

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held January 2, 1985
at Clifton, Colorado
at 7:33 PM

The meeting was called to order by Chairman John Fenner at 7:33 PM. Present, in addition to Chairman Fenner, were Vice Chairman Sarah Smith, Secretary Darrell Slogar, Treasurer William Ela and Board Member Edgar Bolton. In addition to the Board Members were visitors Charles Strain, Retired Superintendent of the Clifton Water District; Fred Cornwall, Vice President of the Public Finance Department of the Anderson DeMonbrun division of the Prudential-Bache Securities; Chief Plant Operator Carey Blount, and Superintendent Ray Schuster.

Board action on the changes of the Personnel Manual was tabled.

The Superintendent gave a short report on the Ute/City/Clifton merger for the Board's information.

The Quit Claim Deed for Harold and Zula Pike was presented to the Board. It was moved by William Ela and seconded by Sarah Smith that the President and Secretary be instructed to sign the Quit Claim Deed. The motion passed without opposition.

Fred Cornwall was present to talk to the Board about the possibility of advance refunding of the District's outstanding debt and in his talk he used visual aids as well as a booklet describing various plans that could be used in the advance refunding of the outstanding debt. After approximately 60 minutes of discussion, William Ela moved that the District adopt the concept of advance funding of the District's outstanding debts within the concept of Plans A, B, or C as presented by Mr. Cornwall. The motion was seconded by Sarah Smith and passed without opposition.

Again, after approximately 60 minutes of discussion where the merits of all plans were thoroughly discussed, along with some alternates that were not presented, William Ela made a motion that Plan C be adopted, the motion was seconded by Sarah Smith and after a short discussion passed on a vote of 4 to 1. Edgar Bolton cast the opposing vote.

The Superintendent gave the Board a run-down on the attempt to repair the leak in the pipeline underneath the Colorado River and advised the Board that it is his recommendation that a 6" PVC line be strung through the existing 10" line to allow water from Plant #1 to reach the north side of the river. The Superintendent explained that the capacity of the 10" line would be reduced by 64% under the river but that this 64% reduction in line capacity paralleled the 67% reduction in raw water available from the City. It was the general consensus of the Board that the Superintendent attempt to "snake" the 6" PVC line through the existing 10" cast-iron line.

The subunit fee for Carol's Cove was brought up and discussed. The Superintendent showed the Board 2 pieces of evidence supplied to the Superintendent by Carol to show that she had been in business since the latter part of 1978. Mr. Ela moved that the Board accept the proof submitted and request Carol to pay the multiple use fee that was in effect prior to January, 1980, for the past 72 months (\$2.50 per month for 72 months is equal to \$180.00), the motion was seconded by Edgar Bolton and passed without opposition.

The bids for the pickup were authorized for the January 16, 1985, meeting and the Superintendent was asked to check on the possibility of buying a state purchased pickup and to get prices for the Board's consideration.

The certifications recently awarded Tom Shawler, Brian Sheley, Ray Schuster and Carey Blount were presented to the Board by the Superintendent. The Board

Minutes of Meeting of Directors
Clifton Water District
January 2, 1985

Page 2

discussed the certifications of Water Distribution Advancement. As a general consensus, certification of employees was encouraged by the Board and that advancement such as these would be considered during the annual review for merit raises.

The Superintendent discussed the possibility of adding 50¢ to all bills that were over 30 days old. After much consideration, William Ela moved to add \$1.00 per month to all bills over 1 month old and that the name of the charge to be designated by the attorney and that 1 month's notice be given to all users before this \$1.00 charge became effective. The motion was seconded by Sarah Smith and passed without opposition.


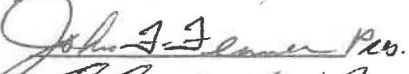
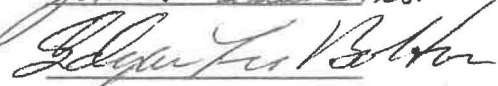
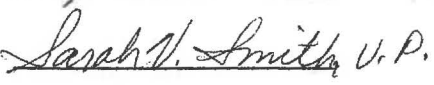
The Superintendent gave the Board a short review of the results of the auction of the shares of the Grand Valley Irrigation Company.

It was noted that the minutes should reflect that the President wore a brown tie to the meeting.

The meeting adjourned at 11:37 PM.


Secretary

ATTEST:

CLIFTON WATER DISTRICT

MINUTES OF REGULAR MEETING OF DIRECTORS

Held January 16, 1985
At Clifton Colorado
At 7:30 P. M.

Members present were William Ela, Darrell Slogar, Edgar Bolton, Sarah Smith, and John Fenner. Also present were Carey Blount, Raymond Schuster, Laveta Kay and Fire Chief Kent Holsan.

Mr. Holsan passed around a letter he had prepared in his capacity as Fire Chief. It was his desire that the Water District Board and the Clifton Fire Protection Board meet to discuss how to work out minor differences. He suggested a mediator, possibly Charles Strain. The consensus of the Board was that they want to work with the Fire District in any way that will benefit the residents of both districts.

Mr. Holsan asked that the service charge for water to the house located on Fire District property, and formerly occupied by Edith Strain, be discontinued. Mr. Ela moved that no charge be made for water service so long as the building is used solely for Fire District business. Mr. Bolton seconded the motion which carried without opposition.

Mr. Holsan also objected to the subunit fee he was asked to pay for the Clifton House of Fine Meats occupying the same building as Honey Do hardware. He indicated that he would pay the fee under protest.

To add: his request for variance was denied by the Board.

amended 2-20-85

The Superintendent reported that in addition to Mr. Holsan's subunit fee, eight others had been contacted and requested to either pay the subunit fee or come to the Board and ask for a variance.

Mr. Bolton made a motion, Mrs. Smith seconded and minutes of the meetings of December 19, and January 2, were accepted without additions or deletions.

Accounts Payable listed on the monthly report in the amount of \$39,380.76 were considered. Mr. Ela moved that those listed accounts be paid. The motion was seconded by Mr. Slogar and checks were signed.

Statements not included in the report presented for payment were:

Grand Valley Rural Power	\$ 339.32
Rainbow Printing	176.67
Public Service	694.33
Grand Valley Irrigation	5894.00

Mrs. Smith moved that payment be withheld from Grand Valley Irrigation. There is no delinquent charge assessed until April 30, and that amount of money invested would be to the advantage of the District. Mrs. Smith further moved that the other three accounts be paid. The motion was duly seconded and the other three accounts were ordered paid.

A special meeting of the Board was called for January 28, 1985, at 7:30 p.m. for the purpose of passing a resolution for the advance refunding of the General Obligation bonds and any other business that may come before the Board.

The Superintendent gave the Board an update on the progress of installing a six inch line through the existing broken ten inch line under the Colorado River.

The Superintendent advised the Board that no action had taken place to add an additional 6.19 c.f.s. of water to the 12.38 c.f.s. absolute decree since the plant was expanded in August 1982 to treat 12 MGD. The Board instructed the Superintendent to start action to get the additional 6.19 c.f.s. made absolute for a total absolute decree of 18.57 cfs, to match the capacity of the plant.

amended 2-20-85

to add that on August 29, 1984 log indicates that the plant produced water at 12,000,000 MGD rate for a period of 4 hours and that the Superintendent was instructed to apply for the maximum on the absolute Decree.

The Personnel Manual was discussed for 1 1/3 hours. Each change as suggested by the Superintendent was discussed and either accepted or edited by the Board. The changes are to be retyped and presented first to the Attorney for comments and then to the Board for action.

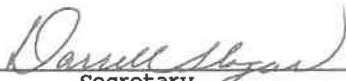
Bids for a pickup were opened. Bids were as follows:

DEALER	Alt A-1	Alt A-2	Alt B-1	Alt B-2
State of Colorado			\$ 6,541.76	
State of Colorado			\$ 7,495.55*	
Hoffman Motors	\$ 7,200.00	\$ 5,200.00	\$ 8,150.00	\$ 6,200.00
Western Slope Ford	\$ 6,448.74	\$ 4,998.74	\$ 7,593.20	\$ 6,143.20
Jim Fuoco Motor	\$ 6,530.11	\$ 5,030.11	\$ 7,823.61	\$ 6,323.61
Les Shellabarger	\$ 9,916.14	\$ 9,366.14	\$ 9,323.84	\$ 8,673.84
Bill Hellman Motors	\$ 6,549.00	\$ 4,400.00	\$ 7,530.00	\$ 5,380.00
Flower Motor Co.	\$ 6,660.00		\$ 8,310.00	
Turner Chevrolet	\$ 6,533.00		\$ 7,771.00	


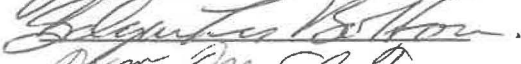
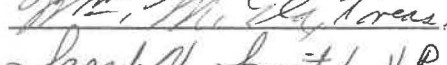

* 3/4 ton

Action on bids was tabled until January 28, at which time the Superintendent will provide the Board with more information on the vehicles that were bid by Bill Hellman Motor Company.

The meeting was declared adjourned at 11:58 p.m.


Secretary

ATTEST:

MINUTES OF THE SPECIAL MEETING OF DIRECTORS
CLIFTON WATER DISTRICT

January 28, 1985
at Clifton, Colorado
at 7:30 P. M.

Meeting was called to order by Vice President, Sarah Smith. Present in addition to Sarah Smith were Secretary, Darrell Slogar; Treasurer, Wm Ela; and Director Edgar Bolton. Also present were Raymond Schuster the Superintendent, and Fred Cornwall from Prudential-Bache. President Fenner was out of town so Vice President Sarah Smith presided at the meeting.

The Superintendent volunteered the information that the minutes of the November 7, 1984, meeting showed that he had posted notice of the regular meeting of the Clifton Water District at the Mesa County Courthouse, the Clifton Fire Protection, the Clifton Postoffice, and the Clifton Water District office. He also informed the Board and Mr. Cornwall that notice of this Special Meeting had been posted at the same four places on January 22, 1985. The Secretary acknowledged this report.

Director William Ela introduced a motion that \$1,505,000 of General Water Obligation Refunding Bonds, Series 1985, dated January 15, 1985, heretofore duly offered for sale by the District, were awarded to Prudential-Bache Securities in substantial compliance with the terms and conditions of the Bond Purchase Agreement dated January 2, 1985. Motion passed on a vote of 3 to 1, with director Bolton being the only dissenting vote.

Director Ela introduced a Resolution which was read in full (the full Resolution being a part of Clifton Water District records but being kept separate from these minutes and available upon request).

It was then moved by Director Ela, and seconded by Director Slogar that all rules of this Board, which, unless, suspended, might prevent the final passage and adoption of this Resolution at this meeting, be and the same are hereby suspended. The question being upon the adoption of said motion and the suspension of the rules, the roll was called with the following results: Those voting yes; Directors Smith, Ela, and Slogar. Those voting no; Director Bolton. Three members of the Board of Directors having voted in favor of said motion, the presiding officer declared the motion carried and the rules suspended.

It was then moved by Director Ela that the Resolution be passed and adopted. Director Slogar seconded the motion. The question being upon the passage and adoption of the Resolution, the roll was called with the following result: those voting yes; Directors Smith, Ela and Slogar. Those voting no; Director Bolton. The presiding officer thereupon declared the motion carried and the motion duly passed and adopted.

Minutes of Special Meeting of Directors
Clifton Water District
January 28, 1985

The Superintendent presented the Board with an agreement between the Clifton Water District and the State of Colorado Department of Highways, which would allow the Clifton Water District to remove and relocate twelve water taps and two fire hydrants along the 32 Road construction site at a cost, to be paid by the State of Colorado, of \$7,865. Director Slogar moved and Director Ela seconded that Sarah Smith sign the Agreement. The motion passed without opposition.

The Superintendent gave his report on the most value the District could receive from the pickup bids which were opened on January 16, 1985. The Superintendent reported that the best value was to purchase the 1/2 ton Chevrolet through the State Purchasing Department and to sell the 1979 Ford pickup to the highest bidder. On a motion by Director Bolton and a second by Director Slogar the Board accepted the Superintendent's recommendation to purchase the 1/2 ton Chevrolet pickup through the State Purchasing Office. The motion passed without opposition.

The Superintendent informed the Board that the Winter meeting of the Rocky Mountain Section of American Waterworks Board of Governors and the Aims and Objectives Committee meeting would be held in Albuquerque, New Mexico on February 7 and 8, and that he would be attending these meetings, leaving on the 7th and returning on the 9th of February.

The Superintendent also advised the Board that approximately 60% of the money that was paid to Public Service Company of Colorado for Treatment Plant #2 was being paid for the demand charges, and not energy charges. He also advised the Board that at a later date he would have more information to present which would recommend that Clifton Water District elect to go on a Primary Interruptible (PI) service to save approximately \$50,000 a year, rather than continue on the Secondary General (SG) service that we now have.



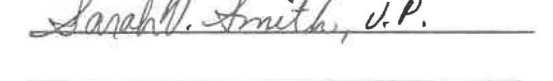
Superintendent Schuster advised the Board that the Harold and Zula Mae Pike Quit Claim Deed to Clifton Water District had been recorded.

The Superintendent also reported to the Board that the 6" line which was installed through the existing 10" cast iron line under the Colorado River had been completed and just some minor work had to be accomplished before the line could be placed in service.

After some discussion, the meeting adjourned at 10:42 p.m., the next regular meeting was scheduled for February 6, 1985.


Secretary

ATTEST:

CLIFTON WATER DISTRICT

MINUTES OF REGULAR MEETING OF DIRECTORS

Held February 6, 1985
At Clifton, Colorado
At 7:30 P. M.

Present tonight were President Fenner, Vice President Smith, Secretary Slogar, Treasurer Ela, and Director Bolton. In addition to the full Board of Directors, also present were Superintendent Ray Schuster, Chief Operator Carey Blount, and Mr. McIntosh as a guest.

Mr. McIntosh lives at 408 30 Road and had received a "subunit" letter and was objecting to same. It was the general consensus of the Board of Directors that if Mr. McIntosh could produce evidence that he had been in business prior to January of 1980 that he would be considered under the grandfather clause and be back-charged \$2.50 per month for the last 60 months and that this additional multiple use charge would continue in the future as long as Mr. McIntosh had his business at his homesite. He would not have to pay a subunit fee at this time.

The Superintendent presented the changes to the Personnel Manual to the Board. The disposition of the changes was tabled until February 20 at which time final action will be taken to either adopt, reject or accept some or all of the suggested changes to the Personnel Manual.

The Superintendent brought the Board of Directors up-to-date on the possible Ute/City/Clifton Water merger and advised the Board that the grant application for the engineering study would be considered by the Energy Impact Advisory Assistance Committee in Denver on February 21, 1985, and that the Engineering Selection Committee had reviewed 25 engineer applications and had reduced these applications to 6. The Selection Committee was requiring additional information from the last 6 prior to making a selection.

The Superintendent reported that the 6" pipe that had been installed in the 10" pipe underneath the Colorado River was put into use and was operating. The Superintendent requested that the Board seriously consider installing a booster pump on the north side of the river near the oxidation ponds of Clifton Sanitation District #2 in order to boost at least 33% of the winter water requirements to the north tank. The Board advised the Superintendent to continue pursuing this matter.

The Superintendent reported to the Board about the thefts and break-ins at Plant #1 and at the north tank where an electric heater was stolen from Plant #1 and 210' of 6' chainlink fence and a 12' wide by 6' high gate was also stolen from the security fence at the north tank. The Board advised the Superintendent to attempt to tighten up security especially where it comes to poisonous chemicals at the water plant. The Chief Operator and the Superintendent will consider providing some additional protection for the fluoride feeder at Plant #1.

