, one window on the front door to gain access to the building and the other window to Carey's office to gain access to a telephone. The re-dial on Carey's phone left a clue

Minutes
March 15, 1995
Page Five

that is sure to lead to identify the suspect. The Sheriff was called in to investigate. The plant will have new windows installed and an alarm system in being considered.

OTHER NEW BUSINESS: Director Lewis questioned the status of the sewer lagoons that the Valle Vista Homeowners Association are to be working on. Manager Schuster stated that the ponds were being dried up and that he doubted that the District would be getting the first deed of trust back from the Valle Vista Homeowners Association.

Manager Schuster stated that he had visited with Mrs. Lois Beeson after the last Board meeting and that she was to have her water pipe located. Manager Schuster stated that she was to contact him once the pipe had been located.

Director Lewis moved to adjourn the meeting. Director Garber seconded the motion and it passed unanimously.

The meeting adjourned at 10:20 p.m.

ATTEST:

Gay E. Wheeler
Secretary

John L. Ballagh

Martin Garber

[Signature]

Gay E. Wheeler

Mrs. M. Ela

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

Held April 19, 1995

Present were Chairman Ballagh, Vice Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount and Stenographer Day-Biondich. No guests were present.

MINUTES OF MARCH 15, 1995: Director Garber moved to accept the minutes of the March 15, 1995 meeting and Director Lewis seconded the motion. Corrections to the minutes were: on page two under **MANAGERS REPORT** it should read "...is inversely proportional to the river..."; on page 4 under **BREAK-IN AT THE CHARLES A. STRAIN WATER TREATMENT PLANT** it should read "...contacted him at home at 7:00 a.m. and..."; and on the first line of page 5 it should read "...is sure to lead to the identity of the suspect." The motion to accept the minutes with the above corrections passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Garber moved to approve the financial report paying the \$65,104.36 as shown on the report, \$12,314.86 itemized on the supplemental report and a transfer of funds of \$1,500.00. Director Lewis seconded the motion which passed unanimously after a brief discussion.

MANAGERS REPORT: Manager Schuster stated that the District had billed the owner of the house at 505 33 Road because he did not request locates and excavated into and broke our water line in that area. The owner had made statements inconsistent with the facts of why the water line was broke. The bill for the repair will be collected at the time the tap for 505 33 Road is paid. Manager Schuster also informed the Board that the water at 191 Turner Road in Whitewater had been shut off for non-payment and to expect to read about it in the newspaper. No action was taken as this was for informational purposes only.

NANOFILTRATION: Manager Schuster reiterated the information of the memorandum that he had sent to the Board about the nanofiltration unit that is being tested at the plant. Manager Schuster stated that District personnel are still very pleased with the unit and how it is working. Assistant Manager Tooker informed the Board that the unit had been running for 1,790 hours and been through three washes. The unit will continue to be tested through May.

INDIAN CREEK ESTATES: Manager Schuster informed the Board that Dan Brown had contacted him. Dan Brown told Manager Schuster that he had not lost any of the enthusiasm for the Indian Creek Estates project and that he would still like Clifton Water District to deliver potable water to the area. The general consensus of the Board was that no action would be taken until after the scheduled meeting with the Mesa County Board of Commissioners.

WATER OFFICE/SHOP/STORAGE AREA SITE: Manager Schuster told the Board that he had still been contacting individuals in regard to purchasing some land on which the District could build a new office/shop/storage area. Manager Schuster made a recommendation to the Board that the District make an offer

Minutes
April 19, 1995
Page Two

on a piece of property that may be ideal for the new building. Director Ela was concerned that the District should wait until the annexation/incorporation question was resolved. Manager Schuster said that he was confident the District would survive annexation and gave an analysis of Attorney Bechtels' opinion on special districts surviving annexation or incorporation. State Statutes favor the survival of the District. No action was taken.

ALTERNATIVE WATER SOURCES: Manager Schuster informed the Board that a meeting with the Ute Water Conservancy District Rate and Policy Committee is scheduled for April 26, 1995 at 7:30 p.m. at the Ute office. No action was necessary.

CHARLES A. STRAIN WATER TREATMENT PLANT ALARM SYSTEM: Plant Superintendent Blount informed the Board that he had bids from two companies on electronic security protection for the plant. SKL Alarms had bid an equipment price of \$2,952 with a \$20 monthly monitoring rate and Superior Alarms had bid an equipment price of \$2,270 with a \$30 monthly monitoring rate. Plant Superintendent Blount stated that Superior Alarm supplied more equipment than SKL Alarms. Director Lewis stated that he would refrain from this discussion because of personal contacts. Manager Schuster stated the alarm system was not in the 1995 budget and wanted the purchase to be approved by the Board. After some discussion on what an alarm system could do for the plant, Director Garber moved to have an alarm system installed to protect the plant. Director Wheeler seconded the motion. Director Ballagh asked Director Lewis if the District did not have an alarm system and someone sabotaged the water, if the District would have more liability because of the lack of an alarm system. Director Lewis stated that he was sure that someone would say that an alarm system should have been in place as a "standard of care". The motion to install an alarm system at the Charles A. Strain Water Treatment Plant passed with Director Lewis abstaining.

POLICY ON ADVANCE PAYMENT TOWARD TAPS: Director Wheeler moved to accept the proposed Policy on Advance Payment Toward Taps with the provision of changing the word "forfeiture" to the word "lapse" throughout the policy. Director Lewis seconded the motion and it passed unanimously. Manager Schuster stated that Attorney Bechtel had told him that the policy still has to pass the statute of limitations test and recommended that all persons that had a credit of "Advance Payment Toward Taps" be notified. Written notice will be sent to the individuals that this policy effects and a notice will also be put in the newspaper.

1995 SDA WORKSHOP: Manager Schuster asked how many of the Directors wanted to attend the 1995 SDA Workshop in Rifle on May 24, 1995. Director Ballagh stated that he would go and Director's Lewis and Wheeler both stated that they could not attend. Director's Garber and Ela will notify the staff as to their decision on or before May 12, 1995.

Minutes
April 19, 1995
Page Three

1995 ELECTION "BOOTCAMP" WORKSHOP: Manager Schuster told the Board that there would be a "1995 Election Bootcamp" workshop sponsored by Hanifen, Imhoff Inc. on Thursday, April 27, 1995 at 1:30 p.m. in Glenwood Springs and asked if any of the Board members wanted to go. There was no interest from the Board members in attending the workshop.

COLORADO RIVER PIPELINE DECREE, 95CW055 - CHANGE OF POINT OF DIVERSION: Manager Schuster explained to the Board that the City of Grand Junction is asking for another point of diversion for 10 cfs of their Colorado River Pipeline decree for Watson Island. Manager Schuster stated that he did not believe that the District would want to oppose the transfer but that he wanted to inform the Board. Director Ela stated that he did not feel that the District should support or object to the transfer. Director Ballagh stated that he felt that the District may want to speak to someone on the GVIC Board if they were to think about opposing it.

WATER CASE NO. 94CW330: Manager Schuster stated that 94CW330 is an in-stream water right requested by the Colorado Water Conservation Board. Manager Schuster informed the Board that because this decree relied on return flows, he wanted Attorney White to investigate all ramifications of the decree and advise the District how to proceed. There was no motion made, however, the general consensus of the Board was that they should ask for Attorney White's services concerning this matter.

WATER COMPLAINTS: Manager Schuster informed the Board that since April 1, 1995 when the District ceased blending river water with City water, many complaints were being received asking why the water tasted so different. Manager Schuster stated that customers were being told that the District had gone back on river water. Director Ballagh stated that customers should be told that nanofiltration will solve the taste problems experienced by the customer but that it will also cost them more for water. Manager Schuster will write a brief paragraph explaining the change in taste, the alternatives the District is studying and the extra cost to correct this problem for the office staff to use when these calls are received.

MESA COUNTY CHAPTER OF THE COLORADO ASSOCIATION OF CERTIFIED CLOSERS: Chairman Ballagh deferred the Chair to Vice-Chairman Ela for the agenda item entitled, "Mesa County Chapter of the Colorado Association of Certified Closers" to avoid a conflict of interest. Director Ela asked for input on the topic. Manager Schuster read the letter from the Chapter asking for donations for the state convention to be held in Grand Junction on May 4 and 5, 1995. Director Garber questioned if this would be a legal contribution for the District. Director Lewis moved against donating to the Chapter because it is not directly related to water and may not be a legal contribution for the District. Director Garber seconded the motion. Manager Schuster suggested that each person at the table donate \$3.00 to make up the \$25.00. The suggestion was accepted and \$25.00 was collected. The motion to not have the District contribute to the Mesa County Chapter of the Colorado Association of Certified Closers then passed unanimously.

Chairman Ballagh resumed the Chair after the motion passed.

Minutes
April 19, 1995
Page Four

LEASE OF GVICO SHARES: Manager Schuster talked to the Board about leasing some of the District's GVICO shares.

MEETING WITH MESA COUNTY COMMISSIONERS: Manager Schuster said that the meeting with the Mesa County Commissioners to discuss delivery of domestic water to the Whitewater area and points south is scheduled for 5:15 p.m. on May 2, 1995. Manager Schuster informed the Board that Ruth Hutchins would be there at the invitation of Mesa County as a representative of Mesa County Water Association.

OTHER NEW BUSINESS: A discussion took place in regard to the annexation plans of the City. Manager Schuster again informed the Board that the statutes clearly stated that in order for the City to be allowed to take over the water service of the District it had to be voted for by the people of the District.

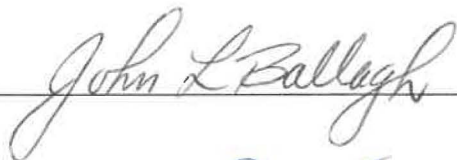
Scoping Meeting for Ute's Pipeline - Director Ballagh gave a short report on the March 29, 1995 scoping meeting for Ute's Plateau Creek Pipeline. Ballagh was disappointed in the reasoning for the apparent selection or rejection of some of the alternatives. The general feeling of those opposing the rebuilding was that it would increase growth in the Valley. A discussion ensued about the options that may be available for Ute to transport water to their treatment plant.

Director Ela moved to adjourn the meeting.

The meeting adjourned at 9:40 p.m.

ATTEST:


Secretary









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

Held May 17, 1995

Present were Chairman Ballagh, Vice Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount and Stenographer Day-Biondich. No guests were present.

Chairman Ballagh called the meeting to order at 7:37 p.m.

MINUTES OF APRIL 19, 1995: Director Wheeler moved to accept the minutes of the April 19, 1995 meeting and Director Lewis seconded the motion. Director Garber amended the motion to make changes to some of the sentences under **WATER OFFICE/SHOP/STORAGE AREA SITE**. Director Wheeler seconded the motion and the amendment passed unanimously. The motion to accept the minutes as amended passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Garber moved to approve the financial report paying the \$55,784.77 as shown on the report, \$12,451.39 itemized on the supplemental report and a transfer of funds of \$102,107.17. Director Ela seconded the motion which passed unanimously.