The Superintendent also reported about major water breaks at the intersection of Meadow Road and Chipeta and at 31 1/2 and F 1/2 Roads. Both of these breaks occurring on February 2, 1985.

The Board of Directors advised the Superintendent to get with the District Attorney and make an attempt to show "due diligence" for the Clifton pipeline conditional decree.

The Superintendent reported to the Board several avenues of obtaining water from the Grand Mesa. These avenues consisted of a joint venture project on the Grand Mesa with the City, thereby becoming eligible to receive some of the benefits of the enlargements, and the possibility of purchasing water from the Whiting brothers of Whitewater. After considerable discussion the Board noted that 1 share of Grand Valley Irrigation Stock was equivalent to 3.72 acre feet of water and, based on that, Grand Valley shares would have to exceed \$2,000 per share before the purchase of Grand Mesa water would become economical.

The Superintendent gave a report of the potential savings on electricity costs at Plant #2. The Superintendent reported that in 1984 the Clifton Water District paid \$117,052.60 for electricity at Plant #2 on the Secondary General (SG) rate while only receiving \$35,010.53 worth of energy. The difference of \$82,043.07 was paid to Public Service Company as a demand charge. The Superintendent told the Board how the Clifton Water District could experience a savings of \$49,138.39 in electric charges if they would purchase a diesel generator and go on the Primary Interruptable (PI) rate and could save an additional \$9,338.56 by shaving the "peaks" off of the electrical consumption. The Board advised the Superintendent to continue pursuing the idea of the Clifton Water District going on Primary Interruptable service at Plant #2.

The Superintendent asked the Board to consider opening a special checking account for payroll, payroll related items and authorized subcontractor fees. Director Bolton moved and Director Ela seconded a motion to start a special checking account for payroll, payroll related items and authorized subcontractor fees for the signature of one person if the idea is approved by the auditor (accountant). The motion passed without opposition.

The Superintendent advised the Board of the wishes of the new owners of Colony West whereas they wished to participate with the Clifton Water District in installing a new 8" line up Lois Street. The Clifton Water District's needs only require the installation of a 4" line whereas the requirements of Colony West require an 8" line. The Superintendent advised the Board that the cost of installing 1/2 mile of 8" line versus 1/2 mile of 4" line would be an additional \$24,000. He advised the Board that the owners of Colony West wish to participate in this project but finance the project by either a Promissory Note or an Irrevocable Letter of Credit. It was the general consensus of the Board of Directors that an Irrevocable Letter of Credit for a period of one year from the time that the construction starts and to bear interest at the rate of the highest rate of interest that the District receives on their 6-month certificates be charged for this time. The Superintendent will instruct the new owners of Colony West of the wishes of the Board and see what happens.



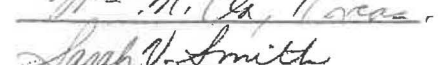

The Superintendent announced to the Board that Channel 8 (Channel 10 on cable) would air a program on the Special Districts Association of Mesa County at 11:30 a.m. on February 10, 1985. The Superintendent also advised the Board that the regular meeting of the Mesa County Special Districts Association was moved from February 18 to February 25 because of George Washington's Birthday. After some discussion Director Smith suggested that Director Slogar attend the Mesa County SDA meetings since Monday mornings require her to be at work. Darrell took the suggestion under advisement.

The Superintendent was instructed by the Board to advertise and attempt to sell the surplus equipment consisting of Addressograph and accessories and 2 Olivetti A-4's.

The meeting adjourned at 10:50 p.m.


Secretary

ATTEST:

CLIFTON WATER DISTRICT

MINUTES OF REGULAR MEETING OF DIRECTORS

Held February 20, 1985
At Clifton, Colorado
At 7:30 P. M.

Present tonight were President John Fenner, Secretary Darrell Slogar, Treasurer William Ela, and Director Edgar Bolton. Also present were Superintendent Ray Schuster, Chief Operator Carey Blount, and Office Manager Laveta Kay.

Director William Ela moved that the minutes of the meeting of January 16, 1985, be approved as amended, and the minutes for the special meeting of January 28, 1985, and for the meeting of February 6, 1985, be approved as submitted. Seconded by Director Edgar Bolton and carried without opposition. The January 16th minutes were amended as follows:

The fourth paragraph was amended to read; "Mr. Holsan also objected to the subunit he was asked to pay for the Clifton House of Fine Meats occupying the same building as Honey Do Hardware and asked for relief, the request for relief was denied by the Board. Mr. Holsan indicated that he would pay the subunit fee under protest."

The following was inserted in the last paragraph on page one; "Since the plant had produced water at the rate of 12 MGD for a four hour period on August 29, 1984, the Board wanted to apply for an absolute decree for this amount (12 MGD)."

Director Ela moved, and Director Darrell Slogar seconded that the Accounts Payable be paid as listed. Carried with no opposition.

Director Ela moved that the changes to the Personnel Manual be adopted as corrected and effective as of the date thereon, February 20, 1985. Seconded by Director Slogar and passed unanimously.

The Superintendent presented the "Advertisement for Bids" letter for a Diesel powered Generator to be used for Plant #2 to reduce the power costs. Several suggestions for changes were made by Director Bolton. It was suggested that Public Service be approached about the possibility of negotiating the power rates Clifton Water is currently paying. The Superintendent issued a Purchase Order to Pinon Associates for a Diesel Standby Generator which contained the following language:

1. Acceptance of your proposal must be ratified by my Board of Directors;
2. The unit must successfully perform in the fully loaded running test which I will witness;
3. Payment will be made within 30 days after satisfactory delivery and testing of same on site.

The letter to the City of Grand Junction was reviewed. The Superintendent was instructed to send the letter.

The Superintendent presented a resolution to the Board which would permit a single signature on payroll and payroll related items on a checking account with the Bank of Clifton. It was moved by Director Ela that the resolution be adopted, seconded by Director Slogar and passed without opposition. The original resolution will go to the Bank of Clifton, a copy of the resolution is in the District's files for review.

* amended 3/20/85 to show the letter was a request to the City participate in payment for purchase of a diesel powered generator unit.

The Superintendent gave the Board a brief description of the Mesa-Delta M & I ground water study as being conducted by the Bureau of Reclamation and advised the Board that the Bureau was looking for matching funds from other Government entities. Director Ela moved that the Superintendent find out what the time frame is for these matching funds to be paid for the Mesa-Delta M & I ground water study after committing same and if these funds are not payable immediately for the Clifton Water District to commit \$1,500.00 in matching funds for the study. If the money was payable immediately for Clifton just to commit their support in the form of a letter to the Bureau of Reclamation. The motion was seconded by Director Bolton and passed without opposition.

The letter from Joseph Coleman to the Superintendent, dated February 14, 1985, was read to the Board and discussed at considerable length. It was the general consensus of the Board that Joe's request for a credit on the advance payment for taps was not acceptable to the Board and that the Clifton Water District was to bill Mr. Coleman the principal payment due for March 1, 1985, in the amount of \$11,437.93 as a response to his letter.



It was also the general consensus of the Board that the Clifton Water District waste some amount of water from the 10" line serving the Southridge Condominium in Southridge pond in order to maintain a chlorine residual in the pipe. The Superintendent was to advise Coleman that this was going to happen so that Foster/Foster/Coleman would be aware of what was happening.

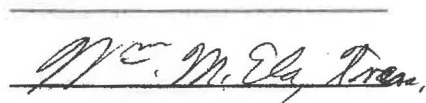
The Superintendent advised the Board that he thought there could be a problem with having customers work to pay off their water bill at minimum wage due to workman's compensation and other withholding. The Superintendent was advised to check with workman's compensation on the "Casual Employee" conditions of an insurance policy and report back to the Board at the next regular meeting.

The meeting adjourned at 11:23 p.m., the next scheduled meeting is March 6, 1985.


Secretary

ATTEST:



CLIFTON WATER DISTRICT

MINUTES OF REGULAR MEETING OF DIRECTORS

Held March 6, 1985
at Clifton, Colorado
At 7:30 P. M.

Present at the meeting were President Fenner, Vice President Smith, Secretary Slogar, Treasurer Ela, and Director Bolton. Also present were Superintendent Ray Schuster, Chief Operator Carey Blount, Vance White of Cummins Power, Inc., Bill McManany of Stewart & Stevenson Power, Inc., and Clifford Heller of Pinon Associates.

President Fenner called the meeting to order and the bids for the Diesel Powered Standby Generator were opened and the bids were as follows:

Name of Contractor	Amount of Bid	Delivery
1. Engineer's Estimate	\$ 95,000.00	
2. Cummins Power, Inc.	73,657.00	May 31, 1985
3. Pinon Associates, Inc.	87,000.00*	May 31, 1985
Pinon Associates, Inc.	68,000.00*	March 28, 1985
Pinon Associates, Inc.	76,000.00*	May 31, 1985
4. Wagner Equipment Co.	87,000.00	May 6, 1985

*Pinon Associates also bid, as an alternate to the base bid, a piece of equipment that met the specifications except that the equipment was used. The used equipment had 500 hours of use. The price of the used equipment was bid at \$68,000.00. Pinon Associates also bid another alternate featuring a new unit for \$76,000.00 with a capacity of 600 kW for continuous use and 700 kW Standby capacity.

After the bids were opened Director Ela moved to accept the bid of Cummins Power, Inc., in the amount of \$73,657.00 subject to the equipment meeting the specifications and also subject to a delivery date of May 1, 1985. The motion was seconded by Director Slogar and passed without opposition.

The Superintendent advised the Board that the Personnel Manual as accepted at the February 20, 1985, meeting did not meet the requirements of the Fair Labor Standards Act in accordance with the Supreme Court's decision announced February 19, 1985. The Superintendent advised the Board that he had been in contact with the District's attorney and that the necessary changes would be made and presented to the Board for review and acceptance.

The Superintendent asked the Board to ratify the purchase of 25 shares of Grand Valley Irrigation Stock at \$301.00 per share which was consummated on February 25, 1985, on authority of a telephone poll of three members of the Board of Directors. It was moved by Director Bolton and seconded by Director Ela that the purchase of the 25 shares of Grand Valley Irrigation Stock be ratified. The motion passed without opposition.

The Superintendent asked that Shirley Weaver receive additional compensation for her work at the District since the health package was originally given in lieu of a raise and the benefit plan did not provide any additional benefits for her or her family. It was the consensus of the Board that the request be denied as they did not want to set a precedent of providing money rather than benefits at the request of individual employees.

The Superintendent advised the Board that we only had one inquiry of the notice sent out of surplus equipment that the District had for sale. This inquiry was from Clifton Sanitation District #2 inquiring about the Addressograph and the accessories. It was the consensus of the Board that the Superintendent attempt to collect \$200 for this equipment from Clifton Sanitation District #2 for the Addressograph equipment and accessories. It was also the consensus of the Board that the Olivetti A-4's be stored until a use or sale of same could be realized. The Superintendent advised the Board

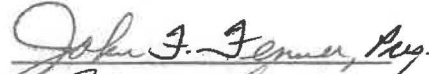

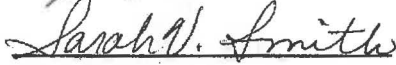

that Lloyd Ciriniconi had filed for bankruptcy and that Clifton Water had not collected on the promissory note but did have the computer and printer in Clifton Water District's possession. A report on the requirements for workman's compensation for temporary employees was also discussed and accepted. The promissory note and agreement with Foster/Foster/Coleman and the Clifton Water District was discussed and the Board was advised that no principal could be expected from these individuals until the year 1989 due to the terms of the agreement. The Superintendent also advised the Board that the Public Service Company of Colorado was not in a negotiating posture for special rates at Treatment Plant #2 due to the requirements of the Public Utilities Commission. The Superintendent brought up the possibility of discontinuing the position of "meter reader" and to provide this service "in-house" due to the lack of work load in the office. It was the decision of the Board that the employees of the Clifton Water District be assigned the task of reading the meters rather than hire subcontractors to perform this work and also for the Superintendent to take a hard look at a more economical and automatic means of reading and recording meter readings.

The audit was presented to the Board for study and acceptance. The matter was tabled until the next meeting when several apparent errors could be either explained or corrected.

The meeting adjourned at 10:44 p.m.


Secretary

ATTEST:

CLIFTON WATER DISTRICT

MINUTES OF SPECIAL MEETING OF DIRECTORS

Held March 7, 1985
at Clifton, Colorado
At 5:30 P. M.

The special meeting of the Board of Directors of the Clifton Water District was called to order at 5:35 P.M. March 7, 1985, by President Fenner.

Present in addition to President Fenner were Vice President Smith, Treasurer Ela, Director Bolton and Superintendent Schuster. Absent was Secretary Slogar who could not be contacted in time to be notified of the special meeting.

The Superintendent presented the Board of Directors with a chart showing power consumption over 500 kW in the last 4 years for the months of April, May, & June. The chart was as follows:

NUMBER OF DAYS THAT OVER 500 kW WAS USED AT PLANT #2 in 1984

Year	April	May	June
1981	5 days	5 days	21 days
1982	3 days	4 days	14 days
1983	0 days	3 days	11 days
1984	0 days	6 days	16 days



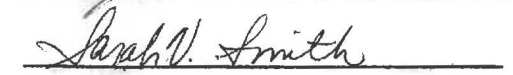
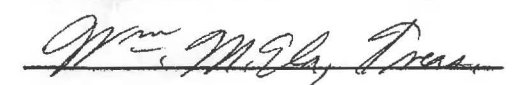
The Superintendent also advised the Board that had a diesel powered generator been in place prior to the first day that over 500 kW was used at the plant in May of 1984, the District could have saved \$36,231.61 on their electric bill for the next eleven months.

It was the Superintendent's recommendation that a diesel powered generator be installed as soon as possible in order to avoid the possibility of paying an excessive demand charge to Public Service Company for the energy used at treatment plant #2. After considerable discussion, which included the economics of various alternates, it was moved by Director Bolton that since delivery as stated in the motion of Director Ela at the March 6th meeting could not be met that the motion to purchase the Cummings diesel powered generator be rescinded and to accept the recommendation of the Superintendent to purchase the used equipment from Pinon Associates, Inc. at a cost of \$68,000.00 in order to save two months in delivery time and approximately \$5,000.00 in cost, provided the diesel powered generator unit was used for only 500 hours, the unit was complete with a one year written warranty - 100% parts and labor from Stewart & Stevenson and delivery would be in three weeks. The motion was seconded by Director Ela and passed without opposition.

The meeting adjourned at 6:10 P.M.


Secretary

ATTEST:

MINUTES OF THE SPECIAL MEETING BETWEEN
CLIFTON FIRE PROTECTION DISTRICT &
CLIFTON WATER DISTRICT

Held March 13, 1985
at Clifton Fire House, Clifton, Colorado
At 7:30 P.M.

Present representing the Clifton Fire Protection District Board were Chief Kent Holsan and Directors Frank Pond and Greg Martin. Representing the Clifton Water District Board of Directors were Darrell Slogar, William Ela and Edgar Bolton. Also present were Charles A. Strain, retired Fire Chief and Water Superintendent; Ray Schuster, Water Superintendent and Carey Blount, Chief Operator.

The meeting was opened by Chuck Strain with an explanation that he thought he would be a good mediator between the two Districts since he had had considerable experience with both.

Ray Schuster gave a short explanation of the problems, namely the stress the firemen had put on the water system, as evidenced by the pressure recording chart at Treatment Plant #2, during the flushing operations and threats of a suit in the event of a fire in the vicinity of 34 1/4 and G Roads.

There was a lengthy discussion concerning the Water District's ability to provide adequate water for fire protection as well as the requirements for water of the Clifton Fire Protection District and methods of performing fire hydrant tests without disrupting the water system. The Water District stressed the fact that large diameter pipe would carry sufficient water for fire flows with minimum friction loss but also requires frequent turnover in order to provide a chlorine residual for water for human consumption.

It was the general consensus of all present that the Clifton Water District would perform fire hydrant tests on all of the hydrants within the Districts to determine the capability of providing sufficient fire flows from each hydrant and this information would be recorded as well as color coding the hydrant and furnishing the Fire Protection District with the color code. Then a letter was to be sent to all water users concerned explaining the condition and performance features of the fire hydrant(s) that would be used in providing water for fire protection in the event their property was on fire. This letter would also be given to all users as the property changed hands or the water for the property was put into a different name. The Water District would have a handle on this as all changes for those responsible for water payments will go through the Water District.

Chuck Strain will set up a procedure for controlled tests for the Clifton Water District personnel to follow and to be used in educating the Clifton Fire Protection District personnel in flushing hydrants to avoid stress on the water system.

The Fire Department will determine what is an adequate flow for fire protection from each hydrant and will advise the Clifton Water District of same so this information can be put in the letter mentioned above.

As the meeting broke up it was the general consensus of all concerned that the meeting was productive as each District was able to show the other District the problems and concerns that they each face and that what may be of a major concern to one District is of a minor concern to the other.

The meeting adjourned about 10:15 p.m.

ATTEST:





Secretary

MINUTES OF REGULAR MEETING OF DIRECTORS

CLIFTON WATER DISTRICT

Held March 20, 1985
at Clifton, Colorado
at 7:30 P. M.

The meeting was called to order by President Fenner. Present, in addition to President Fenner, were Vice President Smith, Secretary Slogar, Treasurer Ela, and Director Bolton. Also present were Raymond Schuster, Superintendent; Laveta Kay, Office Manager, and Chief Operator, Carey Blount, and guests, Mr. and Mrs. Rod Terry, Esper Peterson, Jim Oberding, Steve Foster, Dale Foster, and Joe Coleman.

Mr. and Mrs. Terry operate two businesses in a building located at 3273 F Road, and were present at the meeting to request a variance in the subunit fee they had been asked to pay. After considerable discussion Director Ela moved that the Board not grant the variance requested by Mr. and Mrs. Terry and to proceed with the matter according to our standard operating procedure. The motion was seconded by Lelsie Smith and passed with an affirmative vote of four of the Directors and an abstention by Director Bolton.

Mr. Peterson has a trailer for farm workers in the rear of his home at D 1/2 and 32 1/2 Roads. Mr. Peterson had also been requested to pay a subunit fee and he was present to request a variance for this. When the Board failed to give Mr. Peterson a variance to the District Policy, Mr. Peterson said that he would disconnect the trailer from the water system and call the Superintendent to inspect the disconnection and, therefore, he would not be subject to the subunit charge.

Steve Foster, Dale Foster, and Joe Coleman were present to request some relief on the payment of interest on their obligation to the District. There was considerable discussion. After the discussion, Director Ela moved to declare the interest due, to declare the interest payment in default, and to contact the District's Attorney to get an opinion on what the net return to the District would be when Attorney expenses are considered. Should, in the opinion of the Attorney, the collection expenses approach or exceed the amount collectable, then review the situation again in six months and let the interest accumulate and be compounded at six month intervals. The motion was seconded by Darrell Slogar and passed without opposition.

Director Bolton made a motion that the minutes of the regular meeting of March 6th and the special meetings of March 7th and March 13th be approved as submitted and that the minutes of the regular meeting of February 20th be approved as amended. The motion was seconded by Director Slogar and passed without opposition. The amendment to the February 20th minutes was to the 7th paragraph on the first page where the minutes were expanded to show that the letter to the City of Grand Junction was a request to the City to participate in the payment for purchase of a diesel powered generator unit.

After the foregoing motion was passed, the Superintendent reported to the Board that the City of Grand Junction had agreed to pay 42.2833% of the purchase price and installation costs of the diesel powered generator unit.

Director Ela moved to pay the accounts in the amount of \$59,537.60 as shown on the report, plus a statement from Clark's Service Station for \$303.31, and reimbursement for travel expenses to Raymond Schuster of \$118.00. The motion was seconded by Director Bolton and passed.

The audit was briefly discussed. The Board agreed not to sign a letter as presented by Maxfield, Miller and Company, but to prepare another letter and advise the Accountant that Clifton Water District had made a concentrated effort to provide all information for the audit and was not aware of any irregularities of operations within the District. Director Bolton suggested

that the office staff look into the possibility of obtaining another accountant and present recommendations to the Board for possible action.

Director Ela moved to have the minutes show that factual investigation of the Ken McIntosh subunit variance request failed to show that Ken McIntosh was eligible under the Grandfather Clause and the staff was to proceed to collect the fee of \$750.00. The motion was seconded by Director Bolton and passed without opposition.

Director Bolton moved to adopt the changes to the Personnel Manual as proposed by the Superintendent and Paragraph 2.3.3 as amended by the Board. The motion was seconded by Director Smith and passed without opposition.

Director Bolton volunteered to be the elected official representing Clifton Water District on the Engineers Selection Committee for the Ute/City/Clifton merger study.

The Superintendent gave a report on his trip to Denver on March 19 to personally view the load test of the diesel powered generator unit. The Superintendent reported the test exceeded the standards required and the unit would be shipped just as soon as Clifton is ready to accept the unit. Chief Operator Blount is attempting to expedite the preparation of a pad on which to set the unit. Delivery is expected the week of March 25th.

The request of Developer, David Schafer, to install a water line at Meadowlark Subdivision Filing #3 was discussed. The Superintendent reported that Mr. Schafer had paid 25% of the tap fees for 5 lots for Filing #3 and wanted to install the water line to lessen development costs. Several minutes of discussion followed. On a motion by Director Bolton the Superintendent was instructed to inform Mr. Schafer that the standard policy of Clifton Water District would prevail and that his request to install his pipe line was denied, the motion was seconded by Director Ela and passed without opposition.

The Superintendent gave a report of the number of customers required per thousand feet with relation to the size of the pipe line serving these customers, in order to maintain a chlorine residual. Water in pipes large enough to provide adequate water for fire protection is not turned over, or used, sufficiently to maintain a chlorine residual.


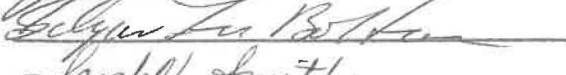
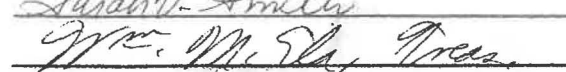
Diameter of Pipe in Inches	Number of Customers per Thousand Feet	Foot of Line per Customer (Front feet)*
16	115	9
12	65	31
10	45	45
8	29	69
6	16	125
4	7	286
3	4	500
2	2	1,000
1	1	2,000

The above numbers are subject to so many variables that they are to be used as a "rule of thumb" and not as hard and fast numbers. *2,000 feet was used since both sides of the street will have customers.

The Superintendent reported that Colorado Commercial Sweeping, Inc. had paid their \$150.00 penalty for acquiring water illegally from fire hydrants three separate times.

The meeting was adjourned at 10:19 p.m.


Secretary

ATTEST:




CLIFTON WATER DISTRICT

MINUTES OF REGULAR MEETING OF DIRECTORS

Held April 3, 1985
at Clifton, Colorado
At 7:38 P. M.

The meeting was called to order at 7:38 P. M. by the President of the District. Present were President Fenner, Vice President Smith, Secretary Slogar, Treasurer Ela and Director Bolton. Also present were Superintendent Schuster and Chief Plant Operator Blount.

The first 70 minutes were spent on a heavy discussion of the present Water Service Fee Policy, alternatives to the present policy and other discussion centered around the subunit fee. Director Ela moved that the District put in abeyance the cut-offs due to nonpayment of subunit fees that are marginal and ask our attorney to draft something that can be defended in court in order that the Water Service Fee Policy can be amended. The motion was seconded by Director Bolton and passed without opposition.

The Superintendent advised the Board that our attorney had suggested that Clifton Water District spend approximately \$1,500 in engineer's fees in order to show due diligence in the Clifton Pipeline Conditional Decree which is augmentation water for the Independent Ranchman's ditch. It was the general consensus of the Board to save the decree if we can but don't spend additional dollars in hiring another engineer.

The Superintendent announced that the diesel powered generator had been delivered and would be put into service as soon as possible. He also estimated that the District would go off the Secondary General rate on approximately April 17, 1985, and go on the Primary Interruptable rate.

The Superintendent also told the Board he had not seen any documentation showing where the District could charge the City of Grand Junction 42.2833% of the operation costs of Plant #2. The Superintendent would check further in our records and report at the April 17 meeting.

The Superintendent reported that Black & Veatch had been selected as the engineer to conduct the study for the City/Clifton/Ute merger study and that an Ad Hoc Committee was formed which consisted of three Directors and the Administrator from each entity to advise the engineers during the study. The members representing the Clifton Water District will be Ed Bolton, Bill Ela, Darrell Slogar, and Superintendent Ray Schuster. Bill Ela requested that the meetings be held prior to 8:00 in the morning or after 5:00 in the evening in order that he may attend and this word will be passed on to the City of Grand Junction and Ute Water Conservancy District. The Superintendent also advised the Board that the study had a \$115,000 budget of which \$100,000 would be forthcoming from State Energy Impact funds and the balance would be coming from the 3 entities and there was no decision on what percentage would be coming from each of the entities.

The letter from the Palisades National Bank was discussed and the Superintendent was requested to follow up on the other financial institutions in which we have savings to make sure that our savings are properly insured. The letter from the Palisades National Bank stated that the Clifton Water District's money was insured by government securities at the Palisades National Bank.

The Superintendent announced to the Board that the Special Districts Association of Colorado would hold their spring workshop in Grand Junction at the Holiday Inn on Friday the 17th of May but the time of the workshop is not available at this time.

The Superintendent also advised the Board that the Clifton Water District has sent the Ute Water Conservancy District a bill of \$15,327 for the February consumption from the interchange at 34 1/2 and F Roads. The excess charge was due to several leaks that the Clifton Water District made Ute aware of when

Clifton Water District
Minutes of Directors Meeting
April 3, 1985
Page 2

they read the meter in March. The bill for this interconnection is normally \$3,000 to \$4,000 per month. The general consensus of the Board was that Ute pay the water bill as submitted.



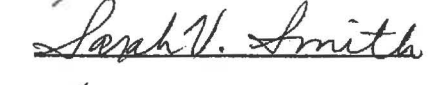
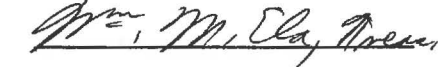
The Superintendent also advised the Board of a phone call from Doug Fasbinder concerning the high pressure in the area 3005 Hill Court and the Board reiterated the policy that Clifton Water District is not to install pressure reducing valves in main lines but to encourage individuals to install pressure regulators on their line on their side of the meter outside of the meter pit when pressure reduction is necessary.

The Superintendent also advised the Board that the Mesa County Parks Department had inquired about the possibility of obtaining a tap for the drag strip which is just east of Plant #1. The Superintendent advised the Board that he told them this tap would cost approximately \$28,000 but would have to be approved by the Board of Directors since it was outside the District.

The meeting adjourned at approximately 10:45 P. M.


Secretary

ATTEST:

CLIFTON WATER DISTRICT

MINUTES OF REGULAR MEETING OF DIRECTORS

Held April 17, 1985
at Clifton, Colorado
At 7:30 p.m.

Present at the meeting were President Fenner, Secretary Slogar, Treasurer Ela and Director Bolton. Also present were Superintendent Ray Schuster, Office Manager Laveta Kay and Chief Plant Operator Carey Blount. In addition, two customers were present, Mrs. Gary Rinderle and Mr. Ken McIntosh.

The meeting was called to order at 7:30 p.m. by President Fenner. Mrs. Rinderle was first on the agenda. Mrs. Rinderle pleaded to have the Board review her subunit situation as her house and shop have been served water since 1979, without any threat of being required to pay a subunit fee. After much discussion, Director Ela moved that upon furnishing a sufficient proof to the Superintendent and payment of \$180 in multiple use fees the Rinderle situation would be put under the Grandfather Clause and would not be charged a subunit fee under the policy adopted January 16, 1980. The motion was seconded by Edgar Bolton and passed without opposition.

Ken McIntosh was also present to request a variance for his subunit charge. Even though the tap for his house was purchased in November of 1980, it specifically stated on the face of the receipt that the tap was for a single family dwelling. Mr. McIntosh also operates a business using water from the same tap. After much discussion, it was the general consensus of the Board to allow Mr. McIntosh to provide and install a refrigerated air conditioner for the laboratory at Plant #2 in exchange for paying his subunit fee.

Considerable discussion of the 1984 Audit followed. Following the discussion Director Ela moved that we invite Paul Miller to attend a meeting at his convenience and be prepared to defend his firm's audit and explain how the 1984 Audit was expanded to perform tests to perform the audit more effectively. The motion was seconded by Director Bolton and passed without opposition.

Director Ela moved that the minutes of the March 20 and April 3 meetings of 1985, be approved as submitted. The motion was seconded by Darrell Slogar and passed without opposition.

Director Ela moved that the payments of the Accounts Payable as shown on the report in the amount of \$120,252.48 be paid as well as three additional payments not on the report in the amount of \$350 to Charlene Plambeck, \$61.90 to Respond First Aid Systems, and \$234.80 to Postmaster. In the motion Director Ela also wanted the minutes to reflect that the Board had showed due consideration of the \$52.56 payment to the Superintendent for supplies that the Superintendent had sold to the District. The motion was seconded by Director Slogar and passed without opposition.

The current Public Service Secondary General rate versus the proposed Primary Interruptable rate was discussed. It was the feeling of the Board that the Water District should put pressure on Public Service to provide Clifton Water with the Primary Interruptable rate as soon as possible. The Superintendent reported that the generator is in place and has been operated but not under a load as the District's Electrician is waiting for delivery of parts.

The subunit fees were discussed in detail and it was the general consensus of the Board to wait until the District's attorney provided the Board with more information and possibly revise the subunit fee policy before making any decision. The Superintendent advised the Board that the Bray building near Mesa Point Shopping Center had purchased a tap with 6 subunits allowing for 7 businesses. The Superintendent had counted 8 businesses at the complex assuming that the cleaners and laundry, which are housed in separate units, are more than 1 business. The Board instructed the Superintendent to talk to Bray and take action as necessary.

Clifton Water District
Minutes of Directors Meeting
April 17, 1985
Page 2

The contents of a memo dated April 12th from the Superintendent to the Board were thoroughly discussed. The Board agreed to maintain the current charges to the City for Plant #2 O&M.

The Colorado District Association of Colorado meeting of May 17 at the Holiday Inn in Grand Junction was discussed. It was the general opinion of the Board that Ray Schuster and John Fenner attend but in the absence of Director Smith to wait until after her attendance at a meeting to see if she would consider attending the meeting also.

The bids on the 1979 pickup scheduled for the meeting of May 1 was discussed at length and on a motion by Director Slogar and a second by Director Ela the Board agreed to exclude employees and Board members from bidding on the pickup. The motion passed by a vote of 3 to 1 with Director Bolton casting the only dissenting vote.