MANAGERS REPORT: Manager Schuster told the Board that the District had not received an easement for extending a water line for fire protection to the Pauline Subdivision. Currently there are six residences in that subdivision that would not have water for fire protection. The subdivision was approved subject to water for fire protection. It was the consensus of the Board that a letter should be mailed to the Commissioners as well as to Hill and Holmes (the developers of the subdivision) advising them of this problem.

NANOFILTRATION: Manager Schuster informed the Board that the results of the nanofiltration pilot test were still very positive. A report on the nanofiltration plant will be prepared for discussion at the July Board meeting. Assistant Manager Tooker stated that the operators were now running the system. The operators are finding that operating the nanofiltration unit is much easier than expected.

UTE WATER REPORT: Manager Schuster told the Directors that Ron Jaynes, one of the Board of Directors for the Ute Water Conservancy District, has prepared a report for Manager Schuster to study. Mr. Jaynes told Manager Schuster that he was the only member of Ute's Board that had seen the report so it was not a formal presentation. Mr. Jaynes continued by saying that the bottom line in the report was that Ute would probably charge Clifton approximately 68¢ per thousand gallons of treated water delivered to the Districts North Tank. Mr. Jaynes also stated that any work that would need to be done to Ute's treatment plant would be charged to the District on a pro-rata basis. Manager Schuster informed the Directors that the Ute Board of Director's were expecting to meet the Clifton Directors on Thursday, May 18, 1995. Director Ballagh asked if the Directors wanted a committee to attend the Thursday night meeting. The consensus was that the Directors would work as a committee. Director Ballagh asked that the Directors be given a copy of the final report from Ute when it is received.

Minutes
May 17, 1995
Page Two

WATER CASE NO. 94CW330 - CWCB FILING: Manager Schuster stated that Water Case No. 94CW330 is an in-stream water right concerning the seeping of water back into the Colorado River requested by the Colorado Water Conservation Board. Manager Schuster informed the Board that he had been in contact with Attorney White in regard to this case. Attorney White suggested that the District attend the meeting of the Colorado Water Conservation Board and inform them on how the Grand Valley Irrigation Company operates. Attorney White further suggested that the District ask the Colorado Water Conservation Board to not object to requests by the Clifton Water District for change of use or change of headgates on the GVIC. Director Lewis moved to authorize Manager Schuster to attend the May 22, 1995 meeting of the Colorado Water Conservation Board to present the District's concerns and ask for an agreement as suggested by Attorney White. Director Ela seconded the motion and it passed unanimously.

CRWCD RESOLUTION TO INCREASE VOLUME OF WOLFORD MOUNTAIN RESERVOIR: Manager Schuster informed the Directors that the Colorado River Water Conservation District had proposed a resolution to raise the spillway elevation of Wolford Mountain Reservoir by four feet. This additional height would increase the reservoir's capacity by 6,000 acre feet of water at a cost of about \$900,000. The spillway elevation of the reservoir had been set for 7485 feet above mean sea level. Now the elevation of the reservoir spillway will be 7489 feet. The Board suggested that Manager Schuster write a letter informing the CRWCD that the District would be anxiously awaiting the new studies on the salinity with the increased spillway elevation.

WATER OFFICE/SHOP/STORAGE AREA SITE: Director Garber moved to enter into an executive session for this discussion. Director Lewis seconded the motion and it passed unanimously. Minutes later, Director Garber moved to exit the executive session with Director Ela seconding the motion which passed unanimously.

POLICY ON ADVANCE PAYMENT TOWARD TAPS: Manager Schuster informed the Board that he had sent them a corrected version of the Policy on Advance Payment Toward Taps. The three properties involved are: Southgate Subdivision, 31 Road Business Park and a property at 31 and F Roads that was called the Doll House Subdivision. Manager Schuster stated that letters had been sent to Mr. Coleman and the owners of 31 Road Business Park with the return receipt being sent back to the District. Manager Schuster had also sent a letter to Mr. Skrbina in Arizona requesting information on the owner of the Doll House Subdivision. No response has been received from Mr. Skrbina. An advertisement was also published in the newspaper asking parties that may be effected by this new policy to contact the District for more information. This item will be placed on the agenda for the May, 1997 Board meeting.

MAY 2, 1995 MEETING WITH COUNTY COMMISSIONERS: Manager Schuster presented a sample letter to the Directors that he proposed the District send to irrigation districts which provide irrigation water to subdivisions in the Clifton Water District. The letter is to inform the irrigation districts that the District would serve water to the subdivisions in the Clifton Water District in exchange for the company allowing Clifton to divert their water.

This would require an additional point of diversion for the irrigation districts. After some discussion Director Ela moved to authorize Manager Schuster to edit and send the proposed letter to the Palisade Irrigation District and the Mesa County Irrigation District. Director Lewis seconded the motion and it passed unanimously. Manager Schuster will send a copy of the final letter to each of the Clifton Board members.

PLANT DEDICATION: Director Ballagh stated that the staff had done a good job in the dedication of the District's water treatment plant to the Charles A. Strain Water Treatment Plant on May 10, 1995. Manager Schuster stated that comments from the public had been very positive.

REVISED CONSTRUCTION POLICY: Manager Schuster explained to the Board that Attorney Bechtel had reviewed the Construction Policy and rewritten the portion that was in conflict with the District's new Plant Investment Fee Credit Policy. Only items 1 through 2.5 had to be revised with the remainder of the policy (items 3 through 3.7) unchanged. Director Garber moved to adopt the revised Construction Policy. Director Lewis seconded the motion and it passed unanimously.

CONFINED SPACE ENTRY PROGRAM: Assistant Manager Tooker informed the Directors that the District was beginning implementation of a Confined Space Entry Program. Assistant Manager Tooker told the Board that he is looking into numerous organizations that perform the Confined Space Entry Training Programs and that Clifton Sanitation District #2, Clifton Fire Department, the City of Grand Junction Fire Department and Ben Dowd Excavating have been contacted and asked if they would participate in the Confined Space Entry Training Program with the District. The Confined Space Entry Training Program will be scheduled for sometime in late June or July. Director Ballagh informed those present that fall protection was as equally as important as the other items being discussed.

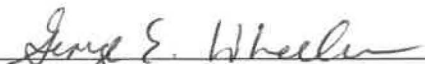
OTHER NEW BUSINESS: Manager Schuster told the Directors that he had delivered the \$25.00 cash to the Closer's Association and that they were very appreciative of the donation.

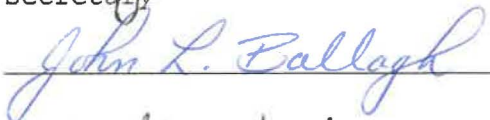
Director Lewis moved to adjourn the meeting. Director Garber seconded the motion and it passed unanimously.

The meeting adjourned at 9:43 p.m.

ATTEST:




Secretary







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

Held June 21, 1995

Present were Chairman Ballagh, Vice Chairman Ela, Secretary Wheeler and Treasurer Garber. Director Lewis' absence was excused. Staff present were Manager Schuster, Plant Superintendent Blount, Laboratory Director Robinson and Stenographer Day-Biondich. Guests present were Dan Brown, John Giancanelli, Rob DeBaca, Leroy & Glenda Harris, Mr. & Mrs. Chris Wade and Barbara Neill.

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

GUESTS: Dan Brown wished to dispel the rumor that he was no longer interested in getting the District to serve potable water to Indian Creek Estates. Mr. Brown stated that he had brought the petition which had been signed by seven parties located north of Indian Creek Estates who are interested in receiving potable water which could be served by the District. Mr. Brown did not have a written proposal ready for the Board because he had been told at the last meeting he attended that the Board wanted to meet with the County to find out what the "master plan" for the Whitewater area involved. The Board had met with the County, however, the answer to their question was not addressed or resolved. Mr. Brown continued by stating that he was prepared to purchase a minimum of ten taps for his subdivision now and that if the District would be willing to serve water to that area he would be interested in just about any plan they would propose. Mr. Wade informed the Board that there were twelve 40 acre parcels privately accessed by Seminole Road that could be developed if domestic water were available. Mr. Harris stated that he would like 24 taps for his first filing which is to go to the Planning and Zoning Board on July 6, 1995. Mr. Harris said that in the next ten years he may be able to use up to 400 taps for potable water service. Manager Schuster said the District could not furnish water for fire protection. Mr. Harris said he had reservoir water that would be used for fire protection. Mr. Giancanelli is planning a commercial/recreational area which would need taps, also. Manager Schuster told the Board that he had spoken to Joe Crocker, Director of Land Use and Transportation for Mesa County and that Mr. Crocker was to supply Manager Schuster with the information regarding the build-out of the proposed service area in Whitewater and places south under the present zoning. However, Manager Schuster continued, Mr. Crocker had not yet supplied the needed information for the Board to discuss the necessary line size for serving the area. Director Ballagh asked that the people interested in receiving domestic water from the District meet with Manager Schuster to prepare a written agreement to be presented at the July Board meeting. The guests stated that they would meet with Manager Schuster and thanked the Board for their time.

MINUTES OF MAY 17, 1995: Director Wheeler moved to accept the minutes of the May 17, 1995 meeting and Director Ela seconded the motion. The motion to accept the minutes as prepared passed unanimously.

Minutes
June 21, 1995
Page Two

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Garber moved to approve the financial report paying the \$53,301.54 as shown on the report, \$24,850.45 itemized on the supplemental report and a transfer of funds of \$1,500.00. Director Wheeler seconded the motion and it passed unanimously after a brief discussion.

MANAGERS REPORT: Director Garber stated that he did not think the District personnel should become Chairs or Committee Members in the RMS AWWA because of the time involved. Director Garber continued by stating that he felt the District needed the full attention of all their employees and that if employees were to become involved in such project that it should be on their own time. Director Ela disagreed. Manager Schuster said that Clifton has greatly benefited from participation in the RMS AWWA and thought it was worthwhile.

ALTERNATIVE WATER SOURCES: Manager Schuster had some "sensitive" information he wanted to share with the Board concerning an alternative water source. Director Garber moved to enter into an executive session for the discussion on alternative water sources. Director Wheeler seconded the motion and it passed unanimously. After a 25 minute discussion Director Garber moved to adjourn the executive session. Director Wheeler seconded the motion and it passed unanimously. Manager Schuster stated that at the last meeting between the District and Ute the price of 68¢ per thousand gallons for treated water was brought up and then lowered to 54-1/2¢, however, these figures never appeared in the minutes of that meeting. Schuster also stated that the minutes quoted him as saying the price Ute wanted to sell water to Clifton (68¢ per thousand gallons) was about the same as the cost of nanofiltration. However, Schuster continued, Clifton would only treat about 40% of its water with nanofiltration whereas they would purchase up to 100% of water from Ute.

WATER CASE NO. 94CW330 - CWCB FILING and CRWCD RESOLUTION TO INCREASE VOLUME OF WOLFORD MOUNTAIN RESERVOIR: Manager Schuster stated that Director Ela and he attended the Colorado Water Conservation Board (CWCB) meeting in Grandby and presented the District's concerns about changing the use or changing the location of headgates on the Grand Valley Irrigation Canal. Manager Schuster stated that the results were very favorable and that the CWCB had said they were not concerned about moving water up and down the Grand Valley Canal. Manager Schuster informed the Board that Attorney White would be preparing a stipulation on case 94CW330 to that effect which should be ready for the July Board meeting. Manager Schuster continued by stating that while they were in the Grandby area, Director Ela and he toured Wolford Mountain Reservoir and that he was very impressed with the looks of the reservoir. Manager Schuster said that Eric Kuhn of the CWCB and the CRWCD called him and told him the additional 6,000 acre feet of water available to Wolford Mountain Reservoir by raising the spillway 6 feet was for use in Western Colorado, not for Denver.