Director Bolton moved to ratify the action of the Superintendent in purchasing 17 shares of Grand Valley Irrigation Stock from Paul Cavanagh at a rate of \$300 per share plus 1985 assessments, and 1 share of stock from Charlene Plambeck at \$300 plus assessments. The motion was seconded by Director Ela and passed without opposition.

The Board did not think it was prudent to authorize the Superintendent to purchase shares of Grand Valley Irrigation Stock and to set a price but rather to consider each sale of Grand Valley Irrigation Stock on its own merits and for the Superintendent to consider all offers of Grand Valley Irrigation Shares at \$300 and less. The \$300 and less would also include the current assessment.

The March billing to the Ute Water Conservancy District of \$39,956.80 for the water consumed through the meter located at 34 1/2 and F Roads was discussed. It was the opinion of the Board that Ute Water Conservancy District is entitled to a hearing just like any other customer and if they are not satisfied or have some objection to the amount of the bill to attend a Board meeting and be heard.

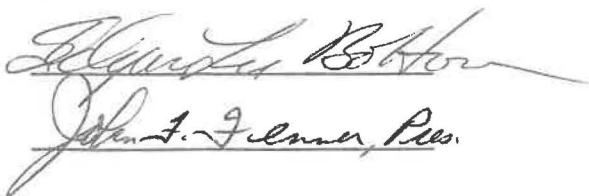
The Superintendent advised the Board that it appeared that Green Mountain Reservoir water would be available for domestic purposes at the rate of \$20 per acre foot and that more information concerning this would be available from Attorney Jim Dufford at a later date.

The Superintendent introduced a new format for the "Superintendent's Report". This new format was pleasing to the Board and the Superintendent was requested to continue this type of communication with the Board so they would have more information on the operation of the District. The Superintendent also reported that in the last 6 months the rate increase, effective October 1, 1984, had raised \$26,109.55.

The meeting adjourned at 11:57 p.m.

ATTEST:

Secretary



CLIFTON WATER DISTRICT

MINUTES OF REGULAR MEETING OF DIRECTORS

Held May 1, 1985
at Clifton, Colorado
At 7:30 P. M.

Present at the meeting were President Fenner, Vice President Smith, Secretary Slogar, Treasurer Ela, and Director Bolton. Also present were Superintendent Schuster, and Chief Plant Operator Blount. The meeting was called to order by President Fenner at 7:40 p.m. MDT.

The bids for the 1979 Ford pickup were opened. Two bids were received: one from Everett Shawler (Palisade) in the amount of \$1,251.00, and one from the Cory Garage (Cory, Colorado) in the amount of \$950.00. After some discussion Director Ela made a motion that the bid of Everett Shawler in the amount of \$1,251.00 be accepted. The motion was seconded by Director Bolton and passed without opposition.

The Board then reviewed the revised subunit fee policy as proposed by Attorney Bechtel. After some discussion the matter was tabled until the May 15th meeting to give the Directors some time to study the proposal. Attorney Bechtel will be invited to the May 15th meeting to discuss the matter with the Board.

The Superintendent showed the Board a marked up copy of the Clifton USGS Quadrangle Sheet. The marked up Quadrangle Sheet showed the boundaries of the Clifton Water District as well as those properties within the boundaries of the District that are not in the District.

The next three motions were preceeded by 50 minutes of heavy, and sometimes heated, discussion.

Director Ela moved to supplement the minutes of the December 19, 1984, meeting by specifically agreeing to participate to no more than 1/3 of \$15,000 as Clifton Water's share of the merger study with the City and Ute. The motion was seconded by Director Smith and passed without opposition.

Director Ela moved that the Superintendent be instructed to send a letter to the City of Grand Junction and the Ute Water Conservancy District, the sole purpose of the letter being to notify those entities that Clifton Water's participation in any merger study or related matters is intended to reserve to the District the sole discretion, of at any time in the future, to decline to merge with the City and/or Ute. The motion was seconded by Director Bolton and passed without opposition.

Director Bolton moved to accept the Black & Veatch Engineering and Architect contract subject to approval from the State of Colorado Impact Funds to finance up to \$100,000, but not less than 87% of the project and to authorize any necessary officers to sign the contract out of a regular meeting. Director Ela seconded the motion and moved the previous question. The motion passed without opposition.

The Special District Association of Colorado Workshop meeting to be held in Grand Junction on May 17th was discussed. All Directors wishing to attend the meeting are to contact the Superintendent prior to May 10, 1985.

The Superintendent read aloud the opinion of Attorney Frederick G. Aldrich given to the Grand Valley Irrigation Company concerning the use of irrigation water by the Clifton Water District for domestic purposes. Director Ela expressed surprise at the matter as it was his feeling all this had been discussed in circa 1977 and had cleared with the Grand Valley Irrigation Co. and their attorney. The Superintendent had advised the Board that the matter had been taken to Attorney Dufford for an opinion. It was the consensus of the Board not to take any action until we had heard from Dufford.

Clifton Water District
Minutes of Directors Meeting
May 1, 1985
Page 2

The Board discussed at some length the possible charges for water to the City of Grand Junction should the City take at the rate of more than 4.5 million gallons of water from the Clifton system in any 24-hour period (3,125 gallons per minute). No action was taken on this matter but it was the general consensus of the Board that the City purchase additional water on the same terms and conditions as we buy and sell water to the Ute Water Conservancy District. While the Board was on the subject of the City, the Superintendent asked if any of the Board members had reconsidered their decision made at the regular meeting on April 17th concerning his April 12th memo. The only response was from Director Smith who enquired as to the discussion concerning the April 12th memo.

The Superintendent reported that our electric meter for power to Plant #2 is to be read on or about May 13, 1985, and after that reading the Clifton Water District would be on the Primary Interruptable rate for all electricity used at Plant #2.



The Superintendent reported on the letter he sent to Feather Petroleum Co. concerning the fire hydrant for the Stop 'n Save at Lois and F Road.

President Fenner picked Directors Bolton and Slogar to be on the Wage and Benefit Committee to study the April 29th memo from the Superintendent concerning wage increases for the employees. This Wage and Benefit Committee will make its report to the Board at a special meeting tentatively scheduled for May 29, 1985.

The meeting adjourned at approximately 9:57 p.m. MDT.

Secretary

ATTEST:

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held May 15, 1985
At Clifton, Colorado
At 7:30 P.M.

Present were President Fenner, Vice President Smith, Secretary Slogar, and Director Bolton. Also present were employees Superintendent Schuster, Chief Operator Blount, and Office Manager Laveta Kay. In addition to the Directors and employees Attorney Betty Bechtel and Mr. & Mrs. Farney were also present. The meeting was called to order at 7:30 P.M. by President Fenner.

Superintendent Schuster explained to the Board that he had previously requested a \$750.00 subunit fee from the Farneys due to the Image Photography shop that they operated at 3020 Hill Court. After inspecting the place of business Superintendent Schuster told them that the request for a \$750.00 subunit fee would be withdrawn since there was no water in the photo shop. Schuster was later advised by the Board that the Farneys should come in for a hearing. That explained the presence of the Farneys at the meeting. After some discussion President Fenner told the Farneys that if they could establish proof as to the use of Image Photography prior to January 16, 1980 they would be considered under the Grandfather Clause and be charged a back charge of \$2.50 per month for 66 months and from then on be on our multiple use fee that was in effect prior to January 16, 1985.

Attorney Bechtel presented a revised subunit fee policy, calling the policy a "Tap and Tap Sharing Fee Policy". During a one and one half hour discussion Attorney Bechtel advised the Board of a change to the policy as typed which deals specifically with paragraph 3.1.2. After this lengthy discussion Director Bolton moved to adopt the new policy as altered, the motion was seconded by Director Slogar and was passed. Director Fenner had a problem with the new policy as he was unprepared, at this time, to make any changes in the subunit policy.

On a motion by Director Slogar and a second by Director Bolton the minutes of the regular meetings of April 17 and May 1, 1985 were approved as presented.

Director Smith expressed some concern over labeling the \$53,630.48 in the profit and loss statement as "cost of refinancing bonds". Director Smith thought this should be changed to "Interest Expense". The rest of the Directors concurred and Office Manager Kay said that she would make the correction. Director Bolton moved to pay the bills as presented on the report as well as nine other bills that were presented but not on the report. The motion was seconded by Director Smith and passed unanimously. The bills not appearing on the report but approved for payment were: Special Districts Association of Colorado \$100.00; Public Service Company of Colorado (power charges for the pump at Plant #2) \$427.78; Public Service Company (part of the price of going to the PI rate) \$375.00; Grand Junction Pipe \$4,383.97; Bank of Clifton \$14,891.36; (the following were refunds for multiple charges in error) Patricia Brown \$95.00; Max Vaughn \$192.50; Tamara Booth \$57.50; W.P. Haworth \$125.00.

Even though Paul Miller of Maxfield, Miller & Associates was invited to attend the meeting, he was not present.

Superintendent Schuster told the Board that he had talked with Todd Ticen and Rich Magor concerning a flood easement on the Colorado River at approximately the intersection of 34 1/2 Road and the Colorado river. Both were in agreement that Clifton could virtually have license to do whatever they needed to control the river at that point.

Superintendent also advised the Board that eight more anodes had been installed on the 27 inch steel pipeline and that a pipe to ground survey will be conducted to determine the effectiveness of the cathodic protection of the steel pipeline.

Minutes of Meeting of Board
Clifton Water District
May 15, 1985
Page 2

The Superintendent also advised the Board of an exchange of letters between the Attorney of the Grand Valley Irrigation Company and himself.

Under new business the Superintendent reported that he was a grandfather on May 12, 1985 for the first time and he expects the delivery of his second grandchild the forepart of June.

Director Bolton gave a report on the results of the wage and benefit committee work and expressed in his report the savings of \$18,000 per year in meter reading, \$50,000 per year by going on primary interruptable rate and \$9,500 by purchasing flouride in bulk. Director Slogar spoke in favor of raises to reward the employees for their diligent efforts in saving money for the District and Director Smith stated that the efficiency of the operation of the employees of the District is exceptional. The recommendation of the wage and benefit committee as presented by Director Bolton was to accept the recommendations of the Superintendent for raises for all employees except Chief Operator Blount. Chief Operator Blount was to receive a 7.44% raise (\$150) instead of the recommended 5.85% raise (\$118). The committee's report also requested a 5.5% pay increase (\$207) for the Superintendent. Director Slogar moved to accept the recommendation of the wage and benefit committee and the motion was seconded by Director Bolton. After one hour of discussion the question was brought to a vote. It was a vote of the Board of Directors to make the following changes in wages, effective July 1, 1985. Ray Schuster from \$3770.00 per month to \$3977.00 per month. Laveta Kay from \$1874.00 per month to \$1970.00. Shirley Weaver from \$1462.00 per month to \$1545.00 per month. Violet Church from \$1350.00 per month to \$1435.00 per month. Joan Larsen from \$4.82 per hour to \$5.45 per hour. Tom Shawler from \$1685.00 per month to \$1760.00 per month. Brian Sheley from \$1300.00 per month to \$1395.00 per month. Carey Blount from \$2017.00 per month to \$2167.00 per month. Dale Tooker from \$1890.00 per month to \$1995.00 per month. Dave Raff from \$1720.00 per month to \$1845.00 per month. David Larsen from \$1575.00 per month to \$1725.00 per month. The motion passed unanimously.



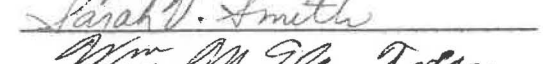

Superintendent Schuster advised the Board of the letter sent to Chuck Strain concerning the Clifton Fire Protection District. The letter was sent at Chuck's request, outlining what the Superintendent expects to receive in the hydrant flushing program. The Fire Protection District had previously balked at Mr. Strain's suggestions of how to end any misunderstandings between the two Districts.

The Superintendent was instructed to investigate the possibility of Clifton starting and maintaining their own construction equipment and employees in order to avoid the cost of subcontracting this work. This matter also received considerable discussion. The Superintendent told the Board that his report would be available at the next Board meeting.

The meeting was adjourned by President Fenner at 11:30 P.M.


Secretary

ATTEST:

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held June 5, 1985
At Clifton, Colorado
At 7:45 P.M.

The meeting was called to order by President Fenner at 7:45 P.M. Present, in addition to President Fenner were Vice President Smith, Treasurer Ela, and Director Bolton. Also present were Superintendent Ray Schuster and Chief Plant Operator Carey Blount.

The Board discussed the May 30, 1985, memorandum from the Superintendent concerning "in-house" construction crew versus subcontracting the everyday maintenance work. The Board accepted the memorandum and told the Superintendent to keep in mental touch with this situation and that when the proper time arose to restudy an in-house crew versus subcontracting.

The Superintendent advised the Board that the Fire Chief and himself had reached an agreement on a fire hydrant flushing program and would put the first phase of this agreement into use on Thursday, June 6, 1985.

The Superintendent also advised the Board that the partnership for the Stop 'n Save at Lois Street and F Road had paid \$5,600 for a fireline and that the fire hydrant had been installed.

The Superintendent also advised the Board that the electricity for Plant #2 was on the Primary Interruptable (PI) rate as of this billing period and that he thought it would be educational if the Board would commence their next regular meeting at the plant to view the diesel powered generator and appurtenances that had been constructed there recently. The Board agreed, so the first hour to an hour and a half of the June 19, 1985, meeting will be held at Plant #2. It is anticipated that the balance of the meeting will be continued at the water office at 137 3rd Street.

Director Ela and Superintendent Schuster had lunch with Attorney Dufford and had been presented with a memo as well as copies of some court cases that Director Ela discussed with the Board. After some discussion Director Ela moved to instruct Attorney Dufford to take whatever action is necessary to request the courts to permit an alternate use of the irrigation water owned by the District in the Grand Valley Irrigation system. The alternate use would be for domestic purposes as well as for irrigation purposes. The request for an alternate use for domestic as well as for irrigation will be for only that water that is obtained from the canal during the normal summer run. The motion was seconded by Director Bolton and passed unanimously.

The Superintendent discussed the word "religion" in the equal opportunity clause as contained in the Personnel Manual. Director Bolton moved that the word religion be deleted from Paragraph 2.1.1 of the Personnel Manual. The motion died from lack of a second.

The Superintendent advised the Board that the Digital Equipment Corporation (DEC) computer that was owned by the Clifton Water District spoke only DIBOL and in order to speak basic or FORTRAN that a basic or FORTRAN compiler would be required. The Board instructed the Superintendent to find out the cost of the compiler and report to the Board at the next meeting.

Minutes of Meeting of Board
Clifton Water District
June 5, 1985
Page 2

Having discussed or acted upon all items on the Agenda the discussion centered on the various connections between the Clifton system and the Ute system and the capability of serving water from either side without rotating meters or force opening check valves.


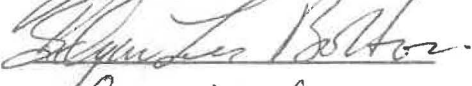


The discussion then went on to the the Mudcat where Chief Operator Blount described to the Board that a seal and bearing were being replaced in the Mudcat.

At approximately 9:45 Director Ela started a discussion concerning the Superintendent's April 12, 1985 memo. Fifty-five minutes later Director Ela moved to authorize the Superintendent to convert the first 1 1/2 pages of the April 12th memo along with recommendation #2 into a letter to take to the proper City officials to negotiate and correct an apparent mathematical error in accordance with recommendation #2. The motion was seconded by Director Smith. There was no discussion after the second and at 10:57 p.m. the motion passed unanimously.

The meeting adjourned at 10:58 P.M.


Secretary

ATTEST:

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held June 19, 1985
At Clifton, Colorado
At 7:30 P.M.

All five members of the Board of Directors of the Clifton Water District assembled at Plant #2 (Colorado River Plant) along with Superintendent Schuster and Chief Operator Blount. Superintendent Schuster and Chief Operator Blount demonstrated the 825 kW diesel powered generator to the Board and described how electricity got into the Plant from the generator or from Public Service lines.

After the demonstration of the diesel powered generator the Board members viewed the outside retention pond, the inside flocculation, sedimentation and filtration chambers as well and inspected the bulk fluoride storage area.

The meeting was then recessed and reconvened at the water office at 9:10 P.M. where the five Board members and two employees were joined by Office Manager Kay.

The Superintendent gave the Board a brief description of the work that the Colorado Highway Department is doing on 32 Road (Colo. Hwy #146) and told the Board that he thought it would be prudent if the Clifton Water District installed an 8" line in the Shires Subdivision, replacing the existing 4" supply line. The Superintendent also advised the Board that the District was replacing the 3" line under 32 Road at D Road with a 10" line, with the District picking up the expenses for the material and the Colorado State Department of Highways picking up the expenses for labor and machine hire. The Superintendent also discussed the possibility of installing the piping needed for a pump station near the C & F store near D 1/4 Road and the Board instructed the Superintendent to get more data as to land cost prior to making any commitment.

Director Ela moved to approve the minutes of May 15th and June 5, 1985. The motion was seconded by Director Bolton and passed unanimously.

After some discussion Director Ela moved to approve the Accounts Payable as listed on the report as well as a check in the amount of \$42.72 to the Water Clerk's office and a check in the amount of \$25,211.53 for the Bank of Clifton. The motion was seconded by Director Slogar and passed unanimously.

Director Ela volunteered the information that Attorney Dufford had talked with him concerning the effort to make the Clifton shares in the Grand Valley Irrigation Company domestic as well as irrigation and said that the City also wanted to participate in this request and that we would share legal expenses.

The Superintendent advised the Board that he had been contacted by Dorothy Ingram who had 10 shares of Grand Valley Irrigation Capital Stock and was willing to sell the Clifton Water District 6 shares at a price of \$300 per share. Director Ela moved to purchase 6 shares of the Grand Valley Irrigation Stock from Dorothy Ingram at a price of \$300 as long as the 1985 assessments were paid to date. The motion also allowed that the purchase could be made even if the 1985 assessment were not paid if they were deducted from the total price. The motion also included a request for the Superintendent to advise Attorney Dufford of the additional shares of stock so that they could be included in any court action. The motion was seconded by Director Smith and passed unanimously.

The Board authorized the Superintendent to offer \$200 per share for any other Grand Valley Irrigation stock that may become available (the \$200 was also to include the current year assessment paid to date).

Minutes of Meeting of Board
Clifton Water District
June 19, 1985
Page 2

The Superintendent reported on the fire hydrant flushing that took place on June 6, 1985, with the Water District personnel flushing all the fire hydrants in the Eastbrook Subdivision in the morning and the Fire District personnel flushing the same hydrants in the afternoon. The test went well and the volunteer firemen will be flushing all the hydrants starting June 29, 1985.

The Superintendent was advised to communicate with the Fire Chief to let him know that the Water District is willing to work with the Fire District to resolve any problems that may have developed in the last year. The communication between the Water Superintendent and the Fire Chief was to include a request for various fire hydrant capacities and the color code each capacity would bear.

The Superintendent discussed the investment of \$100,000 in Federal Home Loan Mortgage Corporation Participation Certificates (Freddie Mac PC's) bearing an interest rate in excess of 10%. The Superintendent advised the Board that he had made this investment in lieu of accepting 8.75% in a Certificate of Deposit offered at a local S & L. Since the District would not have any other reinvestment to make until August the Board took the report under advisement.


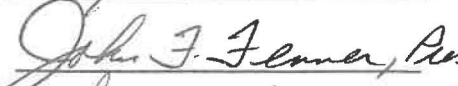

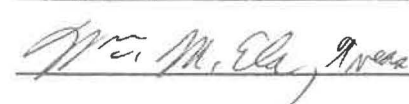
The Superintendent also reported that the District's insurance agent had not been able to obtain liability insurance for the Directors according to the same schedule that the liability was obtained in the previous year. The previous year the Directors had a \$1,000,000 liability insurance coverage which included a \$1,000 deductible at a rate of \$1,000 per annum. The best rate the insurance agent had been able to get for the District this year was a \$500,000 premium with \$2,500 deductible at a rate of \$2,149 per annum. The Superintendent was instructed to contact the Special District Association of Colorado to see if liability insurance could be obtained through some agency that had worked closely with the SDA.

Director Slogar reported that the death notice of past Director Lloyd Charlesworth had appeared in the June 19, 1985 issue of the Daily Sentinel. It was the general consensus of the Board to send flowers or contributions in honor in of the deceased in the amount of \$15.00.

The meeting adjourned at 10:15 P.M.


Secretary

ATTEST:

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held July 17, 1985
At Clifton, Colorado
At 7:44 p.m.

Present were Vice President Smith, Secretary Slogar, Treasurer Ela and Director Bolton. Also present were Superintendent Schuster and Chief Operator Blount. The meeting was called to order by Vice President Smith at 7:44 p.m.

Director Ela moved to accept the minutes of the June 19, 1985 meeting as corrected, the motion was seconded by Director Slogar and passed unanimously. The corrections to the June 19, 1985 meeting are all in the next to last paragraph on page 2. That paragraph should be changed to read as follows:

The Superintendent also reported that the District's insurance agent had not been able to obtain liability insurance for the Directors according to the same schedule that the liability insurance was obtained in the previous year. The previous year the Directors had a \$1,000,000 liability insurance coverage which included a \$1,000 deductible at an annual premium of \$1,000. The best rate the insurance agent had been able to get for the District this year was a \$500,000 liability insurance policy with \$2,500 deductible at an annual premium of \$2,149. The Superintendent was instructed to contact the Special District Association of Colorado to see if liability insurance could be obtained through some agency that had worked closely with the SDA.

After approval of the June 19, 1985 minutes, the Superintendent had comments on three items. These items were:

1. The District had an opportunity to purchase more shares of Grand Valley Irrigation Stock if they were willing to pay \$300 per share, rather than the \$200 per share as authorized in the 6-19-85 meeting;
2. The Superintendent had visited with the Fire Chief and requested the color code for various fire hydrant capacities which the Fire Chief thought was the responsibility of the Water District. The Superintendent insisted that this responsibility was that of the Fire District;
3. The flowers had been sent to the widow of Lloyd Charlesworth and were appreciated.

Agenda item #5 under Old Business for the meeting was "overpayment for water from Ute - \$18,918.30". Director Smith also noted that in the Accounts Payable there was a check to Ute Water Conservancy District in the amount of \$18,918.30 and wanted an explanation from the Superintendent. The Superintendent reported to the Board that there were three meters in the meter vault at 3451 F Road; two of the meters were part of a compound meter and the third was a fire line meter. The smaller meter on the compound meter turned over every 999,999 gallons and the larger meter in the compound meter turned over every 9,999,999 gallons. Due to the amount of water that was being sold to Ute, the smaller meter head turned over three times since December of 1984, and the meter readers had overlooked this possibility and had misread the meter and that in actuality the Clifton Water District had overbilled the Ute Water District approximately \$85,000.00 for water of which \$18,918.30 had been paid by Ute and thus must be refunded. After considerable discussion the Board accepted the Superintendent's explanation.

The June statements from Ben Dowd Excavating were also discussed in great detail.

The fire hydrant flushing program which the Fire District started on June 29, was also discussed at great length.

After discussing the above three items in great detail and some of the other items on the Accounts Payable in lesser detail, Director Slogar made a motion

Minutes of Meeting of Board
Clifton Water District
July 17, 1985
Page 2.

to approve the Accounts Payable as listed on the report including a check to the Bank of Clifton in the amount of \$19,646.82. The motion was seconded by Director Bolton and passed unanimously.

The Superintendent reported to the Board that the first bill received from the Public Service Company of Colorado for the energy used at Plant #2 since going on the Primary Interruptable Rate was \$6,833.77 as compared to a year ago of a bill of \$14,801.23. The Superintendent also volunteered that rather than having a 40% to 42% savings in energy costs, it looked now like the savings in energy costs at Plant #2 would be between 50% and 51%. The additional savings were due to the dropping of the Ratchet Clause for Primary Interruptable Rate.

Item #2 of the agenda under Old Business was "Grand Valley Irrigation Co. water and water use". Since the Superintendent had not heard from the attorneys there was no discussion or action taken on this matter.

The Superintendent reported that BOSS had quoted a price of between \$1,200 to \$1,500 for the cost of a compiler for the computer, depending upon whether the compiler was for FORTRAN or Basic computer language. Director Smith requested that the Superintendent investigate the possibility of using the Pertec computer which the District had salvaged from the Intermountain Printing Company bankruptcy.

The Superintendent gave the Directors a report on the attempt to obtain liability insurance both from an agent recommended by the Special District Association of Colorado and the District's present agent, Dale Smith. Director Ela made a motion that the Superintendent contact the SDA recommended insurance agency in Denver via telephone to determine a ballpark figure on what liability insurance would cost and if equal to or more than that of Dale H. Smith agency the Superintendent is authorized to accept the Dale H. Smith quotation of a liability insurance coverage of \$1,000,000 with \$2,500 deductible for each loss and \$500 for each Director at an annual premium of \$2,662. The motion was seconded by Director Slogar and passed without opposition.

The Superintendent read excerpts from a letter dated July 8, 1985, from Joseph Coleman requesting that the Clifton Water District consider taking title to 15 acres of land in the Southridge Subdivision as payment in full for the balance of the Promissory Note as owed by Foster/Foster/Coleman to the Water District. The Board directed the Superintendent to write a letter to Joseph Coleman advising Mr. Coleman that the Board was not unfavorable to his proposal but needed more information and a topography map of the property.

The Superintendent told the Board he had been approached by Ken Bounds who wishes to pay a royalty on the gravel at the 140 acre island site in which Plant #2 is located. The Board requested the Superintendent to do a study to determine the return to the District by selling the gravel but not to get serious until there is a greater demand for gravel.

Director Slogar moved that the District send Superintendent Schuster and Director Ela to the Colorado Water Workshop to be held at Western State College from July 31st through August 2nd of 1985 and the District to pay all expenses. The motion was seconded by Director Bolton and passed unanimously. Director Ela indicated that he might not be able to schedule his time on the bench to attend the workshop but that if he did he would let the District pay his expenses.

The Board discussed at length the Superintendent's memo dated July 2, 1985, wherein the Superintendent requested a 5-year plan for updating and improving the water system including his thoughts for generating revenue to pay for the 5-year improvement plan. It was the general consensus of the Board of

Minutes of Meeting of Board
Clifton Water District
July 17, 1985
Page 3

Directors that the Superintendent's proposed water rates placed too great a burden on those using less than 3,000 gallons per month and not a great enough burden on those using more than 3,000 gallons per month. It was the general consensus of the Board that the Superintendent rework the proposed rates, determining the estimated revenue the new rates would bring and present it at the next Board meeting.

The Superintendent read excerpts of a letter from Bob Czarnecki of E. J. Pittock and Company concerning the greater yield the District would receive on investments in Freddie Mac's or Gnma's. The Board directed the Superintendent to invite Mr. Czarnecki to a Board meeting when it is anticipated the agenda will be light.

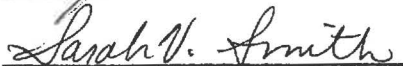
The Superintendent reported to the Board that a real estate agent had offered the property of George Schorn near Mesa, Colorado, to the District at a price of \$640,000 for 413.79 acres. The reason the District would purchase this property is for the water rights. The Superintendent reported to the Board that the water rights were not that good for domestic purposes, they were better for irrigation purposes, and recommended against considering the purchase. The Board accepted the Superintendent's recommendation.

Vice President Smith adjourned the meeting at 10:33 p.m.


Secretary

ATTEST:







MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held August 7, 1985
At Clifton, Colorado
At 7:30 p.m.

Present were President Fenner, Vice President Smith, Secretary Slogar and Director Bolton. In addition, Superintendent Schuster and Chief Operator Blount were also in attendance. The meeting was called to order by President Fenner at 7:30 p.m.

The first item on the agenda was the proposed Foster/Foster/Coleman property transfer to the Clifton Water District to satisfy the balance of the promissory note between Foster/Foster/Coleman and the Clifton Water District. It was the general consensus of the Board that a price be set on the 15 acres to be transferred to the Water District and credit for that amount be made against the promissory note with a balance still owing. The Superintendent is to check with Attorney Bechtel to get her opinion on such a transaction.

The Superintendent reported that Attorney Dufford wanted to wait to the end of the irrigation season before filing for a change in use of the water in the Grand Valley Canal that the Clifton Water District is presently using.

Director Ela joined the meeting at 8:05, making a full Board present.

The Superintendent reported that the first phase of the merger study as being prepared by Black & Veatch Engineers was now scheduled to be due the middle of September rather than the middle of August. The delay for the report was due to the delay in the engineering firm of Black & Veatch receiving materials from the City's Planning Department.

The Superintendent reported that liability insurance for the Directors had been obtained from the Dale Smith Agency for \$1,000,000 coverage, a \$2,500 deductible at an annual premium rate of \$2,662.

The Superintendent told the Board that the City of Grand Junction had accepted the Clifton Water District proposal as outlined in the June 5, 1985 minutes, and that the balance of the money owed Clifton would be forthcoming in the very near future.

The proposed water rates to finance the 5-year plan of improvements was discussed for approximately 3 1/2 hours. During this discussion it was brought to the Board's attention that the District was not receiving revenue for dispatching an employee, at a customer's request, to turn off, turn on, remove or reinstall a water meter. Director Bolton moved that any time an employee is dispatched to test a meter at a customer's request there will be a \$20 charge and that any time an employee is dispatched to turn on, turn off, remove or reinstall a meter there will be a \$10 charge for each operation. The motion was seconded by Director Ela and passed unanimously.

Director Ela moved to amend the delinquent policy to remove meters of delinquent accounts on the first day rather than just turning them off. The motion was seconded by Director Bolton and passed unanimously.

Director Ela moved to instruct the Superintendent to publish the intent of the Water District to increase water rates on September 1st in a general form in the Daily Sentinel and the Palisade Tribune without publication of the precise schedule of rates with the understanding that the actual rates would be determined by the Board at the regular meeting of August 21, 1985, and would be available to the public after that time. The motion was seconded by Director Smith and passed unanimously.

The Superintendent was instructed to prepare a new schedule of water rates for water service at a price at least equal to the cost of production, keeping in mind that the average water rates for those consuming 11,000 to 15,000 gallons a month would increase by approximately only \$3.00, the water rates for those consuming between 16,000 and 20,000 gallons per month would increase by approximately \$4.00, and for those consuming water between 21,000 and 25,000

Minutes of Meeting of Board
Clifton Water District
August 7, 1985
Page 2

gallons per month increased by approximately \$5.00 and the increase for those consuming water between 26,000 and 30,000 gallons per month to increase by approximately \$6.00.

The Superintendent was instructed to write a letter to Ken McIntosh advising him that his attempts to provide and install an air conditioner for the laboratory at Plant #2 was not acceptable and that he had 30 days to fulfill his obligation or he would be required to pay the subunit fee in accordance with the District's policy.

The Superintendent was instructed to inquire as to why the sale of water for June was only \$2,406.35 whereas it had averaged approximately \$90,000 in previous months.

The Superintendent advised the Board that Darrel Louder had offered to sell the District 10 shares of Grand Valley Irrigation Stock at a price of \$350 per share. The offer was turned down by the Board for being too high.