Minutes
June 21, 1995
Page Three

WATER OFFICE/SHOP/STORAGE AREA SITE and SUPREME COURT RULING ON E-470

AMENDMENT #1: Director Garber moved to enter into an executive session for these discussions and Director Ela seconded the motion. It passed unanimously. After these items were discussed, Director Ela moved to adjourn the executive session. Director Wheeler seconded the motion which passed unanimously.

BANK OF GRAND JUNCTION RESOLUTION: All the Board members present signed the resolution for the Bank of Grand Junction. Manager Schuster will get Director Lewis' signature before sending it to the bank.

DENSITY FOR AREA SOUTH OF WHITEWATER: Director Garber questioned a new rate structure for the out-of-District taps that have been proposed for the Whitewater area. Director Garber stated that he did not believe that a recapture agreement was necessary if the parties involved really wanted the water. Director Ballagh suggested that Manager Schuster send John Whiting a letter stating that as presented in the contract between Hidden Valley Water Company and the District, the District would not guarantee pressure for his subdivision.

OTHER OLD BUSINESS: Manager Schuster informed the Board that he had received a letter from the County in regard to the lack of easement for the Pauline Subdivision. In the letter, the County said that Pauline Subdivision had until October 20, 1995 to complete all improvements, including an upgraded water line, to be in compliance with the Mesa County Land Development Code.

CSD ENGAGEMENT LETTER: Director Wheeler moved to sign the engagement letter with Chadwick, Steinkirchner and Davis, P.C. for the estimated cost of \$3,390 for the 1995 audit for the District. Director Ela seconded the motion. The motion passed unanimously and Chairman Ballagh signed the engagement letter.

CITY'S GROWTH MANAGEMENT Q & A SESSION JUNE 29, 1995: Manager Schuster informed the Board that he was planning on attending the meeting, however, he did not need a count of the Directors who were planning on attending.

SALE OF PROPANE TANK: Manager Schuster informed the Directors that he had received a letter along with a \$50 check from Darrell Brunet for the purchase of the propane tank that was used for the original cabin on Gunderson Island. Manager Schuster stated that he had spoke with the gentleman on the telephone and informed him that if the Board accepted his offer, it was on a "where is, as is, no guarantees" basis. Director Garber moved to accept the \$50 from Darrell Brunet for the sale of the tank. Director Wheeler seconded the motion and it passed unanimously. Director Ballagh told Manager Schuster that the number from the tank needed to be provided to Mr. Brunet on a bill of sale.

Minutes
June 21, 1995
Page Four

FICA PAYMENTS FOR DIRECTORS: Manager Schuster stated that at the SDA Workshop in Rifle he had been informed that Directors of Special Districts did not have to pay FICA from their meager compensation. Manager Schuster asked the Directors if they wanted to continue to pay FICA or if they would rather not. It was the general consensus of the Board that they would continue paying FICA.

WATER FLUORIDATION AWARDS (1993/1994) FOR EXCELLENCE: The Board commended the CAS Water Treatment Plant Employees for their work in receiving the Fluoridation Awards for Excellence from the Colorado Department of Public Health and Environment for the past two years.

OTHER NEW BUSINESS: Laboratory Director Robinson informed the Directors that the Center for Disease Control had issued a national statement to the effect that people with suppressed immune systems should boil their water. Lab Director Robinson thought that the District may have several calls in regard to the necessity and the cleanliness of the District's water so he had prepared a statement for treatment plant employees to tell people that called with concerns.

Director Ela moved to adjourn the meeting and Director Garber seconded the motion. It passed unanimously.

The meeting adjourned at 10:43 p.m.

ATTEST:

George E. Wheeler
Secretary

John L. Ballagh

Martin Garber

Mr. M. Ela

[Signature]

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

Held July 19, 1995

Present were Chairman Ballagh, Vice Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount, Laboratory Director Robinson and Stenographer Day-Biondich. Guests present were Dan Brown, John Giancanelli, Rob DeBaca and Leroy & Glenda Harris.

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

GUESTS: Dan Brown asked the Board for their decision on the request made by Rob DeBaca and John Giancanelli to form Dominguez Water Company with a 3" tap at the end of the District's 6" line at Blair Road in Whitewater. Director Lewis moved to accept the proposal by Dominguez Water Company. Director Ela seconded the motion. There followed a 70 minute discussion. The Board was concerned about water for fire protection and that there were no immediate plans for looping the system. The proposal was rejected by a unanimous nay vote. Dan Brown asked for a poll of the Board members. Mr. Brown wanted to know their reason for denying the request. The general consensus was that the Board did not want a water company at the end of the District's distribution system.

MINUTES OF JUNE 21, 1995: Director Garber moved to accept the minutes of the June 21, 1995 meeting and Director Ela seconded the motion. The motion to accept the minutes as prepared passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Wheeler moved to approve the financial report paying the \$55,844.86 as shown on the report, \$5,664.98 itemized on the supplemental report and a transfer of funds of \$1,500.00. Director Lewis seconded the motion. Director Ela pointed out that the District's reserves at the end of the month of June were \$3 million. The motion passed unanimously after a brief discussion.

MANAGERS REPORT: Assistant Manager Tooker pointed out to the Directors that the TDS in the river during June, 1995 vs. June, 1994, was about half as much because of the late high run-off. Director Ballagh stated that Ute Water was delivering letters to people having fire hydrants on their property asking them to keep plants, etc. free from the hydrant and he asked if the District's fire hydrant flushers could do the same. Manager Schuster told him that the hydrant flushers reported to him any cases where there was growth around hydrants so he could speak to the people in person.

REPORT ON NANOFILTRATION: Manager Schuster distributed a report entitled "Nanofiltration Pilot Study" to each of the Board members. Manager Schuster stated that Camp Dresser and McKee Engineering would have produced the same report for \$75,000 which had cost the District less than \$15,000. Manager Schuster, Assistant Manager Tooker and Laboratory Director Robinson covered the "high points" in the report and explained each of the graphs in the report to the Directors. Director Ela asked if the next move in the direction of nanofiltration would be a public meeting with the District's constituents if the

report was accepted. Manager Schuster recommended moving forward with building a nanofiltration plant. Director Ballagh stated that the report was excellent, however, he continued by stating that only one or two items of real importance should be discussed if a public meeting were to take place. Director Garber moved that in view of the study the District should pursue the option of nanofiltration as the primary method of improving the aesthetic water quality and lowering the disinfection by-products in the District's water. Director Ela seconded the motion. Director Ballagh stated that he was very much in support of the nanofiltration, however, he wanted to think about how to finance the project. Director Ballagh suggested that Director Wheeler work with Manager Schuster to compile the figures and financing options for the District to pursue this project. The motion passed unanimously.

WATER CASE NO. 94CW330 - CWCB FILING: Manager Schuster read the Stipulation prepared by Attorney White stating that the CWCB will not use any decree it obtains in 94CW330 as a basis for objecting to changes in the District's use, distribution, treatment plant discharge points, or return flows for water rights currently owned or which may be acquired by the District which are decreed for use within the geographic area served by the District and distributed within the District's boundaries. Manager Schuster told the Board that Attorney White had a conversation with Wendy Weiss at the Attorney General's Office wherein Ms. Weiss said that there should be no problems with the stipulation, however, she was going to obtain a transcript of the CWCB's comments from the meeting which Manager Schuster and Director Ela attended to review. Director Ela moved to accept the stipulation, Director Wheeler seconded the motion and it passed unanimously.

AWWA MEMBERSHIP AND PARTICIPATION: Manager Schuster stated that at the last Board meeting Director Garber had expressed his opinion that if the District had enough employees to run for offices in the AWWA that the District had too many employees. Manager Schuster wanted a response from the Directors to enable the District staff to follow the desires of the Board. Director Ela stated that his experiences lead him to believe that more was gained from a leadership position than from a membership position. Director Lewis said that if Clifton personnel have the leadership qualities, they should be involved in leadership activities in water organizations. Manager Schuster said that the Western Slope utilities often complain that Denver and the front range run everything. This is the District's chance to turn that around and show that Western Slope people have leadership qualities, too. After some discussion Director Ballagh exercised the chair's prerogative by assigning Assistant Manager Tooker, Director Wheeler and Director Garber to present a report on the pros and cons of belonging to the AWWA and taking leadership roles in the organization.

WATER OFFICE/SHOP/STORAGE AREA SITE: Manager Schuster recommended to the Board that the District hire an appraiser to appraise some of the properties the District has been looking at. Director Garber requested that Manager Schuster list the pros and cons of three or four properties for the Board's consideration, including the District's property at the Charles A. Strain Water Treatment Plant.

CITY'S GROWTH MANAGEMENT Q & A SESSION: On June 29, 1995 the City held a meeting directed to answer questions about the projected growth in the area. Manager Schuster stated that the meeting was not very productive and that there were not any questions answered. Director Ballagh said it turned out to be a debate between the City and Ute.

DENSITY FOR AREA SOUTH OF WHITEWATER: Manager Schuster informed the Board that Joe Crocker with Mesa County had given him an estimate of approximately 1,000 equivalent residential units for the "build-out" in the Whitewater area. A discussion ensued in regard to the financial feasibility of the District to provide water for a distance of up to 11 miles south of Whitewater and the liability for fire protection for the area. Manager Schuster told the Board that the District could not provide 500 gallons of water per minute for 120 minutes to any point in Whitewater or further south and that the only solution for fire protection would be for individual homes to have sprinkler systems for fire protection. Director Garber suggested that Manager Schuster and the staff reach an opinion of whether the District could serve water that meets the Safe Drinking Water Act criteria. Director Garber felt that if this could be accomplished, the District should serve the water. Manager Schuster stated that the District would definitely need an 8" line from the top of Whitewater Hill to the Whitewater area to adequately serve the District's proposed commitments. It was the general consensus of the Board that Manager Schuster complete the bid documents and accept bids for the project this fall for winter construction.

OUT-OF-DISTRICT TAP FOR MR. AND MRS. ROCK ON BLAIR ROAD: Manager Schuster explained to the Board that Mr. and Mrs. Rock had purchased the Russell property out near Leona Williams' property and they are interested in purchasing an out-of-District water tap. Manager Schuster also told the Board that the Rock's wanted the District to accept payments for the tap fee rather than pay \$3,750 for an out-of-District tap in one lump sum. Director Garber moved to approve an out-of-District tap for the Rock's on Blair Road. Director Ela seconded the motion and it passed unanimously. There was no decision on accepting payments for the tap fee in lieu of a lump sum payment.

OUT-OF-DISTRICT TAP FOR FLOYD BUNYEA AT I-70 B AND I-70: Manager Schuster explained to the Board that Floyd Bunyea was interested in purchasing an out-of-District tap for his property on the southwest corner of the intersection of I-70 and I-70B. After a brief discussion, Director Garber moved to approve an out-of-District tap for Floyd Bunyea with the stipulation that Floyd would pay an out-of-District Plant Investment Fee of \$3,750 plus the construction costs and then be given a \$1,250 credit on the construction costs. Director Wheeler seconded the motion and it passed unanimously.

MESA COUNTY STEERING COMMITTEE QUESTION AND RESPONSES: Manager Schuster stated that he had received a questionnaire from the Mesa County Steering Committee in regard to the District which he had responded to. The Directors were provided with the response. After some discussion the Board reached the consensus that, with some wording changes, Manager Schuster could send it to the County.

Minutes
July 19, 1995
Page Four

GRAND VALLEY NATIONAL BANK: All the Board members signed the resolution for Grand Valley National Bank. The resolution will be sent to the bank.

RESOLUTION TO ADOPT AND ESTABLISH A WATER ACTIVITY ENTERPRISE:

Director Wheeler moved to accept the following Resolution to Adopt and Establish a Water Activity Enterprise and Director Lewis seconded the motion.

**RESOLUTION OF THE CLIFTON WATER DISTRICT
ADOPTING AND ESTABLISHING A WATER ACTIVITY ENTERPRISE**

WHEREAS, Clifton Water District ("District") is a special district created pursuant to Article 1, Title 32, C.R.S. ("District Act"), and is authorized to provide water activities, services and facilities within and without the District with the power to issue its own revenue bonds; and

WHEREAS, such water activities include, but are not limited to, the acquisition, diversion, storage, carriage, delivery, distribution, collection, treatment, use, reuse, augmentation, exchange, or discharge of water and all services and facilities related thereto ("Water Activity"); and

WHEREAS, District has historically conducted and operated such Water Activities as a government-owned business of the District providing services in exchange for the payment of fees and charges; and

WHEREAS, in addition to any other authority or procedure provided by law, District desires to establish its Water Activity enterprise or enterprises ("Enterprise") pursuant to the provisions of Article 45.1, Title 37 C.R.S. ("Act") in order to exclude the enterprise from the provisions of Section 20, Article X of the State Constitution ("TABOR"); and

WHEREAS, the adoption of this Resolution and the establishment, operation and continuation of the Water Activity Enterprise of the District in conformance with the provisions of the Act and TABOR will serve a public use and will promote the health, safety, prosperity, security and general welfare of the customers of the Enterprise and the inhabitants of the District and of the people of the State,

THEREFORE, BE IT RESOLVED that the Board of Directors of the District hereby establishes its Water Activity Enterprise to be operated and maintained as a government-owned business, so as to exclude its activities from the application of TABOR, in accordance with the following terms:

1. **Enterprise Activities and Facilities.** The Enterprise shall manage, operate, use, maintain, and conduct all water activities, services and facilities of the District. The Enterprise is authorized to use, operate, improve, extend, enlarge, repair, replace, acquire, dispose of, encumber, contract with respect to, and otherwise control and supervise all Water Activity facilities and property of the District. The Enterprise itself shall be wholly owned by the District. All facilities, property, and assets which are utilized by the Enterprise or form part of the Water Activity Enterprise shall be the property of the District and upon termination of the Enterprise shall be returned to the District.

2. **Multiple Enterprises.** The Enterprise may conduct or continue to conduct one or more Water Activities, including contracting with other governmental entities, enterprises, or nongovernmental entities or persons. The Board of Directors may, from time to time, establish other Water Activity Enterprises and restructure any Water Activity Enterprise as a separate Enterprise.

3. The Board of Directors of the District shall be the Governing Board of the Enterprise. The Governing Board shall conduct the business of the Enterprise in the same manner and follow the same procedures as the Board of Directors. All public business of the Enterprise shall be conducted only during regular or special meetings of the Board of Directors at which a quorum is present. The record of proceedings of the Governing Board may be incorporated into the minutes of the Board of Directors. No additional oaths, bonds, or other qualifications shall be required of the Governing Board. All actions of the Governing Board shall be considered as the actions and business of the Enterprise undertaken by the Board of Directors acting as the Governing Board of the Enterprise. All business of the Enterprise and actions of the Governing Board shall be governed by and made subject to all requirements, privileges, immunities, protections, limitations, and other provisions of law.

4. **Powers.** The Governing Board of the Enterprise may, without limitation, exercise the District's legal authority relating to Water Activities or otherwise available to any enterprise, except as expressly provided herein. Such authority shall include all powers set forth in the Act and those powers set forth in the District Act which are consistent with the authorities of an enterprise under the provisions of TABOR and are necessary to operate the Enterprise, including but not limited to the power to issue or reissue bonds, notes, or other obligations payable from revenues derived or to be derived from the provision of services and to set rates, fees and charges for services provided by the Enterprise. The powers and authorities specifically conferred herein shall not modify, limit, or restrict the powers conferred by any other law directly or indirectly affecting the Water Activities of the Enterprise, except as expressly provided herein. The Enterprise shall have no power which adversely affects the status of the Enterprise for purposes of the application of TABOR.

5. **Taxes.** In no event shall the Enterprise have the power to levy or assess any tax which is subject to TABOR or to direct the District to exercise its taxing powers on behalf of the Enterprise.

6. Grants. The Enterprise shall not accept or receive any revenue in Grants (as defined in the Act) from the District, State or any local government, unless expressly authorized by the Board of Directors.

7. Contracts. All contracts relating to Water Activity functions shall be approved by the Governing Board and executed by District officers with the District as the contracting party. Any pre-existing contract relating to Water Activity functions shall be considered as having been approved by the Governing Board. All contracts relating to Water Activity functions shall be implemented and discharged by the Enterprise, unless otherwise provided by the Board of Directors. For all purposes under the Act and TABOR, this resolution shall, without further action, be considered as a contract for service between the District and the Enterprise under which Water Activity services will be provided to all properties in the District by the Enterprise, and the District will pay for such services in an amount not to exceed the costs of such services as determined, from time to time, by the Governing Board and approved by the Board of Directors.

8. Revenue. All revenue for Water Activity services and facilities provided by the Enterprise, including rates, fees, tolls, charges, payments for services to the District and all other income of the Enterprise shall be collected, used and expended for Water Activity purposes as determined by the Governing Board in accordance with and as set forth in the fiscal budget of the Enterprise adopted pursuant to law. Rates for Water Activity services and facilities provided by the Enterprise shall be established by the Governing Board, approved by the Board of Directors, and collected and enforced in accordance with State law. No revenue or spending of the Enterprise shall be subject to TABOR.

9. Enterprise Fund. An Enterprise Fund shall be established to separately account for all revenue and expenditures of the Enterprise. The Enterprise shall prepare an annual budget and perform an annual audit which may be included in the budget or audit of the District. All budgets, reports, audits, and financial operations of the Enterprise shall conform to and be prepared in accordance with generally accepted accounting principles applicable to governmental (enterprise) units and other requirements of State Law.

10. Miscellaneous. Nothing set forth in the Resolution shall be construed to limit the authority of the Governing Board or the Enterprise to utilize other policies or procedures for operating or continuing the Water Activity Enterprise in conformance with the Act and TABOR, except as otherwise expressly provided herein. It is the intent of the Board of Directors to establish the Water Activity Enterprise in conformance with the provisions of the Act and TABOR according to its most reasonable interpretations thereof. The application and effect of this Resolution with respect to the Water Activity Enterprise shall be both prospective and retrospective in the effective date of TABOR, unless otherwise determined by the Board of Directors. If any term, section, or provision of this Resolution shall be determined to be invalid or in violation of the enterprise qualification provisions of TABOR or the Act, the invalidity or disqualification of such section shall not affect any of the remaining provisions of this Resolution. This Resolution shall remain in effect, whether or not the Water Activity Enterprise currently qualifies as an enterprise pursuant to TABOR, until modified or repealed by the Board of Directors.

The foregoing Resolution was adopted at a regular meeting of the Board of Directors of the Clifton Water District held on July 19, 1995, and is hereby certified as the final Resolution of the Board by me as Secretary of the Board.

By: _____
Secretary of the Board of Directors
_____ District

The motion to approve the Resolution passed unanimously and Secretary Wheeler signed the Resolution.

Director Lewis moved to adjourn the meeting and Director Ela seconded the motion. It passed unanimously.

The meeting adjourned at 12:05 p.m.

ATTEST:

Martin Garber
John L. Ballagh
George E. Wheeler
Secretary
Mr. M. Ela
[Signature]

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

Held August 16, 1995

Present were Chairman Ballagh, Vice Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. Staff present were Manager Schuster, Plant Superintendent Blount, and Stenographer Day-Biondich. Guests present were Jim Dyer and Ed Whiting.

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

GUESTS: Mr. Jim Dyer attended the meeting as a representative of Mr. Oscar Massey who had recently acquired some acreage on Reeder Mesa Road. Mr. Massey is interested in selling the lots platted as the "Cutting Fruit Tracts", said plat is dated 1908, just west of Whitewater. Mr. Dyer asked the Board of Directors if the District would be interested in serving water to the Cutting Fruit Tracts. After a 20 minute discussion Director Ela moved that the Board approve the concept as long as the land was not considered profitable agricultural land and for Mr. Dyer to work with Manager Schuster to prepare a proposal for the Directors. Director Garber seconded the motion. The motion passed unanimously after another 10 minutes of discussion.

MINUTES OF JULY 19, 1995: Director Wheeler moved to accept the minutes of the July 19, 1995 meeting as presented. Director Garber seconded the motion. The motion to accept the minutes as prepared passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Ela moved to approve the financial report paying the \$66,007.40 as shown on the report, \$6,506.32 itemized on the supplemental report and a transfer of funds of \$76,500.00. Director Garber seconded the motion. Director Lewis asked Manager Schuster what was going to happen with the lagoons at Southridge. Manager Schuster said that the Valle Vista Homeowners have until November to work on it, then the District has until May, 1996 to file foreclosure on it if need be. The motion passed unanimously after some discussion.

MANAGERS REPORT: Manager Schuster informed the Directors that Public Service Company had cut into District lines two different times, once in Stonebridge Subdivision and once in Arrowleaf, and they were refusing to pay for the damages caused. Manager Schuster explained that Public Service stated that they had called for locates and the District shows no record of such calls. Director Garber suggested taking Public Service to small claims court. Director Ballagh suggested calling other utilities to see if they received a call from Public Service for locating those specific sites and also to call the central locate number to confirm the calls taking place. Manager Schuster will investigate the situation and, if need be, take the matter to small claims court.

WATER OFFICE/SHOP/STORAGE AREA SITE: Manager Schuster informed the Board that he was waiting for an appraisal on some property before preparing a "pro & con" sheet on several potential office sites.

Minutes
August 16, 1995
Page Two

REVISIT PURCHASE OF WHITING BROTHERS WATER: Director Garber stated that since there were no changes in the sale of Whiting Brothers water that the item should be placed on the agenda for next year.

WATER FOR DOMIGUEZ WATER COMPANY/INDIAN CREEK ESTATES: Manager Schuster stated that Dan Brown had called to notify the District that he would be unable to attend the meeting, however, would be at the next meeting. This item will be placed on the agenda for the September meeting.