The Superintendent advised the Board that the Clifton Businessmen's Association had requested the use of the tank north of I-70 to advise motorists traveling along I-70 that there were commercial facilities available at Clifton. It was the general consensus of the Board to take a look at what is being proposed before approving or denying their request.

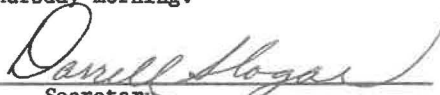
The Superintendent reported the "Statement of Purpose" as required by C.R.S. 32-1-208 had been prepared and gave each Board member a copy. Action on the Statement of Purpose was tabled until the Board had had a chance to study what had been presented.

Director Ela moved that the Superintendent be authorized to sign the contract between the Bureau of Reclamation and the Clifton Water District concerning the municipal and industrial water study on the Grand Mesa and commit the District to no more than \$1,500. The motion was seconded by Director Smith and passed without opposition.


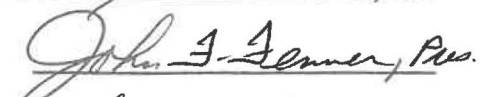


The Superintendent advised the Board that the Sommerville Reservoir on the Grand Mesa was for sale by the Gates Corporation. The response to this announcement was negative and no further action was taken.

The Superintendent advised the Board that the tax reform as proposed by President Reagan was being studied by bonding agencies as being unfavorable to the purchasers of municipal and quasi-municipal bonds. The Board took no action on this announcement.

The meeting was adjourned at 12:25 a.m. Thursday morning.


Secretary

ATTEST:

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held August 21, 1985
At Clifton, Colorado
At 8:00 p.m.

Present were President Fenner, Vice President Smith, Secretary Slogar and Director Bolton. Also present were Superintendent Schuster, Chief Operator Blount and Office Manager Kay.

President Fenner called the meeting to order shortly after 8:00 p.m. at which time Steve Foster and Joe Coleman joined the group to explain to the Board the financial position of Foster/Foster/Coleman as the financial position is related to the promissory note and agreement between Foster/Foster/Coleman and the Clifton Water District dated January 31, 1983. The discussion lasted for 56 minutes, at which time Steve Foster and Joe Coleman excused themselves from the meeting in order that their position and proposal could be discussed by the Board. Much of the discussion between the Board members, after the departure of Steve Foster and Joe Coleman, was centered on the legality of refusing to serve water to the Southridge complex unless the terms of the promissory note and agreement were met. The Superintendent advised the Board that the District's present attorney felt it best we contact another attorney for an opinion on this as it was felt that since Joe Coleman did to work for the legal firm that represents the Clifton Water District there could be a conflict of interest. The Superintendent also gave the Board members names of two attorneys recommended by our present attorney to advise us in this particular matter. No action was taken on the matter of obtaining an attorney's opinion as to the legal status of the question at hand. After another 30 minutes of discussion Director Slogar moved to not accept the Foster/Foster/Coleman offer to take 15 acres of land in full settlement for the balance of the promissory note dated January 31, 1983. The motion was seconded by Edgar Bolton and passed on a vote of 3 to 1 with Director Smith casting the dissenting vote. The Superintendent was instructed to advise Foster/Foster/Coleman of the Board action.

The minutes of the meetings of July 17, 1985, and August 7, 1985, were accepted with the following spelling corrections: it was noted that the word "computer" on Page 2 of the July 17, 1985 minutes, was spelled with an "o" rather than an "e" and that the name "Lowder" on Page 2 of the August 7, 1985 minutes, should have been spelled with a "w" rather than a "u". Director Bolton moved to accept the minutes with the spelling corrections, the motion was seconded by Director Smith and passed without opposition.

In discussing the Accounts Payable there was some discussion as to the operation of the new gas chromatograph at the lab in Plant #2 and the State reimbursement for work on Colorado Highway 146. After this discussion it was moved by Director Slogar and seconded by Director Smith to pay the accounts as listed. The motion passed unanimously.

The Board requested the Office Manager to provide information to show which accounts payable are charged to which accounts so that they can keep better informed as to the District's expenses.

Director Bolton moved to accept the financial report as submitted, the motion was seconded by Director Slogar and passed without opposition.

Director Slogar moved to adopt the "Statement of Purpose" as prepared by the Superintendent and tabled at the August 7th meeting. The motion was seconded by Director Bolton and passed unanimously. (Copy Attached).

There was considerable discussion on the Superintendent's 5-year plan and the water rates as proposed in the Superintendent's July 24, 1985 memo, versus the Board's proposed water rates of August 7, 1985. After considerable

discussion Director Bolton moved to accept the August 7, 1985 proposed rates with one exception. This exception was to raise the price of water between the 11,000 to 15,000 gallon range from the proposed \$0.85 per thousand to \$0.90 per thousand in order to comply with the August 7, 1985 minutes, "...at a price at least equal to the cost of production..." and these new rates to be effective September 1, 1985. The motion was seconded by Director Slogar and passed unanimously. The new rates for single user in-district customers are as follows:

WATER RATES EFFECTIVE SEPTEMBER 1, 1985
(single user - in District)

<u>Consumption in Gallons</u>	<u>Rate</u>
0-3,000	\$ 5.00 Minimum
4,000-10,000	5.00 Minimum + \$1.25 per thou.
11,000-15,000	13.75 + \$0.90 per thousand
16,000-30,000	18.25 + \$1.15 per thousand
31,000-100,000	35.50 + \$1.45 per thousand
101,000-400,000	137.00 + \$1.50 per thousand
401,000-600,000	587.00 + \$1.55 per thousand
601,000-900,000	897.00 + \$1.65 per thousand
over 900,000	1,392.00 + \$1.70 per thousand

Multiple users existing prior to January 16, 1980, will continue to pay the additional \$2.50 per month and all out-of-district rates will be 1.5 times the in-district rates.

The Superintendent told the Board that he had been advised by a computer expert to purchase a compiler for the DEC computer rather than attempt to put the Purtec computer in use, for many reasons, one of which was the Purtec had gone out of production. The Board accepted the Superintendent's report on the computer.

The Superintendent was instructed to inform the Bureau of Reclamation to reserve four spaces for the August 30, 1985 tour of the Grand Mesa well drilling operation.

The Directors tabled the Superintendent's request to have the turn-on/turn-off fee of \$10.00 per operation changed to a \$20.00 turn-on only fee and to lock off delinquent accounts the first day rather than pull the meter.

Director Slogar advised the Superintendent to take a hard look at subcontractors, especially electrical contractors, when obtaining quotes on items in excess of \$5,000. This admonition was brought about by the Ken McIntosh problem which had been discussed in earlier meetings.

In accordance with C.R.S. 29-1-105, Director Bolton moved to have the Superintendent prepare and submit the 1986 Budget. The motion was seconded by Director Smith and passed unanimously.

Director Bolton moved to adopt the following resolution to nominate William M. Ela to be the recipient of the "Honor Roll Award" which will be presented by the Colorado Special District Association at Vail on September 27, 1985. The motion was seconded by Director Slogar and passed without opposition.

RESOLUTION

WHEREAS, William Ela has faithfully served the Clifton Water District as a Director since his appointment to the Board on March 11, 1964; and

WHEREAS, William Ela has been elected and re-elected to the Board six times since his appointment to the Board, by the citizens of the Clifton Water District; and

WHEREAS, William M. Ela became a member of the Board of Directors when the District had 953 taps and an assessed valuation of \$2,977,370 and he continued to serve the District until present when the District has 6,528 taps and an assessed valuation of \$51,459,940; and

WHEREAS, the actual income of the District has increased by 754% in his term with the advalorem taxes being reduced to zero at his insistence; and

WHEREAS, Director Ela has been involved in the promotion of bond issues to provide capital construction to enlarge the water system to meet the growing demands as well as providing leadership in the building programs and maintaining low water rates; and

WHEREAS, under the leadership of William Ela the Water District has shown a tremendous increase in the quality of service without the increase of the cost of service;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CLIFTON WATER DISTRICT:

That William M. Ela be nominated to receive the first "Honor Roll Award" as being presented by the Special District Association of Colorado at their 10th annual conference in Vail on September 27, 1985.

RESOLUTION, PASSED UNANIMOUSLY with four Directors present and one Director absent, this 21st day of August 1985.

John F. Jenner, Pres.
President
Clifton Water District
Mesa County, Colorado

ATTESTED:

Darrell Hogue
Secretary

The chairman adjourned the meeting at 11:11 p.m.

ATTEST:

Darrell Hogue
Secretary

Edgar Lee Bottom
John F. Jenner, Pres.
Sarah V. Smith
Wm. M. Ela, Pres.

CLIFTON WATER DISTRICT'S
STATEMENT OF PURPOSE

Filed this 3rd day of September, 1985

The Clifton Water District (the District) was formed on March 5, 1951, in Mesa County, Colorado in accordance with the then existing laws of the State of Colorado. It is a "Special District" within the meaning of the Special District Act, C.R.S. 32-1-101 et seq. A service plan was not required as a condition of the District's formation and none has been filed with the County Commissioners of Mesa County (Commissioners), the Division of Local Government or any other State division or subdivision. This Statement of Purpose has been prepared and is hereby filed with the Commissioners and the Division of Local Government in compliance with C.R.S. 32-1-208 enacted May 3, 1985, which requires Special Districts having no service plan to file a Statement of Purpose on or before July 1, 1986.

I.
PURPOSE OF THE DISTRICT

The purpose of the District is to supply water to the inhabitants of the District for domestic and other public and private purposes by any available means and to provide all necessary reservoirs, pump stations, treatment works and facilities, equipment and appurtenances incident thereto. The District may also furnish services and facilities outside its boundaries as it deems appropriate. In order for the District to fulfill its purpose in a manner which will serve a public use and promote the general welfare, the District may exercise any and all rights and powers granted to it under the Special District Act and other laws of the State of Colorado.

II.
SERVICES AND FACILITIES

Service provided by the Clifton Water District is the furnishing of potable water for domestic and other public and private purposes through an elaborate system which includes, but is not necessarily limited to:

- 1) raw water collection and storage;
- 2) flocculation, sedimentation, filtration and disinfection of the raw water thereby making treated (potable) water;
- 3) distribution and storage of the treated water.

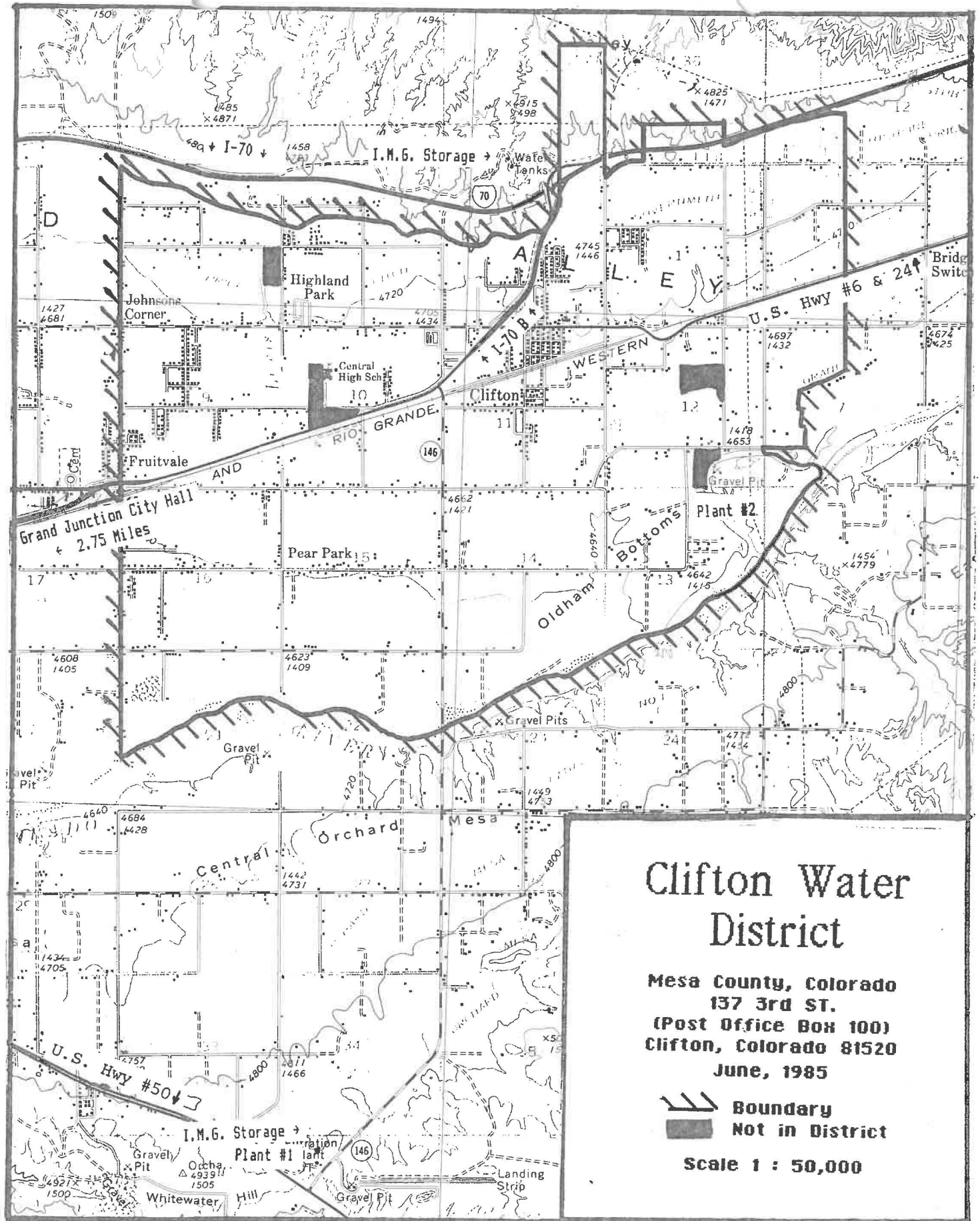
The District's existing facilities include approximately 19 miles of transmission line, approximately 89 miles of distribution line, two 1,000,000 gallon and one 9,000,000 gallon treated water storage reservoirs, two raw water pump stations and one treated water pump station, and two water treatment plants. Parts or all of these facilities may be repaired, improved or expanded upon as the needs of the District arise.

Although the majority of the District's water consumers are private residences, the District also serves many small businesses, several industrial complex warehouses, major shopping centers, large construction companies, and public and private schools.

III.
SERVICE AREA

Generally, the boundaries of the District are (using the Mesa County Road designation) 30 Road on the West, the Colorado River on the South, 34 1/2 Road on the East and Interstate 70 to I-70 Business Loop and then following the Highline Canal to the intersection of 30 Road on the North. Also included in the District are approximately 20 acres north of Interstate 70 in Section 36 T 1 N, R 1 E of the Ute Principal Meridian and approximately 120 acres north of Interstate 70 in Section 35 of said T 1 N, R 1 E of the Ute Principal Meridian. The boundaries as described are general in nature and are not a precise legal description of the District's boundaries (see attached map). The District has provided and intends to continue to provide water for domestic and other public and private purposes outside its boundaries, specifically for residences on Orchard Mesa bounded by 31 Road on the West, U.S. Highway 50 on the South, 32 1/2 Road on the East and the Colorado River on the North. The District may extend its services into the Whitewater area at some future date as no source of treated water is available to the residences and businesses of Whitewater at the present time.

The District may continue to annex land in accordance with the inclusion of territory provisions of the Special District Act.