PURCHASE OF ELECTRICAL POWER: Manager Schuster explained to the Directors that the purchase of electrical power is still regulated in 50 states of the United States. California is the state that may deregulate the sale of electric power first and Colorado is about two years behind California according to what Manager Schuster was told. Manager Schuster stated that the sale of natural gas was currently deregulated and when electricity was deregulated he would investigate purchasing power from other sources.

NANOFILTRATION CONSTRUCTION FINANCING: Manager Schuster had written a letter to Director Wheeler suggesting that the two of them have a meeting to discuss financing options for the District to purchase a nanofiltration plant. Director Wheeler stated that he had not had time to work on the project. Manager Schuster and Director Wheeler will have recommendations for the directors at a future meeting.

OTHER OLD BUSINESS: Director Wheeler suggested that the Directors have a special meeting to discuss serving water to Whitewater and points south. Director Wheeler continued by stating that the Directors need to discuss amongst themselves whether to serve the area. Other items including pipeline sizes, costs and rate structure also need to be talked about. Director Lewis stated that since the Directors had not had a retreat in three years maybe now would be a good time. Director Ela suggested that the nanofiltration plant be discussed at the special meeting, also. After some discussion Director Ela moved that a special meeting be scheduled in September before the next regular meeting to consider retreat type matters. Director Lewis seconded the motion and it passed unanimously. The time and place of the special meeting will be decided later.

Director Ballagh asked Manager Schuster and the other Board members if they had received a letter from Commissioner Genova in regard to the Pauline Subdivision. Manager Schuster stated that the District had received the easement for Pauline Subdivision at this time so the letter from the Commissioner was a moot point.

DISTRICT CHRISTMAS PARTY: Manager Schuster informed the Directors that the District's Christmas party had been scheduled for Friday, December 8, 1995 at the Redlands Community Center. Manager Schuster stated that last year's Christmas dinner exceeded \$1,000, however, this year's dinner was not going to be as expensive. Director Garber moved to spend up to \$1,000 for the dinner for this year. Director Lewis seconded the motion and it passed unanimously.

NEXT YEAR'S BUDGET: Director Garber moved to appoint Manager Schuster to prepare the District budget for 1996 for preliminary presentation at the September 20, 1995 Board meeting. Director Ela seconded the motion and it passed unanimously.

LEGISLATION FOR UTE AND COLLBRAN WATER CONSERVATION DISTRICTS: Manager Schuster informed the Board that Mark Hermundstad had called to inform him that Senator Ben Nighthorse Campbell had introduced legislation to allow the Ute and Collbran Water Conservancy Districts to purchase the Collbran Project from the United States and wanted Clifton's moral support. A ten minute discussion followed. Clifton prefers to take a neutral stand on the matter at this time.

TAP FOR MR. RUCKER AT 3103 E 1/2 ROAD: Manager Schuster told the Directors that since Mr. Rucker was unable to attend the meeting he would present the case for the Rucker's. Mr. Rucker claims that his father purchased three taps when the original distribution system was installed. These taps were for: 3101 E 1/2 and 3103 E 1/2 Road and one in a vacant field to the east of the other two. Manager Schuster explained that the office could find no evidence that there were three purchases, however, the records did show the purchase of one tap at 3103 E 1/2 Road which currently serves two units. After some discussion Director Garber moved that since the Rucker's have not presented proof of the purchase of the two additional taps that new ones must be purchased. Director Lewis seconded the motion and it passed unanimously.

UNIFICATION: Manager Schuster stated that he had been contacted by Larry Clever from Ute Water Conservancy District about unification. There has been a meeting scheduled for August 28, 1995 for the staff of the City, Ute and Clifton to discuss the viability of unification of the water providers in the Grand Valley. Manager Schuster will let the Directors know the outcome of this first meeting.

Director Lewis moved to adjourn the meeting. Director Garber seconded the motion and it passed unanimously.

The meeting adjourned at 9:45 p.m.

ATTEST:

George E. Whalen
Secretary

Martin Garber

Wm. M. Ela

John L. Ballagh

[Signature]

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

Held September 20, 1995

Present were Chairman Ballagh, Vice Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount, Laboratory Director Robinson, and Stenographer Day-Biondich. Guests present were Dan Brown, Jim Dyer, Ron Norrod, and Myrna Roy.

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

INDIAN CREEK ESTATES - DAN BROWN: Dan Brown summarized his written proposal dated February 7, 1995. Mr. Brown stated that he had been in touch with Mr. Ed Hackler who would be available to install the 4" PVC pipe from the end of Clifton's present distribution system at the Meserve Fruit Tracts to Indian Creek Estates, a distance of about four miles. Manager Schuster suggested that the Board accept the proposal. Director Garber moved to accept the proposal of February 7, 1995, and allow 10 years for the developers of Indian Creek Estates to recapture their investment and for Clifton Water District to pay the difference in the cost of installing a four-inch pipe versus a six-inch pipe. Director Lewis seconded the motion. After a 20 minute discussion the motion passed unanimously.

OTHER GUESTS: Mr. Jim Dyer attended the meeting as a representative of Mr. Oscar Massey. Mr. Massey wants Clifton to provide domestic water for his 510 acres east of Whitewater on Reeder Mesa Road. The 510 acres includes a 1908 subdivision named "Cutting Fruit Tracts." Director Lewis requested that the proposal contain some "hard" numbers as far as cost to the District. Director Garber moved to approve the concept of the proposal for the Cutting Fruit Tracts Subdivision. Director Garber further moved that a cost estimate of the construction required to construct a six-inch line from U.S. Highway 50 to the east edge of the Massey property be submitted at the October meeting. Director Lewis seconded the motion. After some discussion the motion passed unanimously.

MINUTES OF AUGUST 16, 1995: Director Lewis moved to accept the minutes of the August 16, 1995, meeting correcting the "west of Whitewater" to "east of Whitewater" under the **GUESTS** section. Director Wheeler seconded the motion. Director Garber stated that the wording under **REVISIT PURCHASE OF WHITING BROTHERS WATER** be changed to read "...that since there were no changes in the status of Whiting Brothers' Water..." instead of "...changes in the sale of..." The motion to accept the minutes with the above corrections passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Ela moved to approve the financial report paying the \$89,657.74 as shown on the report, \$7,075.68 itemized on the supplemental report and a transfer of funds of \$1,500. Director Garber seconded the motion. The motion passed unanimously after some discussion.

MANAGERS REPORT: Manager Schuster informed the Directors that Public Service Company had paid one of the bills for cutting into our lines, however, the other bill was still not paid. Manager Schuster stated

Minutes
September 20, 1995
Page Two

that staff was presently checking into changing the District's status with the Utility Notification Center of Colorado from a Tier II member to a Tier I member. The Tier I members receive written locates via fax from the UNCC whereas Tier II members get telephone calls from the company doing the excavation work. Manager Schuster told the Board that it would cost the District approximately \$2000 for the upgrade. No action was needed.

NANOFILTRATION CONSTRUCTION FINANCING: Director Wheeler stated that he had spoke with John Buck from Hanifen, Imhoff about financing the construction of the nanofiltration plant. Mr. Buck had told Director Wheeler that it would cost the District less to issue a 10 year bond than a 15 year bond and that the District would not have to have voter approval if it went with a revenue bond. Director Ballagh stated that he thought that getting the design and a firm cost estimate should be done next. Director Wheeler suggested that there was a possibility that the District could get used reverse osmosis systems from the government. Manager Schuster will check on these ideas and report back to the Board.

PARTICIPATION IN AWWA: Assistant Manager Tooker paraphrased his memorandum to the Board which gave information about his participation in the RMS AWWA and also listed educational seminars and training events that the staff and Board could attend during any given year. The memorandum stated that Assistant Manager's participation as the Education Chairperson for the RMS AWWA had cost the District approximately \$1500 this year. Director Garber stated that he felt that since "going through the Chairs" with the AWWA was a three-year obligation and since Manager Schuster had just recently done this, an organization the size of Clifton's shouldn't have another person in the process so soon. Manager Schuster stated that he thought that the process of "going through the Chairs" was a "feather in the cap" for the District, not a detriment. Assistant Manager Tooker stated that until recently he had been the only Western Slope representative in the AWWA. Director Garber stated that he was comfortable with what was currently happening, however, he felt that before Assistant Manager Tooker accepted a nomination to "go through the Chairs" that it should be brought before the Board for their approval. Director Ela stated that he felt the District should strongly encourage participation in the AWWA. Director Ballagh asked Assistant Manager Tooker to keep the Board informed of his actions in his participation in the AWWA.

1996 BUDGET: Manager Schuster informed the Board that he had attached a narrative to the budget for the 1996 fiscal year explaining any thing that was out-of-the-ordinary. Director Ela moved to set a hearing date for the 1996 Clifton Water District budget for October 18, 1995. Director Wheeler seconded the motion and it passed unanimously after some discussion.

Director Wheeler wanted to explore the possibility of developers below the Grand Valley Canal providing one share of GVICo stock for every acre being developed and developers above the Grand Valley Canal to provide irrigation water for their subdivisions.

Minutes
September 20, 1995
Page Three

Director Ela asked to be excused at 9:35 p.m. Manager Schuster wanted to share the information on Ute Water before Director Ela left.

UTE WATER: Manager Schuster said that Larry Clever, Manager of Ute Water Conservancy District, had notified him that Ute would be sizing their new pipeline large enough to accommodate the water blending needs of the Clifton Water District for the next fifty years in accordance with Manager Schuster's projections dated April 26, 1996, and distributed at the Ute/Clifton meeting of the same date. The District is not obligated to buy water from Ute, however, Mr. Clever wanted to make Manager Schuster aware of Ute's decision.

MORE INDIAN CREEK ESTATES: Director Wheeler stated that he thought the District should charge out-of-District rates to any new taps purchased from this day forward that are not currently in District. Manager Schuster will present a spreadsheet to the Board listing agreements the Board has made with anyone in the Whitewater area and the terms in said agreement for the next Board meeting. Manager Schuster will also develop a policy that deals with who can petition for in-District rates and who would not have the option to petition for inclusion to the District.

REVIEW AGENCY AGREEMENT WITH WESTERN STATES WATER AND POWER, INC.: Director Garber stated that he had not received any new information on the agreement with Western States Water and Power, Inc. (Dominguez Project). Manager Schuster questioned if the Board wanted this item to remain on the agenda for each September. It was the general consensus of the Board that it would be removed from the permanent agenda items until there is some activity in this area.

DEDICATION OF WOLFORD MOUNTAIN: Manager Schuster told the Directors that there would be an official dedication of Wolford Mountain Reservoir on September 23, 1995, at 11 a.m. at the Reservoir site. Director Lewis inquired as to if there would be an increase in the size of the Reservoir. Manager Schuster stated that the increase had been approved by the Colorado River Water Conservation District and was already in the works getting other agency approvals. The flood study had been accepted by the State Engineers Office and the spillway sized accordingly.

UNIFICATION OF UTILITIES: Manager Schuster and Assistant Manager Tooker met with representatives from Ute Water and the City on August 28, 1995, to discuss unification possibilities. Another meeting is scheduled for October 3, 1995. Currently the group is discussing the possibility of joint purchases for the purpose of saving money.

DISCONTINUED REAL ESTATE TRANSACTIONS: Manager Schuster explained to the Board that when a title company calls for a final billing at an address and the sale fails to go through, the District is sometimes not notified until after the work has already been done. The District charges a service fee anytime staff reads the meter and changes the billing names for an address. If the District is not notified of a cancellation of sale until after the work has been done, the account shows the service fee. Some title companies are unwilling to pay this

service fee. After some discussion, Manager Schuster was told to send a copy of the District's policy on service fees to all known real estate closers.

REVISED WATER USAGE FEE POLICY: Manager Schuster explained that the corrections to the Water Usage Fee policy were just "housekeeping" changes and nothing that would effect the running of the District. Director Lewis moved to adopt the revised edition of the Water Usage Fee Policy to become effective September 21, 1995. Director Garber seconded the motion and it passed unanimously.

REPORTS ON RMS AWWA CONFERENCE AND SDA CONFERENCE: Manager Schuster told the Board that Laboratory Director Robinson had presented a paper at the Sheridan, Wyoming RMS AWWA Annual Conference on nanofiltration. The presentation was received very well and Manager Schuster had heard many positive comments on it. Manager Schuster stated that he was very proud of Larry's presentation. Director's Ballagh and Garber gave a debriefing on the events of the SDA Conference that they attended September 14-15, 1995.

UTE WATER CONSERVANCY DISTRICT WATER FESTIVAL: Assistant Manager Tooker stated that he had given the Board a memorandum with their packets that gave the information on the Water District co-sponsoring the Children's Water Festival with Ute Water. Director Wheeler suggested the District figure a percentage based on taps for sponsorship. Director Lewis moved to participate in the cost of the 1996 Water Festival up to \$1,000. Director Wheeler seconded the motion. After a brief discussion this motion failed. Director Lewis moved to co-sponsor the Festival with Ute for funds ranging from one-third of the cost up to \$1,000. Director Wheeler seconded the motion and it passed unanimously.

MANAGER'S ANNUAL REVIEW: Director Lewis moved to defer the discussion on the Manager's annual review to the next regularly scheduled Board meeting when Director Ela is expected to be present. The next Board meeting is scheduled to be held on October 18, 1995. Director Wheeler seconded this motion and it passed unanimously.

Director Lewis moved to adjourn the meeting. Director Garber seconded the motion and it passed unanimously.

The meeting adjourned at 10:55 p.m.

ATTEST:


Secretary







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

Held October 18, 1995

Present were Vice Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. The absence of Director Ballagh was excused. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount, and Stenographer Day-Biondich. Guests present were Jim Dyer, Oscar and Janice Massey, John Whiting, and Dan Law.

Vice chairman Ela called the public hearing on the 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). After a 25 minute discussion and some changes to the budget, Director Wheeler moved to accept the following resolution:

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, MESA COUNTY, COLORADO, FOR THE 1996 BUDGET YEAR.

WHEREAS, the DIRECTORS have adopted the annual budget for 1996 in accordance with the Local Government Budget Law, on the 18th day of October, 1995, 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.

NOW THEREFORE, BE IT RESOLVED by the DIRECTORS of the CLIFTON WATER DISTRICT, Mesa County, Colorado that the following sums are hereby appropriated from the revenue and reserves of the DISTRICT, for the purposes stated below:

ESTIMATED EXPENDITURES:

General Expenses	\$ 2,753,605
Wages & Benefits	
Exempt Personnel Wages	65,564
Non-Exempt Personnel Wages	360,800
Hourly Personnel Wages	28,840
Overhead & Benefits	147,101
Directors Fees & Overhead	4,875
Professional Fees	10,900
Operating Expenses	175,900
Office Expenses	77,300
CASWTP expenses, less Wage & Benefits	354,600
Emergency Fund	119,240
TOTAL ESTIMATED EXPENDITURES	\$ 4,098,725

ESTIMATED REVENUES:

Sale of Water	\$ 1,467,750
Sanitation District	9,000
City of Grand Junction	75,000
Penalty & Turn Fees	39,140
Plant Investment Fees	218,750
Interest	147,000
Property Taxes	0
Miscellaneous	3,500
TOTAL ESTIMATED REVENUE	\$ 1,960,140
From Reserves	2,138,585
TOTAL FUNDS AVAILABLE	\$ 4,098,725

IT IS FURTHER RESOLVED, that there is appropriated from the funds of the DISTRICT, Four Million, Ninety Eight Thousand, Seven Hundred Twenty Five Dollars (\$4,098,725) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 1996 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 at a regular meeting of the Board held on October 18, 1995. 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.

Minutes
October 18, 1995
Page Two

Director Lewis seconded the motion and it passed unanimously.

Director Ela concluded the public hearing at 7:55 p.m.

Director Ela called the regular meeting of the Board of Directors to order at 7:55 p.m.

JIM DYER: Mr. Jim Dyer, representative of Mr. and Mrs. Oscar Massey, informed the Board that the 22 lots already platted in the Cutting Fruit Tracts would be the first of their acreage to be developed. Mr. Dyer explained that, in order to secure a bank loan, bids for the construction of the water distribution system for the Massey property would have to be obtained and presented to the bank. Manager Schuster explained to the Directors that Mr. Massey had proposed to install the water distribution system, have the acreage included into the District, and then pay only half of the in-District Plant Investment Fee (tap fee) for each tap they purchase. Director Wheeler stated that he still felt that anyone receiving water from the District in the Whitewater area should have to pay out-of-District rates. Director Ela asked for Manager Schuster's recommendation. Manager Schuster stated that he would recommend allowing Mr. Massey to install the water distribution system, turn it over to the District, and pay 50% of either the in-District or the out-of-District Plant Investment Fee for each tap they purchased. Director Lewis moved to have staff draw a contract allowing Mr. Massey to install the water line from Highway 50 to Cutting Fruit Tracts at Mr. Massey's expense using the District's specifications, leave the acreage out of the District, and have Mr. Massey pay 50% of the out-of-District Plant Investment Fee (currently \$3,750 of which \$1,875 would be 50%) per each tap purchased. Director Wheeler seconded the motion and it passed unanimously.

JOHN WHITING: Mr. Whiting informed the Board that he was attending the meeting as an official representative of Hidden Valley Water Company and a concerned stockholder of Purdy Mesa Livestock Water Company in regard to the District serving water to Indian Creek Estates Subdivision. Mr. Whiting stated that his concern with the situation stemmed from the possible invasion of the Hidden Valley Water Company and Purdy Mesa Livestock Water Company service areas by the Clifton Water District. Mr. Whiting stated that either of the aforementioned companies could have, and would have, served water to Indian Creek Estates and he felt like the District would be putting the financial status of these companies at stake by serving water to that area. Furthermore, Mr. Whiting continued, Purdy Mesa Livestock Water Company has water service to the Indian Creek Estates Subdivision. Mr. Whiting distributed copies of a July 17, 1995, agreement between the Purdy Mesa Livestock Water Company and the developers of Indian Creek Estates showing that the Purdy Mesa Livestock Water Company was providing water to the development through a master water meter. After approximately an hour of discussion, Director Ela told Mr. Whiting that no resolution of the problems could be reached at the current meeting and told Mr. Whiting that the District, the owners of Indian Creek Estates Subdivision, and Purdy Mesa Livestock Water Company and Mr. Whiting himself should be present at the same time and place to discuss this matter.

Minutes
October 18, 1995
Page Three

DAN LAW - COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY:

Mr. Dan Law from the Colorado Water Resources and Power Development Authority (CWRPDA) gave a background of the legislature-created entity which lends money to water and wastewater utilities that are improving their systems. Mr. Law explained some of the different borrowing options that would be available to the District should the District decide to borrow money from the CWRPDA for the nanofiltration plant. Mr. Law gave the Directors a packet of information containing "conservative" numbers which the CWRPDA had prepared for various borrowing options for the District. After 45 minutes, Director Ela thanked Mr. Law for his time. No board action was taken on this subject. However, the Board agreed to update their current application with the CWRPDA as soon as the cost estimate of the nanofiltration plant was refined. The current cost estimate for the construction of the nanofiltration plant is \$3,900,000.

MINUTES OF SEPTEMBER 20, 1995: Director Garber moved to accept the minutes of the September 20, 1995, meeting. Director Wheeler seconded the motion. Director Garber asked that on page four of the September 20, 1995, minutes, in the fifth line under REPORTS ON RMS AWWA CONFERENCE AND SDA CONFERENCE that the line read "...very proud of Larry's presentation. Directors Ballagh and Garber..." Director Lewis asked that on page two under NANOFILTRATION CONSTRUCTION FINANCING the second line read "...he had spoken with John Buck from Hanifen, Imhoff about financing the..." The motion to accept the minutes with said corrections passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Lewis moved to approve the financial report paying the \$48,399.09 as shown on the report, \$4,127.04 itemized on the supplemental report and a transfer of funds of \$1,500. Director Wheeler seconded the motion and it passed unanimously.

MANAGERS REPORT:

WATER TREATMENT IMPROVEMENTS: Director Lewis moved to enter into executive session. Director Garber seconded the motion and it passed unanimously. After approximately 30 minutes, Director Lewis moved to adjourn the executive session. Director Wheeler seconded the motion and it passed unanimously. Director Ela stated that Manager Schuster has the authority to continue engineering design for the nanofiltration plant and upgrading the District's treatment facilities.

AGREEMENTS WITH HOME WATER SUPPLY ET AL.: Manager Schuster informed the Board that their packet contained a CHRONOLOGICAL ORDER OF AGREEMENTS listing each agreement that the District has entered into and the particular details of them for water customers in the Whitewater area.

INCLUSION POLICY: After some discussion over the proposed Inclusion Policy of the Clifton Water District, it was the consensus of the Directors that Manager Schuster make some changes and present a revised Inclusion Policy at the November Board meeting.

WOLFORD MOUNTAIN RESERVOIR DEDICATION: Manager Schuster stated that he had attended the dedication of Wolford Mountain Reservoir. Several of the guest speakers at the dedication had chastised the

organizations that were in opposition to the Reservoir. However, Manager Schuster said that the speakers did not mention the Clifton Water District and the City of Grand Junction by name when discussing the opposition. Manager Schuster said the TDS at the reservoir outlet was 240 mg/l at the time of the dedication (September 23, 1995).

WATER FROM DEVELOPERS: Manager Schuster had asked for Attorney Bechtel's input in regard to the District establishing a policy that would require developers below the Grand Valley Canal to provide one share of GVICo stock to the District for every acre being developed and developers above the Grand Valley Canal to provide irrigation water for their subdivisions. Attorney Bechtel wrote a four page letter addressing her concerns with such a policy. Attorney Bechtel stated in her letter that such a policy could subject the District to a claim that it had exceeded its authority under certain Colorado Revised Statutes. The letter further stated that the firm of Dufford, Waldeck, Milburn & Krohn advised the District against such a policy.

TRANSMISSION CAPACITY MEMORANDUM: Manager Schuster explained his October 16, 1995, memorandum to the Board in regard to the capacity of the 16" line from the CASWTP to the storage tanks north of I-70. The 16" line was designed to carry 2,400 GPM, but due to the system's demand is now carrying 3,200 GPM. Manager Schuster stated that this extra load on the system would decrease its life expectancy, therefore there is some urgency in getting the nanofiltration on line so the 27" line can be used to transport water to the distribution system and storage tanks north of I-70.