Clifton Water District

Mesa County, Colorado
 137 3rd St.
 (Post Office Box 100)
 Clifton, Colorado 81520
 June, 1985

 Boundary
 Not in District

Scale 1 : 50,000

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held September 4, 1985
At Clifton, Colorado
At 7:30 p.m.

Vice President Smith called the meeting to order at 7:30 p.m. Board members present in addition to Vice President Smith were Secretary Slogar, Treasurer Ela, and Director Bolton. Also in attendance were Superintendent Schuster and Chief Operator Blount. Bob Czarnecki, Account Executive with E. J. Pittock & Company, Inc., was also present.

Superintendent Schuster introduced Bob Czarnecki. Bob gave a 45 minute explanation of the advantages of investing in a Freddie Mac (Federal Home Loan Mortgage Corporation) and GNMA (Government National Mortgage Association) and the difference between the two, plus talked about the advantages of investing in a Van Kampen Merritt U. S. Government Fund, Inc. No Board action was taken other than to thank Bob for his presentation.

Director Ela moved to accept the recommendation of the Superintendent and change the District policy from a \$10.00 turn-on, \$10.00 turn-off fee to a \$20.00 turn-on fee only and to lock the water meter rather than remove for delinquent payments, and continue to charge \$10.00 for each time a man is dispatched in delinquent payments until such time as the Superintendent has made an accounting of all costs involved in removing, replacing and locking water meters. The motion was seconded by Director Bolton and passed unanimously.

President John Fenner joined the meeting at 8:50 and replaced Director Smith at the Chair.

The Superintendent advised the Board that the Black & Veatch engineering report is now scheduled to be submitted the middle of September.

Director Smith gave the Board a report on the August 30, 1985, tour of the USBR Grand Mesa M & I Ground Water work on the Grand Mesa.

The Board of Directors was made aware of the annual conference of the SDA of Colorado at Vail on September 26th and 27th.

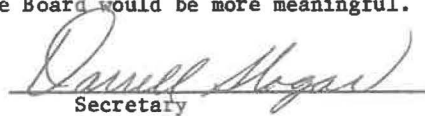
The Superintendent discussed the Sue Kupelian situation with the Board, no action was taken as no action was requested; merely informational.


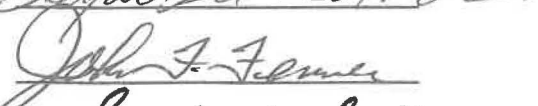
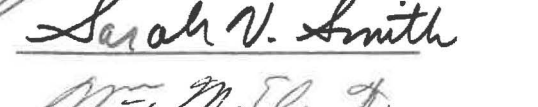
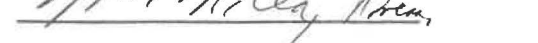
The Board directed the office staff to put the Clifton Water District's return address on that portion of the stub returned to the District with payment. The Superintendent advised the Board that this would be done on the next printing of bills.

The Superintendent advised the Board that the Chief Operator told him that they had put 13.8 MGD through the plant which required 14.73 MGD (22.79 cfs) of raw water for a period of 3 1/2 hours on July 1, 1985.

The next 1 hour and 15 minutes of discussion revolved about the nomenclature on the monthly reports, annual budget and other information given to the Board by the staff. The Superintendent was directed to make some changes in this regard in order that information given to the Board would be more meaningful.

The meeting adjourned at 11:00 p.m.


Secretary

ATTEST:





MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held September 18, 1985
At Clifton, Colorado
At 7:30 p.m.

Present were President Fenner, Vice President Smith, Secretary Slogar and Director Bolton. Also present were Superintendent Schuster, Office Manager Kay, and Chief Operator Blount, and also Gail Cizek of 590 Starlight Drive.

The meeting was called to order by President Fenner at 7:30 p.m. and Gail Cizek was given the floor. Gail Cizek complained to the Board about the additional late charge on her bill for not paying the previous late charge. President Fenner defended the \$1.00 penalty for not paying the previous \$1.00 penalty and his defense was supported by the balance of the Board and declined to remove the charge. Having not received satisfaction, Gail Cizek left the meeting apparently annoyed.

Director Ela entered the meeting at 7:50 p.m.

Director Ela moved to accept the minutes of the August 21, 1985 and September 4, 1985 meetings as amended. The motion was seconded by Director Bolton and in the discussion that followed the late charges for the Sue Kupelian account were discussed. The motion passed unanimously.

The amendments to the minutes are as follows: the word "to" was deleted from the thirteenth line of the second paragraph of the August 21, 1985 minutes so the line now reads "...since Joe Coleman did work for..."; and the eighth paragraph of the September 4, 1985 minutes was revised to read "The Superintendent discussed the Sue Kupelian situation concerning her request for the District to send a receipt to her. No action was taken as no action was requested."

Director Ela moved to pay the Accounts Payable as submitted in the report. The motion was seconded by Director Slogar and passed without opposition.

After a lengthy discussion in which the funds at the Bank of Clifton was discussed, Director Ela moved to accept the Financial Statement as presented to the Board. The motion was seconded by Director Smith and passed unanimously.

The Superintendent related to the Board a conversation he had with Joe Coleman and he was told to advise Joe Coleman that Joe is "spinning his wheels" on the proposed land swap for full consideration of payment of the promissory note.

The matter to select an attorney to represent the District should the District sue Foster/Foster/Coleman was tabled until the next meeting. Director Ela told the Board that he would abstain from any action selecting an attorney.

The Superintendent advised the Board that McIntosh had not met the requirements of providing a refrigerated air conditioner for the lab at Plant #2 and that he would be billed in accordance with the instructions of the Board.

The request from the Mesa County Humane Society for the District to provide 1,000 gallons of water for an auction to be held at the Hilton Hotel on November 1st was turned down.

Director Ela moved that the easement request of the Public Service Company of Colorado be granted and \$6,714 be accepted in payment subject to two conditions. Condition #1 was that the Public Service Company would not construct an underground power line which would hinder the removal of gravel underneath the easement, and condition #2 was that the Clifton Water District reserves the right to mine gravel within the right-of-way as long as the integrity of the base for the poles and anchors are not disturbed. The motion was seconded by Director Slogar and passed unanimously.

A request from the Colorado House of Representatives to recognize Martin Luther King, Jr.'s birthday as a holiday was presented to the Board.

Director Slogar moved to not recognize Martin Luther King, Jr.'s birthday as a paid holiday for District employees. The motion died for lack of a second.

Director Bolton moved to not recognize Martin Luther King, Jr.'s birthday as a paid holiday for District employees as the District could not afford another holiday. The motion died for lack of a second.

Director Bolton moved to table the request of the Colorado House of Representatives until the designated time for reviewing the wage and benefit package for the employees. The motion was seconded by Director Ela and passed without opposition.

It was moved by Director Ela to adopt the Resolution to accept Mesa Federal as a depository for payroll, payroll related items and petty cash. The motion was seconded by Director Bolton and the Resolution was adopted without opposition as follows:

RESOLUTION

WHEREAS, it is expedient that the Clifton Water District have a checking account for payroll, payroll related items and petty cash which require a single signature; and

WHEREAS, the DEPOSITORY previously used for a single signature checking account for payroll and payroll related items was taken over by the FDIC; and

WHEREAS, it is advantageous for the Clifton Water District to select a depository for payroll, payroll related items and petty cash requiring a single signature, in the Clifton area;

NOW THEREFORE, BE IT RESOLVED: That Mesa Federal Savings institution herein called the "depository" be, and is hereby, designated a depository of this Corporation and that funds so deposited may be withdrawn upon a check, draft, note or order of the Corporation; and,

BE IT FURTHER RESOLVED: That all checks, drafts, notes or orders drawn against that account be signed by any one of six authorized signatures, five of the authorized signatures shall be members of the Board of Directors and one signature shall be that of the Superintendent, whose signatures shall be duly certified to said depository and that no checks, drafts, notes or orders drawn against that depository shall be valid unless so signed; and,

BE IT FURTHER RESOLVED: That said depository is hereby authorized and directed to honor and pay any checks, drafts, notes or orders so drawn, whether such checks, drafts, notes or orders be payable to the order of any such persons signing said checks, drafts, notes or orders, or any of such persons in their individual capacities or not, and whether such checks, drafts, notes or orders are deposited to the individual credit of the person so signing said checks, drafts, notes or orders, or to the individual credit of any of the other officers or not. This Resolution shall continue in force until terminated by another resolution duly passed by the Board of Directors.

In accordance with the State Statutes, Director Ela moved to take the proposed budget under advisement and set a Public Hearing for adoption of the budget for October 16, 1985. The motion was seconded by Director Smith and passed unanimously.

The Superintendent was instructed to prepare a list showing the base pay and all benefits and related costs for each employee on an hourly basis.





Director Ela moved to remove the Freddy Mac proceeds from the Mutual of Omaha Cash Reserve Fund, Inc. account and put the proceeds in a Federally insured account at some public depository. This applies to existing funds as well as future funds. The motion was seconded by Director Bolton and passed uananimously.

The meeting adjourned at 11:10 p.m.

Even though the meeting had adjourned, four of the Directors stayed on for some very heavy discussion with the Superintendent and Chief Operator until 12:30 a.m.


Secretary

ATTEST:

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held November 6, 1985
At Clifton, Colorado
At 7:30 p.m.

Present at the meeting were President Fenner, Vice President Smith, Treasurer Ela and Director Bolton. Also present were Superintendent Schuster, Chief Operator Blount and retired superintendent Strain. In addition, representatives of four construction firms were also present. These firms were: Ben Dowd Excavating; Pipeline Services, Inc.; Commercial Services; and G R Construction, Inc. Bids were opened for the Water Line Replacement on Lois Street. Six bids were received for this work. In addition to the four contractors present, bids were also received from Parkerson Construction and Lyle States Construction.

After the opening of the bids, Director Ela moved to have the Superintendent review the bids to determine what bid to accept in the best interests of the Water District and to poll the Board members by phone after making this determination in order that an award can be made. The motion was seconded by Director Bolton and passed unanimously.

Bids from four supply houses were also opened. These bids were for materials required for the Water Line Replacement on Lois Street that the District presently did not have on inventory. Waterworks Sales Company was the apparent low bidder and Director Ela moved to accept the Waterworks Sales bid of \$2,536 provided that the material could be delivered within a 2-week period. The motion was seconded by Director Bolton and passed without opposition.

Director Ela moved that the Superintendent attend the ad hoc Water Committee meeting (Committee representing City of Grand Junction, Ute Water District and the Clifton Water District) and express the District's displeasure in the Black & Veatch "Preliminary Feasibility Study for a Unified Central Grand Valley Water System" dated October, 1985, in general and be prepared to express this displeasure in specific matters if necessary based upon the lack of demonstration in the report of any benefits to the Clifton Water District. The motion was seconded by Director Smith and passed unanimously. The Board wanted it made perfectly clear that the Clifton Water District is not formally withdrawing from the study at this time but merely showing displeasure in the contents of the report. It was the general consensus of the Board to not finance any further study.

Director Ela moved to accept the Public Service Company of Colorado Easement request as redrafted and repriced (\$20,300). The motion was seconded by Director Smith and passed without opposition.

Director Ela moved to adopt the following Resolution:

RESOLUTION

WHEREAS, it is in the best interest of the Clifton Water District to deposit their reserve funds in an interest bearing Federally insured depository; and

WHEREAS, in an attempt to get the best return for the District on their deposits, it is possible that more than one account will be active at a local Federally insured depository; and

WHEREAS, the aggregate of more than one account may exceed the Federal insured limit; and

WHEREAS, custodian accounts in amounts within the limits of the Federal insurance are considered separate accounts and each are Federally insured and will protect the reserve funds of the District;

NOW THEREFORE, BE IT RESOLVED: That the Clifton Water District change their present accounts with Valley Federal Savings & Loan Association to custodian accounts in order to protect the District's reserve funds; and,

BE IT FURTHER RESOLVED: That the Certificate of Deposit No. 032083 dated April 18, 1985 and maturing on April 17, 1986 be changed from the "Clifton Water District" account to the "Clifton Water District, John F. Fenner as Custodian" account with the Prime Investment II No. 02 922458 (Money Market Account) be changed from the "Clifton Water District" account to the "Clifton Water District, Sarah V. Smith as Custodian" account; and,

BE IT FURTHER RESOLVED: That said depository is hereby authorized and directed to honor and pay any checks or withdrawals with the signature of the custodian and any two of the other authorized signatures that are on the respective signature cards on file with said Valley Federal Savings. This Resolution shall continue in force until terminated by another resolution duly passed by the Board of Directors.

The motion was seconded by Director Smith and passed unanimously.

Director Smith moved to accept the Superintendent's recommendation for vandal protection at Plant #1 and the south 1 MG tank and to purchase the equipment and have it installed by Superior Alarm, Inc., at a cost of \$868. The motion was seconded by Director Bolton and passed without opposition.

The Superintendent reported to the Board that all monies from the Bank of Clifton had been recovered as well as drawing interest at the rate of 10.51% from the day the Bank was closed until November 1st.

All four of the Board members present expressed the desire to attend the SDA of Colorado meeting at the Holiday Inn on November 12th. The District will pay for all costs with the Directors bringing their spouses reimbursing the District for the cost of bringing their spouse.

The Superintendent reported that he had a Rocky Mountain Section of the American Water Works (RMS AWWA) Board of Governors meeting in Denver on November 15th and planned to attend.

The Board directed Superintendent Schuster to attend the Grand Valley Irrigation Company annual meeting on December 7th and to vote the shares of the District in the best interests of the District and be prepared to discuss the winter run use of water with the Grand Valley Irrigation Company should the subject be brought up.

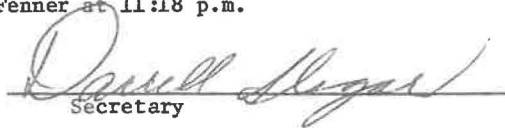
The Superintendent announced that the employees' Christmas Party would be held on December 14th at the Clifton Community Center and everybody was to bring a dish as identified in a letter from Dale Tooker dated November 1st. The Superintendent explained to the Board that the usual source of turkeys for the employees and Board traditionally authorized around Thanksgiving was not available. Director Smith advised the Board that she knew where Pond's Meat Market could obtain a source of turkeys for this occasion. Director Ela moved to authorize the usual turkey bonus to the employees and Board members and if the turkeys could not be purchased through Pond's Old Fashioned Meat Market, then to authorize purchase of the turkeys from City Market or Albertsons. The motion was seconded by Director Bolton and passed unanimously.

Director Bolton moved to accept the Superintendent's recommendation and insulate the ceiling of the Water Office at a cost of \$450. The motion was seconded by Director Ela and passed unanimously. The Board advised the Superintendent to look for the best deal on electric fans to put in the ceiling to distribute heat in the winter and maintain the cool in the summer and to present a report to the Board at the next meeting.





The Superintendent advised the Board that Foster/Foster/Coleman were no longer owners of Southridge and that the new owner is the Fruita State Bank. The question before the Board was would the Board honor the commitment to Foster/Foster/Coleman and provide water taps for the Fruita State Bank. The general consensus of the Board was that the Clifton Water District would honor the commitment with Foster/Foster/Coleman as long as the Fruita State Bank assumed the note obligation which is also a part of the commitment to furnish taps.

The Board appreciated the graph of the cash reserves, total income, water sales income and tap income presented to them earlier by the Superintendent as it gave them a pictorial description of the funds of the District since 1956 to the end of 1984. The Board also indicated that the Wage and Benefit Package of the employees would be discussed at the November 20th meeting.

The meeting was adjourned by President Fenner at 11:18 p.m.