ADDITIONAL MANAGER'S REPORT INFORMATION: Assistant Manager Tooker stated that last month Dave Payne had received the Colorado Plant Operators Award at the Sheridan, Wyoming RMS AWWA Annual Conference. In addition, Assistant Manager Tooker stated that the paper that was written by himself and Laboratory Director Larry Robinson and presented by Lab Director Robinson was voted Best Conference Paper. Director Ela stated that the Board was very pleased with the staff's technical abilities and their continued safety record.

SUPPORT OF UTE WATER DISTRICT'S PLIGHT FOR WATER FOR THE VALLEY: Manager Schuster asked that the Directors confirm their support of the letter that had been sent to Senators Brown and Campbell. The letter told the Senators that Clifton supported Ute's attempt to acquire more water for future development. Director Garber moved to ratify the affirmative response to the telephone poll taken in regard to the letter. Director Lewis seconded the motion and it passed unanimously.

VALLE VISTA HOMEOWNERS ASSOCIATION: Manager Schuster informed the Board that, even though the District has receive no word recently, by November 1, 1995, the Valle Vista Homeowners Association would either make payment to the District on the sewer lagoons or reassign the deed for the land back to the Water District. This item will be on the agenda for the November meeting.

UTE/CITY/CLIFTON TALKS: Manager Schuster stated that in a meeting with the three mentioned entities on October 3, 1995, there was a decision made to standardize interconnects between each of the

entities systems to enable them to receive or provide water to each other. Manager Schuster was asked to design the connections that will allow water to be transferred to Ute by either Clifton or the City and visa versa. Said design had been completed and sent on to Ute and the City for comments. Ute Water Manager Larry Clever told Manager Schuster that he and Mark Achen from the City of Grand Junction were planning a luncheon to discuss other unification measures and he would make sure that Manager Schuster was invited to attend the luncheon.

"TURKEY" TRADITION: Director Garber moved to continue the turkey tradition for employees and Directors of the District. Director Lewis seconded the motion and it passed unanimously.

MONTHLY RATE FOR FIRE LINE DETECTOR TAPS: Manager Schuster suggested that the District start charging a \$7 minimum per month on fire lines. Manager Schuster explained that charging this minimum would make it so the computer system would flag any excess usage on these meters. Once the computer system flagged a meter, District personnel could then investigate the usage and charge the customer for anything that was not used in fire protection. After some discussion, Director Wheeler moved to charge the monthly fee of \$7 on fire lines. Director Lewis seconded the motion and it passed unanimously.

SMART GROWTH MEETING: Manager Schuster stated that there would be a Smart Growth Meeting in Denver on November 4, 1995. A review of all regional "Smart Growth" meetings is on the agenda and the District has been invited to attend. The consensus of the Board was that if Manager Schuster wanted to attend as a District representative that was fine, but none of the Board members planned on attending.

MESA COUNTY WATER ASSOCIATION: Director Wheeler moved to donate \$25 to the Mesa County Water Association to defray the cost of mailing newsletters to the Board. Director Ela stated that he felt the information we received from the Association was very useful. Director Lewis seconded the motion and it passed unanimously.

MANAGER'S ANNUAL REVIEW: At 12:35 a.m., Director Garber moved to go into executive session to discuss the Manager's performance. Director Lewis seconded the motion and it passed unanimously. The Directors emerged from the executive session at 1:25 a.m. Director Lewis moved to grant Manager Schuster a one-time merit bonus of \$3,500 as additional compensation for the period from September 1, 1995, to September 1, 1996. Director Wheeler seconded the motion and it passed unanimously.

The meeting adjourned at 1:35 p.m.

ATTEST:


Secretary





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

Held November 15, 1995

Present were Chairman Ballagh, Secretary Wheeler, and Treasurer Garber. Director Ballagh stated Director Lewis would be present shortly. Director Ela was excused. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount, and Stenographer Day-Biondich. Guests present were Gilbert Jungert, John Whiting, Rod Whiting, Rod and Pat Bonnell, Dan Brown, and Tom Logue.

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

GILBERT JUNGERT: Manager Schuster gave a background to the Directors on Mr. Jungert's account in regard to the fact that he seldom pays his entire balance and is assessed the District's \$1 penalty. Mr. Jungert stated that he believed the term should not be "penalty" but rather "late fee." Mr. Jungert explained that he wanted the Board to evaluate the District's policy regarding the assessment of \$1 to any account that has a balance on it at the next billing time. Mr. Jungert said that one possibility would be to set a minimum dollar amount and then charge a percentage of the amount owing as a late fee. Director Ballagh told Mr. Jungert that the Board would evaluate the policy within the next 90 days and send him the results of the evaluation.

WATER SERVICE TO KANNAH CREEK AREA: The Bonnells (representing Purdy Mesa Livestock Water Company) and John Whiting (representing Hidden Valley Water Company) presented their cases in regard to the District serving potable water to Indian Creek Estates. Both companies feel that the District is encroaching on their service areas and that they cannot be competitive because the District can serve domestic water at a lesser rate than they can. A 35 minute discussion regarding the ability of Purdy Mesa Livestock Water Company to supply Indian Creek Estates with domestic water and what the water purveyors saw as "their" service areas ensued. Director Garber moved to approve the concept recommended by Manager Schuster. Manager Schuster's recommendation was for the District to provide domestic water to customers south of Whitewater on either side of U.S. Highway 50 but to avoid serving customers south of the Hidden Valley Water Company's master meter on the north side of the highway. The motion died for lack of a second. Director Lewis moved to refer the situation to staff to come up with a "sphere of influence" for the District. Director Wheeler seconded the motion and it passed with Garber voting nay. Director Ballagh told Purdy Mesa and Hidden Valley to work with Manager Schuster for an agreement on service areas and in the meantime the District would honor its agreements with Hidden Valley Water Company and Indian Creek Estates. Some discussion took place about the agreements with Massey and Q.

ELAM CONSTRUCTION: Director Ballagh stated that the Chair would entertain a motion to move item three under New Business on the agenda up to the guest's section. Director Lewis moved to consider Elam's request for mining gravel up to the guest's section of the agenda. Director Wheeler seconded the motion and it passed unanimously. Manager Schuster stated that Mrs. Ela had called to notify him of Director Ela's feelings concerning this matter. Director Ela had suggested that this topic be discussed with the entire Board for a decision on the future of the island. Mr. Tom Logue from Elam

Minutes
November 15, 1995
Page Two

Construction explained the ideas that his company had for mining gravel from portions of property at the Charles A. Strain Water Treatment Plant. Mr. Logue stated that his company was not seeking a commitment from the District right away, but they would like to have an idea of whether to continue looking at this property or look for another location. During the discussion, Manager Schuster told the Board that Ute was considering providing a habitat for the endangered species and that the mined-out area could provide such a habitat. After some discussion, Director Lewis moved to defer this topic until the entire Board could meet in an executive session to consider this topic as well as other topics concerning real estate the District may have an interest in. Director Garber seconded the motion and it passed unanimously.

MINUTES OF OCTOBER 18, 1995: Director Garber moved to accept the minutes of the October 18, 1995, meeting as prepared. Director Lewis seconded the motion and it passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Garber moved to approve the financial report paying the \$55,031.31 as shown on the report, \$24,441.85 as itemized on the supplemental report and a transfer of funds of \$1,500. Director Wheeler seconded the motion and it passed unanimously.

INCLUSION POLICY: Director Ballagh stated that in the fourth paragraph the word "continuity" should be changed to "contiguous." The fifth line in the fourth paragraph will now read "... the following: 1) contiguous with the District's boundaries; 2) ..." Director Lewis moved to adopt the Inclusion Policy with the correction. Director Wheeler seconded the motion and it passed unanimously.

MASSEY AGREEMENT/Q AGREEMENT/OUT-OF-DISTRICT CONSTRUCTION POLICY: It was the consensus of the Board that Manager Schuster would make the Out-of-District Construction Policy the basis for the out-of-District agreements with Massey and Q. "Exhibits" will become a part of each policy and will contain information that is more specific to the development being considered. Manager Schuster will present corrected versions of all three of these documents for consideration at the December Board meeting.

UTE/CITY/CLIFTON TALKS: Manager Schuster told the Board that Assistant Manager Tooker and he had met with the other two entities last week. Manager Schuster stated that the three entities were working together on a unified Water Conservation Plan that would fit all water providers in the Grand Valley including Palisade. The Town of Palisade does not have to furnish a water conservation plan since they use less than 2,000 acre feet of water per year.

VILLA CORONADO FIRE HYDRANT: Manager Schuster explained that if the City annexes Villa Coronado, the District should bill the City for the fire hydrant at the Subdivision. Manager Schuster recommended either charging the City for said fire hydrant or removing it from its location. No more discussion took place on this item.

Minutes
November 15, 1995
Page Three

WATER FROM THE CITY: Manager Schuster told the Board that the reason the District stopped taking water from the City on November 7 and 8, 1995, and earlier last spring than the contractual agreement was because the City was sending the District water that did not meet the standards. The District had to divert water from the Colorado River and flush the lines between Clifton and the City to remove the turbid water. Manager Schuster said that the City seems very casual about the problem when the District lets them know that they have sent turbid water to us. No Board action was necessary.

BAR CODE FOR MAILING WATER BILLS: Manager Schuster informed the Directors that the District would be leasing a mail system and software from Pitney Bowes to handle the District's mailing needs. Manager Schuster told the Board that the savings in using bar-coded mail would pay for the cost of the lease.

VALLE VISTA HOMEOWNERS ASSOCIATION: Manager Schuster informed the Board that the lagoons at Valle Vista had been cleaned up and that the Valle Vista Homeowners Association would like to assign the first deed of trust back to the District. It was the consensus of the Board that Manager Schuster would ask Abstract & Title Company to do a title search to find the rightful owner of the property. When it is determined who the owner of record is, the District will ask for a deed in lieu of foreclosure.

OFFICE/SHOP/STORAGE SITE: The consensus of the Board was to defer this discussion until all the Directors were present and could meet in an executive session.

GVICo ANNUAL MEETING: Manager Schuster read the notice from The Grand Valley Irrigation Company informing everyone of the Annual GVICo Meeting to be held on December 2, 1995, at Fruita Monument High School at 1 p.m. Director Lewis or Director Ballagh may attend the meeting.

GVICo ANNUAL AUCTION: After a brief discussion, Director Lewis moved to authorized Manager Schuster to attend the auction of Grand Valley Irrigation Company shares and to bid up to \$205 per share, obtaining as many as possible at that price. Director Garber seconded the motion and it passed unanimously.

SONNIER PETITION FOR INCLUSION: Manager Schuster explained to the Board that Sonniers had purchased the Goodwin property on Orchard Mesa. Mr. Goodwin had not taken advantage of the Board's offer to include all properties on Orchard Mesa in the District that were receiving water from Clifton. The Sonniers wanted to Board to extend that same invitation to them. Director Lewis moved to accept the Sonnier petition for inclusion into the Clifton Water District. Director Wheeler seconded the motion and it passed unanimously. The public hearing is set for the December meeting.

CWCB's PROPOSED INSTREAM FLOW FILING: Manager Schuster told the Directors that he did not have enough information at this time to recommend the District's opposition or support of the filing. More information should be available for the December Board meeting.

COLORADO VEGETATION MANAGEMENT: Manager Schuster informed the Board that Mr. Bryce Fast was the owner/operator of a company that mixes chemicals with water for spraying purposes. Mr. Fast has been advised by the District that for backflow prevention purposes he needed to install a backflow prevention device on his water line. Mr. Fast has a double-check valve and an air gap, but does not have the necessary devices for containment which would satisfy the District's policy. Assistant Manager Tooker met with Attorney Bechtel on this matter and she advised the District to maintain the current position on backflow prevention devices.

SPECIAL PURCHASES: Manager Schuster told that Directors that the purchase of two cellular phones, a pentium computer, and the Autocad Software XIII, which were not specifically budgeted for in 1995 but are needed now, would still be within the spending limits of the budget. Director Garber moved to purchase the computer, software program, and phones. Director Wheeler seconded the motion and it passed unanimously.

OTHER NEW BUSINESS: Director Lewis questioned the intent of the City now that the incorporation of Clifton would not take place. Director Lewis expressed concern as to whether the City could start taking little chunks of the District and excluding the service area from us.

Director Lewis moved to adjourn the meeting. Director Garber seconded the motion and it passed unanimously.

The meeting adjourned at 10:50 p.m.

ATTEST:

Secretary

George E. Wheeler

John L. Ballagh

Wm. M. Elia

[Signature]

Martin Garber

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

Held December 20, 1995

Present were Chairman Ballagh, Secretary Wheeler, Treasurer Garber and Director Lewis. Director Ela notified the office that he would be late getting to the meeting. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount, and Stenographer Day-Biondich. Guests present were John Peichel, Steve Rocha, Derek Dickey, Ryan & Dan Crabtree, and Dan Brown.

Chairman Ballagh called the public hearing on the Sonnier Inclusion to order at 7:30 p.m. There were no guests present to discuss the Sonnier Inclusion. Director Garber moved to close the public hearing and to accept the Sonnier Inclusion. Director Wheeler seconded the motion and it passed unanimously. Director Ballagh and Director Wheeler signed the Order for Inclusion for the Sonnier property.

Director Ballagh called the regular meeting to order.

JOHN PEICHEL: John Peichel informed the Board of Directors that Osmonics was extending an invitation to the Board to tour their facilities in Minnesota and Denver. Mr. Peichel stated that his company would pay for overnight lodging and meals for those that wished to tour the Minnesota facility. Mr. Peichel said the tour would take approximately three-and-a-half hours. Director Lewis stated that he believed it would be a good idea to look at the manufacturing process and testing. Director Lewis asked that staff put together some cost figures for discussion at the next meeting.

SCHOOL DISTRICT #51: Steve Rocha from School District #51 informed the Board that the \$13,000 worth of lottery funds the School District had applied for had been granted to them for use on their project located at the Charles A. Strain Water Treatment Plant. Mr. Rocha explained to the Directors that the School District would like to have their own entrance in and out of the treatment plant site, along with a building for storage, information and shelter. Mr. Rocha explained that Derek Dickey, an Eagle Scout Candidate, was scheduled to build the shelter as his Eagle project. Mr. Dickey told the Directors that he would like to start construction on May 11, 1996, and complete construction on the building by June of 1996. Director Garber asked if the District had approved such a plan. Director Lewis suggested that further discussion on the plan proposed by Mr. Rocha take place in executive session.

Director Ela entered the meeting at 7:55 p.m.

DAN BROWN: Dan Brown told the Directors that all the necessary permits and easements were in hand for constructing a water line from the terminus of the District's current water line at Desert Road to his subdivision, Indian Creek Estates. Mr. Brown continued by stating that he and his partner, Max Morris, were ready to sign the proposed agreement between Q Enterprises and the District. After a 30 minute discussion, Director Lewis moved to adopt the Clifton Water District Out-of-District Construction Policy as corrected in the current session. Director Ela seconded the motion and it passed unanimously. Director Lewis then moved to approve the agreement between Q Enterprises and the District as corrected in the current session with

Minutes
December 20, 1995
Page Two

the attachment of Exhibit A. Director Garber seconded the motion and it passed unanimously.

MINUTES OF NOVEMBER 15, 1995: Director Garber moved to accept the minutes of the November 15, 1995, meeting. Director Wheeler seconded the motion. Director Garber suggested that specific dates of events should be used in future minutes. The motion to accept the minutes with corrections passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Ela moved to approve the financial report paying the \$43,859.31 as shown on the report, \$5,468.14 as itemized on the supplemental report and a transfer of funds of \$126,500. Director Lewis seconded the motion and it passed unanimously.

COLORADO COMPENSATION INSURANCE AUTHORITY: Manager Schuster told the Board that the District's compensation insurance premiums had been decreased. In addition, the District received a refund because of the District's safety record and safety program.

MASSEY AGREEMENT: Director Ela moved to accept the Massey Agreement as prepared. Director Lewis seconded the motion and it passed unanimously.

PURDY MESA/HIDDEN VALLEY/CLIFTON WATER AGREEMENT: Manager Schuster told the Board that Attorney Bechtel had advised against signing the proposed agreement between the District, Purdy Mesa Livestock Water Company and Hidden Valley Water Company as prepared. Attorney Bechtel said that in its present form it was not enforceable since the District received no consideration. Director Lewis moved to table the discussion on the proposed agreement based on the Attorney's advice. Director Ela seconded the motion and it passed unanimously.

UTE/CITY/CLIFTON TALKS: Manager Schuster told the Board that Assistant Manager Tooker and he had met with the City of Grand Junction and Ute Water on December 5, 1995. Manager Schuster said that the State of Colorado wanted separate Water Conservation Plans from each entity. A draft of the District's water conservation plan was given to each Director for study. Manager Schuster explained that, if the Board wanted to adopt the proposed Water Conservation Plan, we would need to hold a public hearing. This item will be on the agenda for January.

VANDALISM NORTH OF I-70: Manager Schuster stated that the tanks on the north side of I-70 had been vandalized yet again. The North tank had a hole shot in it the size of a nickel approximately 25 feet from the ground. Mr. Lee Eberhart donated the use of his cherry-picker to the District to enable personnel to repair the hole. In a separate instance, someone had hooked a chain onto the gate at the West Tank and pulled it down with their truck. The authorities were contacted in both cases. Manager Schuster stated that he would be in touch with the Sheriff's office to follow-up. Director Ballagh suggested that an article be published in the next issue of Waterline entitled "It's Your Money" as a plea for customers to report vandalism of District property to the authorities.

Minutes
December 20, 1995
Page Three

GVICo ANNUAL MEETING/AUCTION: Director Ballagh said he had been unable to attend the GVICo Annual Meeting. Manager Schuster stated that he and Assistant Manager Tooker had attended the Auction, however, had not purchased any shares of water.

VALLE VISTA HOMEOWNERS ASSOCIATION: Manager Schuster told the Directors that Mark Hermundstad had asked that the District return the Promissory Note marked "PAID IN FULL" to the Valle Vista Homeowners Association. Director Lewis moved to authorize Manager Schuster to mark the Promissory Note paid in full and return it to Mr. Hermundstad. Director Wheeler seconded the motion and it passed unanimously. Director Ela moved to foreclose on the property used for Rolling Hills Sanitation Company in which the District holds a first deed of trust. Director Lewis seconded the motion. Director Ela stated that he felt the District should foreclose on the property because a Deed in Lieu is not as credible. The motion to foreclose failed with Director Ela voting for foreclosure and the other Directors voting nay. After some discussion, Director Lewis moved to ratify the telephone poll of the Directors approving a deed in lieu of foreclosure and to authorize Attorney Griffen to draft an agreement with consideration to be that we waive our right to foreclose and waive any potential deficiency judgement and the record owner and all persons in the chain of title waive the right of redemption and other consideration as the attorney may deem necessary to support a deed in lieu of foreclosure. Director Garber seconded the motion and it passed with Director Ela voting nay.

OTHER OLD BUSINESS: Director Lewis asked what had happened with Bryce Fast and the Backflow Prevention Policy. Manager Schuster explained that Mr. Max Krey had sold the building to Mr. Fast, so he no longer had any concerns with it. Manager Schuster said that Mr. Fast had contacted him requesting the June 16, 1994, minutes wherein the Board had adopted the Backflow Prevention Policy.

BIDS FOR NEXT YEAR'S VEHICLES: Manager Schuster explained that the District should purchase two vehicles in 1996 -- one being a new pick-up to replace the 1987 truck now in the fleet, and one being a vehicle for the meter readers. Director Garber stated that he would rather use the 1987 truck since it was still in good running condition and only purchase one vehicle. Director Ela moved to purchase one vehicle for the meter readers with specifications as prepared by the Manager. Director Garber seconded the motion and it passed unanimously.

CLIFTON INVITED TO TOUR OSMONICS: Manager Schuster reiterated John Peichel's invitation to tour the Osmonics plant in Minnesota for the benefit of Director Ela who was not present at the beginning of the meeting. Manager Schuster will gather the travel information for the trip and send it to the Directors.

PUBLIC SERVICE ZIP PAYMENTS: Manager Schuster told the Directors that the Public Service bill for the CASWTP is due before Board Meetings every month. There is a 1 1/2% late charge on funds received after the due date. With power bills at about \$10,000 per month, the late charge is substantial. Manager Schuster explained that this situation made it necessary for office staff to generate a check and find Director's for signing it to avoid the late charge. Manager Schuster

Minutes
December 20, 1995
Page Four

told the Directors that he would like to apply for Public Service to automatically withdraw the funds from the District's checking account each month to allow staff to make more efficient use of their time. Director Ela authorized Manager Schuster to ask Public Service for their "Zip Payment" service as long as staff would not take advantage of the service. Director Wheeler seconded the motion and it passed unanimously.

OTHER NEW BUSINESS: Director Garber questioned why the meter reading each month would vary as much as eight days from one cycle to the next. Manager Schuster explained that there are four months in a year where there are five Wednesdays. The District bills approximately one fourth of our customers every Wednesday -- that means that there are four Wednesdays in the year with five weeks between water bills for each customer. Director Garber stated that he felt that since the District pays the meter readers to read, the reading should take place on the same day every month. Manager Schuster said we could correct this problem by billing customers 13 times a year rather than 12 times a year. Manager Schuster also said that he did not think reading meters the same date each month was practical since there were holidays and weekends to consider. Director Ballagh asked Manager Schuster to gather information on what other utilities do to resolve this problem and make a presentation at the January meeting.

Director Garber moved to enter into executive session at 10:10 p.m. to discuss real estate and financial matters. Director Ela seconded the motion and it passed unanimously.

Director Lewis moved to close the executive session at 11:35 p.m. Director Ela seconded the motion and it passed unanimously. After the Executive Session the Directors instructed Manager Schuster to continue to work with Elam Construction in addition to contacting other companies that may be interested in the gravel at the Charles A. Strain Water Treatment Plant site.

Director Lewis moved to adjourn the meeting. Director Garber seconded the motion and it passed unanimously.

The meeting adjourned at 11:45 p.m.

ATTEST:


Secretary