Secretary

ATTEST:

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held November 20, 1985
At Clifton, Colorado
At 7:30 p.m.

Present were President Fenner, Secretary Slogar, Treasurer Ela and Director Bolton. Also present were Superintendent Schuster, Office Manager Kay and Chief Operator Blount. Bryce Fast (564 Eastmoor Drive; A/C #08-414-000) was also present.

President Fenner called the meeting to order at 7:30 p.m.

Bryce Fast was present to appeal to the Board for a credit on his water bill. On April 23, 1985, an employee of the Clifton Water District was dispatched to the Fast residence to turn off the water due to a delinquent account, and Mr. Fast was therefore charged a \$10.00 fee which was added to his water bill. Mr. Fast declined to pay the water bill and therefore was assessed a \$1.00 late charge for the last 7 months. Because of the accumulated amount on the water bills, the water was again turned off on November 19, 1985, and Mr. Fast had to pay a total of \$45.70 to get his water turned on. Of this \$45.70, \$34.00 was for dispatching men to turn off/on the meter and late charges. Director Bolton gave a vote of confidence to the employees but could not call Mr. Fast a liar and moved to credit the Fast account \$34. The motion was seconded by Director Slogar and passed on a vote of 3 to 1 with Director Ela being the opposing vote.

From 8:15 to 8:45 there was a general discussion on the minutes of the last two meetings, wage and benefit package and Foster/Foster/Coleman. The Board stood by their decision of November 6, 1985 in denying the Fruita State Bank taps on the Southridge property unless the Bank would abide by the terms of the agreement and promissory note between the District and Foster/Foster/Coleman. The Superintendent was advised by the Board to send a copy of the letter concerning the disconnection of the electricity at the pumphouse which provides water pressure for fire protection to the Southridge Subdivision to the Fruita State Bank.

Director Ela moved to approve the minutes of the meetings of October 16, 1985, and of November 6, 1985, as submitted. The motion was seconded by Director Slogar and passed unanimously.

Director Bolton moved to pay all Accounts Payable on the Monthly Report as well as a \$210.10 to Castings, Inc. and the \$20,000 fund transfer. The motion was seconded by Director Ela and passed without opposition.

The Board was advised that Ken McIntosh had paid his subunit fee under protest. The Board also discussed the vandal detection at Plant #1, the insulation for the Water Office, the Black & Veatch merger study, Ute Water Policies and turkeys for the employees and Board members.

The Superintendent showed the Board the signs that were made by UPS workers (Useful Public Service) at Plant #2 at a cost of about \$5 each and advised the Board that they would be mounted above the entry way to the Water Office.

Director Ela moved to have the Superintendent attend the seminar that is being put on by Anita Cox and Associates on December 10th at the Roadway Inn. The motion was seconded by Director Bolton and passed unanimously.

Director Bolton moved to ratify the purchase of 7 shares of Grand Valley Irrigation Company Stock from Larry Warren at a cost of \$250 per share. The motion was seconded by Director Ela and passed unanimously.

Director Ela moved to adopt the following Resolution:

RESOLUTION

WHEREAS, the original employee retirement plan was geared to provide the best benefits to the older employees of the District; and

WHEREAS, the retirement of an older employee has occurred; and

WHEREAS, the benefits of all the employees will not be adversely affected by amending the retirement plan; and

WHEREAS, it is in the best interests of the Clifton Water District to amend their employee retirement plan to accomplish the original intent of the retirement plan;

NOW THEREFORE, BE IT RESOLVED: That the Clifton Water District Retirement Plan be amended to a money purchase plan with the District contribution to the plan being no greater than five percent (5%) of total payroll; and

BE IT FURTHER RESOLVED: That the money purchase plan be effective June 8, 1985, in accordance with United of Omaha Life Insurance Company's Money Purchase document dated June 8, 1985. This Resolution shall continue in force until terminated by another resolution duly passed by the Board of Directors.

The motion was seconded by Director Slogar and passed unanimously.

President Fenner gave a report on the Special District Association meeting of Mesa County held on November 18th in which Sam Suplezio was a guest speaker and talked about insurance. One of the things that is being contemplated is complete immunity for Directors of Boards of special districts and other public agencies. The Board also talked about the Special District Association meeting held on November 12, 1985, at the Holiday Inn in Grand Junction and about the premature departure of Representative Vickie Armstrong.

Director Ela asked the Superintendent how the color coding of the fire hydrants was proceeding and suggested the Superintendent contact the Partners Restitution Program to ask for more workers. The Superintendent was cautioned to make sure that workman's compensation was covered by Partners.

At 10:07 p.m. the Board took up the discussion of the wage and benefit package for the employees. After an hour and a half of serious discussion, Director Bolton moved to increase Dave Larsen's pay to \$10.66 per hour, Brian Sheley's pay to \$8.71 per hour and give all employees a 2% increase cost of living raise. The motion died for lack of a second.



After some other discussion, Director Ela moved to increase David Larsen's pay to \$10.66 per hour, Brian Sheley's pay to \$8.71 per hour, Violet Church's pay to \$8.94 per hour, Joan Larsen's pay to \$5.70 per hour and give a 2% cost of living increase to all employees. The motion died for lack of a second.

Director Slogar moved to increase David Larsen's pay to \$10.66 per hour, and Brian Sheley's pay to \$8.71 per hour. The motion was seconded by President Fenner and failed on an aye vote from Slogar and Fenner and a nay vote from Ela and Bolton.

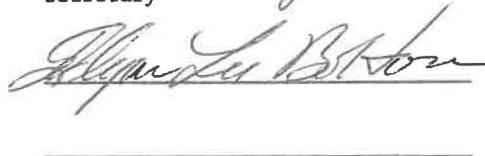
After some more discussion, Director Bolton moved to increase David Larsen's pay to \$10.66 per hour (\$1,845 per month), Brian Sheley's pay to \$8.71 per hour (\$1,508 per month) plus a 2% cost of living increase for all employees. The motion was seconded by Director Ela and passed unanimously. Even though it was not specifically mentioned, it was generally understood by all that the increase in wages would be effective January 1, 1986.

The meeting adjourned at 11:41 p.m.

ATTEST:


Secretary



MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT (CWD)

Held December 4, 1985
At Clifton, Colorado
At 7:30 p.m.

Present were President Fenner, Vice President Smith, Secretary Slogar, Treasurer Ela and Director Bolton. Also present were Superintendent Schuster and Chief Operator Blount. President Fenner called the meeting to order at 7:39 p.m.

The first item on the agenda was the announcement of the Ad Hoc Committee meeting scheduled for December 19th at 7:00 p.m. in the Ute Water Conservancy District's Board Room. The Board reiterated the action of the November 6th meeting, wherein it was agreed for the District to stay in touch with the proposed merger but not to expend any more funds. In a nut shell it was "to stay, but no pay" attitude. President Fenner recommended that CWD attend the Ad Hoc Committee meeting and keep an open mind and listen to what is said. Director Ela moved that CWD attend the Ad Hoc Committee meeting, listen to what is being discussed but decline to vote to commit CWD funds to any future study until a report on the Ad Hoc Committee meeting has been made to the full CWD Board and get a consensus of the CWD Board to participate or not to participate. The motion was seconded by Director Slogar and passed without opposition.

The Superintendent advised the Board of the minor problem in the contract between the CWD and Commercial Services Construction Company, Inc. (CSCCI), explaining that the contract documents called for a return of the agreement, performance bond and payment bond to the owner within 10 days of the date of the "Notice of Award" and that CSCCI had taken 14 days. The Superintendent recommended to the Board that they allow this variance since the second bidder, the company that the bid would go to in the event of a forfeiture of CSCCI, did not come highly recommended. The Superintendent also advised the Board that with the problems ironed out the construction on Lois Street could start on Thursday, December 5th. Director Ela said the Superintendent's actions were most appropriate and it was the general consensus of the Board to allow the variance.

The Superintendent also read a letter from the Assistant Administrator of Mesa County commending the Clifton Water District for the cooperation the County has received from the District on Lois Street.


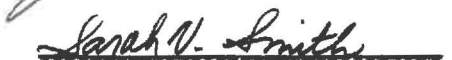
The next 40 minutes were spent in a heated discussion over wages and qualifications of the employees. It was Director Smith's contention that the Board should set the Superintendent's salary and the budget for the balance of the salaries and let the Superintendent distribute the wages and benefits to the employees in a manner as he sees fit, because the Board did not know the employees well enough to decide what their wages should be. Director Smith's remarks were countered by others stating the Board always looked at the recommendation of the Superintendent when making a decision concerning the wage and benefit package, but didn't always follow it.



The Superintendent asked the Board if the Clifton Water District would give serious consideration to serving potable water to the Whitewater community since the City of Grand Junction was scheduled to cut them off in 1986. Most of the discussion was favorable, but no action was taken. The Superintendent will gather more information in order that the Board may take a closer look at his suggestion.

The meeting adjourned at 9:45 p.m.


Secretary

ATTEST:

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held December 18, 1985
At Clifton, Colorado
At 7:30 p.m.

Present were President Fenner, Vice President Smith, Secretary Slogar, Treasurer Ela and Director Bolton. Also in attendance were Superintendent Schuster, Office Manager Kay, and Chief Operator Blount. Two guests present were Charles Casteel and John Wright.

President Fenner opened the meeting at 7:28 p.m. and turned the floor over to Charles Casteel and John Wright. Members of the Board had previously received a letter from Mr. Casteel requesting a variance on the subunit fees for 6 units of his two four-plexes should he sell his units separately, rather than as one unit. This request was initiated by a letter from the Superintendent dated April 18, 1985. Mr. Casteel said that he and his associates purchased the two four-plexes in September of 1984 without any knowledge of Clifton's subunit fee and asked for a variance. The discussion lasted for twenty minutes. The Board declined to honor Mr. Casteel's request.

The Board was advised that the remuneration they received from the District for attending Board meetings are subject to FICA withholding. Director Ela moved to pay all past FICA fees associated with the Director's fees required by law and the Employers portion of future FICA payments from general funds. The motion was seconded by Director Slogar and passed unanimously. The staff was instructed to get the Contract with the Public Employees' Social Security revised to delete the withholding, if possible.

Two other guests arrived at 8:15. These guests were Martin Garber and Pat Yates, President and Secretary of the Whitewater Water Company respectively. At 8:25 p.m. President Fenner turned the floor over to the guests. Mr. Garber and Mrs. Yates were present at the meeting to request the Clifton Water District to serve potable water to 60 or so taps in Whitewater area. The Colorado Department of Health is putting pressure on the Whitewater Water Company to upgrade their water filtration system. The discussion lasted until 9:52, and many alternates and thoughts were thoroughly discussed including incorporating the Whitewater area into the Clifton Water District. The matter was tabled until the Superintendent could assemble more information to present to the Board along with some estimated costs and repayment recommendations.

Director Ela moved to approve the minutes of the November 20, 1985, and December 4, 1985 minutes with the correction of a typo in the fourth paragraph after the Resolution on page 2 of the November 20, 1985 minutes. The typo is "Biran" and it should have been "Brian". The motion was seconded by Director Slogar and passed without opposition.

The Board reviewed the Financial Report and questioned the decrease of \$20,300 of the land and building fixed assets on page 1 of the November 30, 1985 Balance Sheet. Director Smith offered a solution that possibly the \$20,300 was deducted from the fixed assets due to the payment by the Public Service Company of Colorado for the easement across Gunderson Island. The Board asked for an explanation of this decrease and also asked the Office Manager to check with our accountant to make sure that this paper work was handled properly.

Director Slogar moved to pay the Accounts Payable as listed on the report in addition to \$4,000 to Kenneth Hopkins, \$10.00 to the Grand Valley Irrigation Company, \$25,000 fund transfer to Mesa Federal Savings, \$1,000 to the Postmaster, \$15.00 to the U.S. Bank, \$7.50 to Darrel Burk and \$83.00 to Dale Cook and so by doing authorized the Superintendent to purchase up to 30 shares of Grand Valley Irrigation Company stock from Kenneth Tompkins at a price of \$250 per share. The motion was seconded by Director Ela and passed unanimously.

The Ad Hoc Committee members (Bill, Ed and Ray) were reminded of the meeting at Ute's Board Room on the 19th. Black & Veatch, the City and Ute will be there.

The Superintendent read the list of objectors to the District's and City's request to the water courts for a change of use of the water owned by the respective entities from irrigation to domestic. The list of objectors were: the Silt Water Conservancy District, Ute Water Conservancy District, Mobil Oil Company, Union Oil Company of California, Exxon Company, City of Aspen, Pitkin County, Denver Water Board and Grand Valley Irrigation Company. The Grand Valley Irrigation Company was discussed at length. During the discussion Director Ela moved to submit a sealed bid in the amount of \$201 per share on the Grand Valley Irrigation Company Stock that is being sold by the Fruita State Bank. If the sale is to be an auction type bid, the Superintendent is to poll the Board to get the highest dollar the District is willing to pay. The motion was seconded by Director Bolton and passed unanimously.

The Superintendent gave a report on the progress of the construction on Lois Street, stating the problems being encountered working around a 28-year old water line.

The Superintendent told the Board that he would like to change the World War II look of the front office and asked for authorization to purchase drapes from Wells Springcrest Drapery at a cost of \$593.00. Director Bolton mentioned that none of the girls in the office are of an age to remember World War II and moved to not purchase the drapes at this time but recommended the Superintendent pursue an alternate way to dress up the front office by obtaining price checks on various materials from other sources, and once the alternatives are studied, for the Superintendent to use discretion in purchasing window coverings. The motion was seconded by Director Ela and passed without opposition.

The Superintendent advised the Board of the necessity of purchasing computer accessories in order that the computerized water net as being furnished by Black & Veatch could be put to good use. Director Bolton moved that the Superintendent be authorized to spend up to \$5,354 on computer accessories provided that the District will receive the software from Black & Veatch. The motion was seconded by Director Ela and passed unanimously.

Based on the strength of Director Bolton's statement that "Since it is in the budget it is virtually authorized so let's do it", the Board agreed to accept sealed bids for a 1/2 ton pickup at the meeting of January 15, 1986. A discussion of the District's vehicles in general followed.

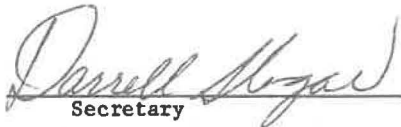
The Superintendent explained the need, due to timing, to prepare specifications for the repainting of the 1.0 MG (1968 vintage) north tank, the 0.1 MG (1968 vintage) south raw water storage tank, the 0.1 MG (1958 vintage) south treated water storage tank along with the buildings in the vicinity of the Purdy Mesa intake structure. The Board authorized the preparation of the specifications and advertisement so the bids could be opened at the regular scheduled meeting of February 5, 1986.

President Fenner read aloud a letter dated December 17, 1985, from R. Endres who resides at 486 Sheldon Road (Account # 07-772-000). The letter explained why Mr. Endres did not think he owed a \$1.00 penalty plus two additional \$1.00 penalties for the \$1.00 penalty he did not pay and complained of the attitude and rudeness of the District's employee who originally handled his complaint. It was the general consensus of the Board that not only the original \$1.00 penalty should stand but also the penalties that followed for nonpayment of the first penalty.

As a result of the complaint of the employee's attitude in handling complaints and other ordinary business, the Superintendent was instructed to talk to the employees individually regarding their attitude when handling such complaints.

The next regular scheduled Board meeting falls on a holiday so it was the consensus of the Board to cancel that meeting and for the next regular scheduled meeting to be on the third Wednesday of January which is January 15, 1986.

The meeting adjourned at 11:55 p.m.


Secretary

ATTEST:

