

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

January 8, 2004

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal, Assistant Secretary Woods and Treasurer Cook. Staff present were Dale Tooker, Dave Payne, Lori Cosslett and Carrie Restivo.

At 5:00 p.m., Chairman Ballagh called the Regular meeting to order.

Present as guests were John and Lois Whiting of Whiting Development Company, Steve Voytilla and Darren Davidson of Precision Paving, Bob Engelke of Rinderle Construction, Darin Carei of Grace Homes and Dan Brown of Pronghorn at Kannah Creek.

Staff had received a number of requests for the District to waive the Plant Investment Fee Increase for "pre-sold" properties. Director Teal moved to have a Special Meeting of the Clifton Water District Board of Directors on January 15, 2004 to discuss the Plant Investment Fee Policy Relief Requests on pre-sold properties. Director Cook seconded the motion, which passed unanimously.

MINUTES OF DECEMBER 3, 2003 – Director Teal moved to accept the minutes of December 3, 2003 Board Meeting. Director Woods seconded the motion, which passed unanimously.

BUDGET TRANSFER FROM CONTINGENCY TO WATER TREATMENT PLANT UTILITIES – Manager Tooker reported that the 2003 utility increases were more than previously reported. Manager Tooker requested a Budget transfer to fund the recent Xcel increases. Director Woods moved to transfer \$44,000 from Contingency to Water Treatment Plant Utilities. Director Teal seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE – Director Teal moved to approve expenditures of \$284,662.36 plus \$47,219.43 on the supplemental statement for a total of \$331,881.79. Director Woods seconded the motion, which passed unanimously.

STAFF REPORTS – Included in the Board packet was a Staff Report for Usable Tap Categories (*Staff Reports 2004 and file 1/8/04*) prepared by Manager Tooker. Information only, no Board action required.

EXPRESS AGENDA – The Directors reviewed the Express Agenda and accepted the following items as presented:

Middle Water Storage Tank, Project 2002-01 – Substantial Completion Inspection has been completed. The majority of items will be completed in March after contractor remobilizes to complete the cathodic protection improvements to the 3 million gallon storage tank. The new storage tank was placed 'in service' on December 17, 2003.

Plant Optimization, Phase I, Project 2002-03 – The District's Contracted Project Engineer has begun advertising for general contractors interested in becoming 'pre-qualified' to be able to submit construction bids for this project. The final design is being reviewed by regulatory agencies (Mesa

Minutes
Page 2
January 8, 2004

County Engineering Department, Clifton Fire District, and the Colorado Department of Health and Environment).

Plant Optimization, Phase II, Project 2003-03 – Staff has received proposed engineering scope of services from Burns & McDonnell and continues to negotiate clarifications. Final design service agreement is currently under review by the District's legal counsel. Formal design work scheduled to commence as soon as the agreement is approved by the Board.

Design Build Shop Expansion, Project 2003-02 – Construction is approximately 80% complete. Remaining work items include installation of overhead doors and electrical work. Project is scheduled for completion January 16, 2004.

WATER GROUP MEETING, JANUARY 7, 2004 AT CLIFTON WATER DISTRICT – Director Cook gave an update on the meeting held on January 7, 2004 at the Clifton Water District. Director Cook and Manager Tooker were present. The next meeting will be held at the Ute Water Conservancy District on February 9, 2004 at 7:00 p.m. Discussion only, no Board action taken.

ENGAGEMENT LETTERS FOR 2003 AUDIT – Director Teal moved to sign the Engagement Letter (*Agreements, file 1/8/04 and Audit file*) entering into an agreement to authorize Mary Brenes, CPA to perform the 2003 Audit for the Clifton Water District. Director Rupp seconded the motion, which passed unanimously.

AVAILABILITY OF SERVICE CHARGE POLICY #430 – Included in the Board packet was a Staff Report (*Staff Reports 2004 and file 1/8/04*) concerning the Availability of Service Charge Policy #430 and legal counsel received (*file 1/8/04 and Policy Correspondence*) regarding the Policy. Director Teal moved to increase the Availability of Service Charge Policy to \$9.00 for In-District and \$17.70 for Out-of-District. Director Cook seconded the motion. The motion failed 0 – 5. Director Woods moved to increase the Availability of Service Charge Policy #430, effective January 9, 2004 to 47.4% of the average usage charge which is \$9.00 per month for In-District users and 36.1% of the average usage charge which is \$13.50 per month, being 1.5 times the In-District rate for the Out-of-District users. Director Teal seconded the motion, which passed unanimously.

30 ROAD UNDERPASS PROJECT – A Staff Report (*Staff Reports 2004 and file 1/8/04*) prepared by Assistant Manager Reinertsen was included in the Board packet. Board discussion only, no action taken.

BANK AGREEMENTS – The Agreements to perform routine banking functions with Palisades National Bank (*Agreements and file 1/8/04*) and Alpine Bank (*Agreements and file 1/8/04*) were in need of updating due to recent personnel changes. The Board signed the Agreements, no discussion.

DESIGNATE TIME AND PLACE FOR MEETINGS AND POSTING PLACE FOR MEETINGS – Director Teal moved adopt the Meeting and Posting Resolution. Director Woods seconded the motion, which passed unanimously.

MEETING AND POSTING RESOLUTION

WHEREAS the Clifton Water District designates that all Regular Board of Directors Meetings will be held the first Thursday of each month at 5:00 p.m. located at the Clifton Water District Office, 510 34 Road, Clifton Colorado; and

WHEREAS the Clifton Water District designates that the posting places for all Board of Directors meetings are the Clifton Water District Office and the following three additional locations; Clifton Sanitation District #2 Office, Clifton Fire Department, and the Mesa County Clerk and Records Office Clifton Branch; and

WHEREAS the Clifton Water District designates that the 24-hour Agenda Notice will be posted at the Clifton Water District Office; and

BE IT FURTHER RESOLVED that this resolution be adopted this 8th day of January 2004.

DELAWARE FINANCIAL RESOLUTION – Director Cook moved to pass the Retirement Financial Services Resolution (*Agreements, Delaware Financial and file 1/8/04*) for the Board to sign and the Record Keeping and Services Agreement (*Agreements, Delaware Financial and file 1/8/04*) for Manager Tooker to sign, facilitating the change of the District's Third Party Administrator to Delaware Investments. Director Teal seconded the motion, which passed unanimously.

PLANT INVESTMENT FEE POLICY RELIEF REQUEST – The Board discussed preparations for the Special meeting, no action was taken.

The meeting was adjourned by consensus at 7:26 p.m.

ATTEST:


John L. Ballagh


Paul Teal


Perry V. Rupp


Brian Woods


Randy Cook

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

January 15, 2004

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal and Assistant Secretary Woods. Staff present were Dale Tooker and Lori Cosslett.

At 5:02 p.m., Chairman Ballagh called the Special meeting to order.

Present as guests were John Whiting and Steve Whiting of Whiting Development Company, Ed Hokanson of First Colorado Group, Steve Voytilla and Darren Davidson of Precision Construction, Bob Engelke of Rinderle Construction, Darin Carei of Grace Homes, Dan Brown and Clint Sparks of Pronghorn at Kannah Creek and Rebekah Wilmarth with Zeck & Associates.

Director Cook entered the meeting at 5:11 p.m.

The Board listened to requests for the District to waive the Plant Investment Fee Increase for "pre-sold" properties.


Director Cook moved that the In-District tap fees for the properties under contract or reservation prior to December 5, 2003 that will close before June 1, 2004 will be charged the \$3,000 Plant Investment Fee rate and that any contracts or reservations terminated during that period will pay the prevailing Plant Investment Fee rate. Director Teal seconded the motion, which passed unanimously.

Director Woods moved to extend the previous motion for the In-District properties for Out-of-District properties as well. Director Teal seconded the motion, which passed unanimously.

Director Teal moved that the Out-of-District Plant Investment Fee be 1.5 times the In-District Plant Investment Fee until June 1, 2004. Director Woods seconded the motion which passed unanimously.

The meeting was adjourned by consensus at 7:01 p.m.

ATTEST:



John L. Ballagh



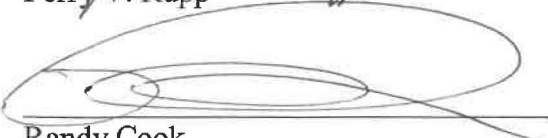
Paul Teal



Perry V. Rupp



Brian Woods



Randy Cook

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

February 5, 2004

Present were Vice-Chairman Rupp, Secretary Teal, Assistant Secretary Woods and Treasurer Cook. Chairman Ballagh was excused. Staff present were Dale Tooker, David Reinertsen, Dave Payne, Lori Cosslett and Carrie Restivo.

At 5:00 p.m., Vice-Chairman Rupp called the Regular meeting to order.

Present as guests were Don Bell, Dollie Bell and Richard Spangler. Manager Tooker presented a Staff Report (*Staff Reports and file 2/5/04*) and a letter from Mr. Bell (*Don Bell file and file 2/5/04*).

Director Woods excused himself from discussion, due to a potential conflict of interest.

Director Cook moved to approve the \$9,312 credit to Mr. and Mrs. Bell, allowing 60 days, in consideration of the utility easement and an ingress and egress easement. Director Teal seconded the motion, which passed unanimously (3 – 0). It was Board consensus that the credit would be applied toward the current plant investment rates.

Mr. and Mrs. Bell and Mr. Spangler exited the meeting at 5:47 p.m., at which point Director Woods reentered the discussion.

MINUTES OF JANUARY 8, 2004 - Director Teal moved to accept the minutes of the January 8, 2004 Board Meeting. Director Woods seconded the motion, which passed unanimously.

MINUTES OF JANUARY 15, 2004 – Director Woods moved to accept the minutes of the January 15, 2004 Board Meeting. Director Teal seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE – Director Teal moved to approve expenditures of \$61,826.57 plus \$42,049.62 on the supplemental statement for a total of \$103,876.19. Director Cook seconded the motion, which passed unanimously.

EXPRESS AGENDA – The Directors reviewed the Express Agenda and accepted the following items as presented:

Plant Investment Fee Increase Relief Progress – Manager Tooker has requested developers to submit copies of all contracts that meet the requirements set forth by the Board to receive the Plant Investment Fee relief. Administration and organization of the refunds have gone smoothly.

Middle Water Storage Tank, Project 2002-01 – The tank is ‘in service’ and the contractor is scheduled to complete variance items in March/April.

New Whitewater Transmission Line, Phase II, Project 2003-01 – The District’s Construction Crew has completed installation of a new Highway 141 10” mainline crossing north of the intersection of Highways 141 and 50 South.

Plant Optimization, Phase II, Project 2003-03 – Contract language modifications are still being developed between the District and Burns and McDonnell Engineering. The District's legal counsel is reviewing the contract and it is expected to have a finalized contract for Board approval at the March meeting.

2003 Audit – Mary Brenes has scheduled to be on-site March 9-12, 2004 to perform the 2003 Audit with the First Draft delivered to the Board on April 1, 2004 and the Final Draft presented at the May 6, 2004 Board meeting.

Hidden Valley Water Company (John Whiting) Request – Manager Tooker contacted Mr. Whiting and a meeting will be scheduled at a later date to exchange information needed to prepare a proposal to the Board before June 1, 2004.

Hubbard Commercial Development In Whitewater – Manager Tooker met with Mesa County and Lands End Fire Department Officials concerning the Hubbard Commercial Development and the fire protection issue. Manager Tooker proposed a solution to install a Bulk Water Filling Station at the Hubbard development that would adequately fill a portable tank used by the Fire Department. The proposal would address fire protection concerns in addition to providing a service and a revenue source.

DESIGN BUILD SHOP EXPANSION, PROJECT 2003-02 – Director Teal moved to authorize Staff to advertise for final payment of the Design Build Shop Expansion, Project 2003-02, to be finalized at the March 4, 2004 Board meeting. Director Woods seconded the motion, which passed unanimously.

PLANT OPTIMIZATION, PHASE I, PROJECT 2002-03 – Manager Tooker presented a recommendation letter from Burns & McDonnell Engineering Company (*Project 2002-03 file and file 2/5/04*). Director Teal moved to accept the five pre-qualified contractors as identified in the Burns & McDonnell recommendation letter for the Plant Optimization, Phase I, Project 2002-03 and authorized Staff to proceed with receiving bids from the pre-qualified list. Director Rupp seconded the motion, which passed unanimously. Director Woods moved to have Vice-Chairman Rupp sign the Addendum to Chlorine Facility Design Agreement for an amount not to exceed \$111,940. Director Teal seconded the motion, which passed unanimously.

NORTH RAW WATER SETTLING POND PROJECT 2004-01 ENGINEERING SERVICES – Manager Tooker presented a Staff Report (*Staff Reports and file 2/5/04*) summarizing the Qualification Statement reviews and to the Board. Director Teal moved to award the North Raw Water Settling Pond, Project 2004-01 Engineering Services to Boyle Engineering Corporation and authorized staff to begin contract negotiations. Director Woods seconded the motion, which passed unanimously.

DESIGNATED ELECTION OFFICIAL – Director Woods moved to appoint David A. Reinertsen as the Designated Election Official for the May 2004 Election. Director Teal seconded the motion, which passed unanimously.

CONSTRUCTION PROJECT MANAGER POSITION – Director Cook moved to allow Staff to investigate the options of hiring a construction project manager from either a temporary employment service company or a construction management firm. Director Woods seconded the motion, which passed unanimously.

UTILITY BILLING SYSTEM – Staff discussed recent developments concerning the District’s Utility Billing System. Information only, no Board action needed.

VACATION TIME FOR MANAGER AND ASSISTANT MANAGER – It was the consensus of the Board that Manager Tooker and Assistant Manager Reinertsen could both be out of town, February 13, 2004 through February 16, 2004, as long as they were available by telephone.

EXECUTIVE SESSION – At 7:03 p.m., Director Woods moved to enter into Executive Session to discuss “the purchase, acquisition, lease, transfer or sale of any property interest” 24-6-402(4)(a). Director Teal seconded the motion, which passed unanimously.

At 7:26 p.m., Director Teal moved to exit Executive Session. Director Cook seconded the motion, which passed unanimously.

Director Teal moved to authorize staff to enter into negotiations for the sale of the Orchard Mesa Property, parcel 2943-344-00-944, legal description S ½ of Section 34, Township 1 South, Range 1 East of the Ute Meridian, Mesa County, CO and 2943-334-00-948, legal description E ¼ Corner of Section 34, Township 1 South, Range 1 East of the Ute Meridian, Mesa County, CO. Director Cook seconded the motion, which passed 3 – 0, with Director Woods abstaining.

It was the consensus of the Board to move the Manager’s Evaluation to the March 4, 2004 Board Meeting.

The meeting was adjourned by consensus at 7:33 p.m.

ATTEST:

Excused

John L. Ballagh

Perry V. Rupp

Randy Cook



Paul Teal



Brian Woods

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

March 4, 2004

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal, Assistant Secretary Woods and Treasurer Cook. Manager Tooker had an excused absence. Staff present included David Reinertsen, Dave Payne, Lori Cosslett and Carrie Restivo.

At 5:00 p.m., Chairman Ballagh called the Regular meeting to order.

MINUTES OF FEBRUARY 5, 2004 - Director Teal moved to accept the minutes of the February 5, 2004 Board Meeting. Director Cook seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE – Director Teal moved to approve expenditures of \$80,266.35 plus \$44,546.96 on the supplemental statement for a total of \$124,813.31. Director Woods seconded the motion, which passed unanimously.

STAFF REPORTS – Lori Cosslett presented Staff Reports (*Staff Reports and file 3/4/04*) for the 2nd, 3rd and 4th quarters on the Customer Service Telephone Survey.

EXPRESS AGENDA – The Directors reviewed the Express Agenda and accepted the following items as presented:

Middle Water Storage Tank, Project 2002-01 – The Contractor completed the connections needed to place the cathodic protection system in service. Remaining contract variance items are scheduled to be complete by May 14, 2004.

Plant Optimization, Phase I, Project 2002-03 – The contract modification for Construction Observation with Burns & McDonnell Engineering Company was signed. Mandatory Pre-Bid Conference was held on February 19, 2004 with four Pre-Qualified General Contractors in attendance. Construction Bid Opening is scheduled for March 9, 2004.

Plant Optimization, Phase II, Project 2003-03 – Contract language modifications and negotiations are in progress with Burns & McDonnell Engineering Company.

North Raw Water Settling Pond, Project 2004-01 – Contract language modifications and negotiations are in progress with Boyle Engineering, Inc.

Whitewater Service Area Engineering Study – Staff has secured the services of Schmuesser, Gordon, and Meyer of Glenwood Springs to perform infrastructure evaluations of existing and future needs for the Desert Road Pump Station and the storage tank and piping options for the District's Plant One site. These evaluations are to be complete by mid-April, 2004.

PIPELINE CONSTRUCTION CREW ACTIVITY REPORT – Assistant Manager Reinertsen presented the Board with a Staff Report (*Staff Reports and file 3/4/04*) on the Pipeline Construction Crew. Information and discussion only, no Board action taken.

2004 ELECTION UPDATE – Director Teal moved to have a ballot question stating, Shall the limitations on terms of office imposed by Article XVIII, Section 11, of the Colorado Constitution, be amended for directors of the Clifton Water District to limit consecutive term of office of such directors to not more than three (3) full four-year terms beginning with the first full term which begins after January 1, 2000. Director Cook seconded the motion, which passed 4 – 1.

GRAND VALLEY WATER GROUP UPDATE – Director Cook gave a brief update on the last meeting of the Grand Valley Water Group, held on February 9, 2004. The group has secured the pro-bono services of an attorney to advise on organizational issues. The group has elected officers. The next meeting will be at 7:00 p.m. on Monday, March 8, 2004 at the Ute Water District office.

SPECIAL MEETING, MARCH 11, 2004 – Director Teal moved to have a Special Meeting on March 11, 2004 to discuss and award the Plant Optimization Phase I Construction Contract and to sign a Resolution regarding the May 4, 2004 Election. Director Woods seconded the motion, which passed unanimously.

APPOINT POLICY COMMITTEE – It was the consensus of the Board to appoint Directors Ballagh and Teal along with Manager Tooker to a District Policy Committee. This committee will review existing policies and recommend new Policies as indicated.

OUT-OF-DISTRICT SERVICE REQUEST, QUEEN PROPERTY, ON REEDER MESA ROAD - Assistant Manager Reinertsen presented a Staff Report (*Staff Reports and file 3/4/04*) concerning an Out-of-District service request from Mr. David Queen. Director Woods moved to grant the inclusion of parcel 2969-184-00-267, a 50-acre parcel on Reeder Mesa Road (NE1/4, SE1/4, SEC 18 T2S R2E Ute Meridian and that portion of the SE1/4, NE1/4, SEC 18 T2S R2E Ute Meridian), Whitewater, for one ¾" service tap into the District's Out-of-District service area, with the following condition - if the parcel is subdivided at some time in the future, any required main line extension be 'looped' into other existing adjacent subdivision main lines or back onto the main line presently located along Reeder Mesa Road. Director Teal seconded the motion, which passed unanimously.

LETTER FROM DALE CONNOR – The Board reviewed Mr. Connor's letter. It was the consensus of the Board to further discuss this letter at a future Board Meeting.

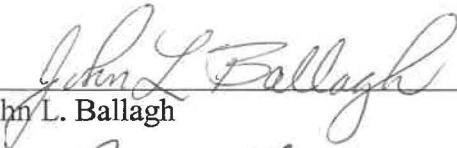
DISTRICT PROPERTY – Director Woods excused himself from the discussion. Director Cook moved to have Chairman Ballagh sign the contract for sale of the District's Orchard Mesa Property, upon presentation by the buyer's representative. Director Teal seconded the motion. The motion passed 4 – 0, with Director Woods abstaining.

It was Board consensus to complete the Manager's evaluation at the next regular Board meeting.


Minutes
Page 3
March 4, 2004

The meeting was adjourned by mutual consent at 6:47 p.m.


ATTEST:




John L. Ballagh



Paul Teal



Perry V. Rupp



Brian Woods



Randy Cook

**RESOLUTION TO PLACE TERM LIMIT QUESTION ON MAY 4, 2004
REGULAR SPECIAL DISTRICT ELECTION**

WHEREAS the District's Board of Directors are limited to serve no more than two consecutive four (4) years terms of office as per Article XVIII, Section 11, of the Colorado Constitution and;

WHEREAS the governance of the Clifton Water District requires a technical understanding of water treatment operations pertaining to conventional and nanofiltration technologies and;

WHEREAS the governance of the Clifton Water District requires an understanding of Colorado water law and water rights and;

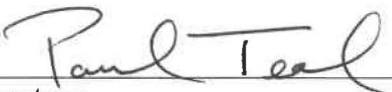
WHEREAS said technical understanding is gained through practical governance experience over time and;

WHEREAS said technical understanding can be a valuable asset to the District and;


WHEREAS said valuable knowledge and experience governance assets can prove valuable beyond eight (8) years of service;

NOW THEREFORE BE IT RESOLVED that the Clifton Water District Board of Directors approve the placement the following ballot question on the May 4, 2004 Regular Special District Election, "Shall the limitations on terms of office imposed by Article XVIII, Section 11, of the Colorado Constitution, be amended for directors of the Clifton Water District to limit consecutive term of office of such directors to not more than three (3) full four-year terms beginning with the first full term which begins after May 4, 2004".

ATTEST:



Secretary





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

March 11, 2004

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal, Assistant Secretary Woods and Treasurer Cook. Staff present were Dale Tooker, Assistant Manager Reinertsen, Dave Payne and Lori Cosslett.

At 5:00 p.m., Chairman Ballagh called the Special meeting to order.

PLANT OPTIMIZATION, PHASE I CONTRACT – The Board received a letter from Burns & McDonnell (*file 3/11/04 and project file*) concerning the Bid Proposal Review and Recommendations for the Water Treatment Plant Improvements Phase I. Director Woods moved to accept the engineering recommendation to award the contract of the Water Treatment Plant Improvements Phase I, Disinfection Facility to Moltz Construction. Director Teal seconded the motion, which passed unanimously.

BALLOT QUESTION RESOLUTION – Director Cook moved to adopt the Resolution to Place Term Limit Question on May 4, 2004 Regular Special District Election (*file 3/11/04, Election 2004 and Resolution file*). Director Teal seconded the motion, which passed unanimously.

WATER BILL RELIEF FOR ACTIVE DUTY MILITARY PERSONNEL –

Director Woods excused himself from discussion.

RESOLUTION TO EXCESS DISTRICT REAL PROPERTY – Director Teal moved to adopt the Resolution to Sell Clifton Water District Real Property Assets, Parcel ID 2943-343-00-948 and Parcel ID 2943-344-00-944. Director Cook seconded the motion, which passed 4 – 0, with Director Woods abstaining.

Director Cook moved to authorize the Chairman and the Secretary of the Clifton Water District Board to sell the properties, Parcel ID 2943-343-00-948, containing 38 acres, more or less, Parcel ID 2943-344-00-944, containing 9.9 acres more or less, hereby authorize the Chairman of the Board to sign the said closing documents. Director Teal seconded the motion, which passed 4 – 0, with Director Woods abstaining.

OTHER BUSINESS – Director Cook gave an update on the Grand Valley Water Project Committee. The last meeting was held on Monday, March 9, 2004. The Committee officially voted to adopt the name of Western Colorado Waters, Inc. Attorney Allen Hassler has agreed to help have an official corporation adopted. A bylaws committee was formed consisting of Harley Jackson, Randy Cook, Jim Baughman and Rita Crumpton. A mission statement will also be formed. The next meeting will be April 12, 2004 at 7:00 p.m. at Ute Water Conservancy District.

Manager Tooker has contacted MTR Resources inquiring about there services for the Project Manager position.

Minutes
Page 2
March 11, 2004

Director Teal moved to authorize Manager Tooker to sign the contract documents with Moltz Construction for the Water Treatment Plant Improvements Phase I Disinfection Facility. Director Woods seconded the motion, which passed unanimously.

The Manager Evaluation will be at the Regular Board Meeting in April.

The meeting was adjourned by Board consensus at 6:45 p.m.

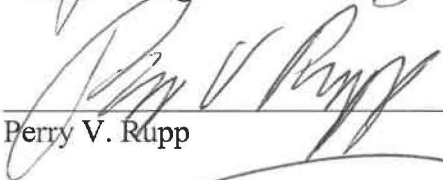
ATTEST:




John L. Ballagh



Paul Teal



Perry V. Rupp



Brian Woods



Randy Cók

**RESOLUTION TO SELL CLIFTON WATER DISTRICT
REAL PROPERTY ASSETS**

WHEREAS the Clifton Water District owns two parcels of land located adjacent Valle Vista Subdivision, Mesa County, generally described as follows:

Parcel ID 2943-343-00-948 (38 acres +/-)
As described in Book 1632, Pages 14 – 15.

Parcel ID 2943-344-00-944 (9.9 acres +/-)
As described in Book 2265, Pages 295 – 296.

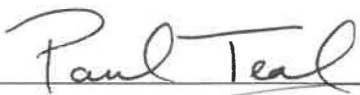
WHEREAS the Board of Directors of the Clifton Water District has determined these parcels to be 'excess' real property, not factoring into future land use plans of the District and;

WHEREAS said parcels are desired for use by another Special District of the State of Colorado and;

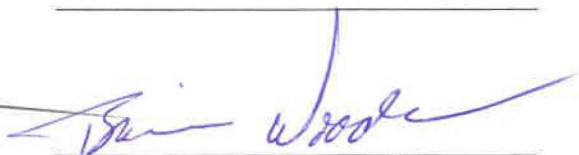
WHEREAS said other Special District of the State of Colorado has offered a contract to purchase said parcels for a price deemed 'fair and reasonable' by the District;

NOW THEREFORE BE IT RESOLVED that the Clifton Water District Board of Directors approve the sale of the real property of the Clifton Water District, as described above, as per the terms and conditions of the Contract to Buy and Sell Real Estate, dated March 11, 2004.

ATTEST:


Secretary







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

April 1, 2004

Present were Vice-Chairman Rupp, Secretary Teal, Assistant Secretary Woods and Treasurer Cook. Chairman Ballagh had an excused absence. Staff present included Dale Tooker, David Reinertsen, Dave Payne, Lori Cosslett and Carrie Restivo.

At 5:03 p.m., Vice-Chairman Rupp called the Regular meeting to order.

MINUTES OF MARCH 4, 2004 - Director Teal moved to accept the minutes of the March 4, 2004 Board Meeting. Director Woods seconded the motion, which passed unanimously.

MINUTES OF MARCH 11, 2004 – Director Teal moved to accept the minutes of the March 11, 2004 Board Meeting. Director Woods seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE – Director Teal moved to approve expenditures of \$68,577.19 plus \$162,243.27 on the supplemental statement for a total of \$230,820.46. Director Woods seconded the motion, which passed unanimously.

STAFF REPORTS – Manager Tooker presented a report on Project Management Training (*file 4/1/04 and Staff Reports 2004*), that outlined the courses that he will be attending in April and May, 2004.

Manager Tooker presented a Water Revenue Comparison Report (*file 4/1/04*). Manager Tooker stated that he will start putting this report in the Manager's Report on a quarterly basis.

Manager Tooker presented a Capital Expenditures Summary (*file 4/1/04*) for February 6, 2004 and April 1, 2004.

Assistant Manager Reinertsen presented additional information for the March 2004 Staff Report addressing the Pipeline Construction Crew Activity, January through December 2003 (*file 4/1/04 and Staff Reports 2004*).

EXPRESS AGENDA – The Directors reviewed the Express Agenda and accepted the following items as presented:

Middle Water Storage Tank, Project 2002-01 – Ellsworth Paulson has submitted a schedule for completing the remaining contract items and repairs. The schedule identifies site mobilization on April 5, 2004 and completion of all contract work by May 14, 2004.

Plant Optimization, Phase I, Project 2002-03 – The Contractor, Moltz Construction, Inc. is in the process of submitting contract documents for approval by the Engineer. Site mobilization is scheduled to commence immediately after completion of the Pre-Construction Conference, April 5, 2004.

Plant Optimization, Phase II, Project 2003-03 – Design and construction oversight Contract Agreement is in final stages of approval and acceptance by representatives of Burns & McDonnell Engineering Company.

Minutes
Page 2
April 1, 2004

2004 Election Update – The election is set for May 4, 2004. The ballot order for the two four-year term positions is Brian Woods, Martin Garber, A.L. (Al) Davidson and Perry Rupp, and the one two-year position is Randy L. Cook.

Drought Response Plan – Meetings between the Clifton, the City of Grand Junction, Ute Water and The Town of Palisade concerning the Drought Response Plan have continued. A Drought Response Information Program (DRIP) was formed last year. The DRIP Committee is moving forward on a number of press releases and Public Service Announcements in an effort to inform the public concerning water conservation efforts. A Press Conference with all of the utilities is also scheduled at the Children's Water Festival in April to kick off the informational campaign.

North Raw Water Settling Pond, Project 2004-01 – Contract language modifications and negotiations continue with Boyle Engineering, Inc.

Whitewater Service Area Engineering Study – Representatives of Schmueser, Gordon, and Meyer of Glenwood Springs have completed their document reviews and site visits needed to perform initial infrastructure evaluations of existing and future needs for the Whitewater Service Area. The evaluations are to be complete by the end of April with Board presentation of the results at the regular May Board Meeting.

BELL/SPANGLER TAP CREDIT – Manager Tooker informed the Board that Mr. Spangler purchased six taps and applied the total tap credit. Manager Tooker received confirmation from Don Bell that this application of the outstanding tap credit was acceptable. With this action, there are no remaining tap credits associated with the Bell/Spangler Orchard Mesa property.

CENTRAL GRAND VALLEY SANITATION REQUEST, 31 ROAD/WARREN CLEANUP – Manager Tooker reviewed the letter received from Attorney Larry Beckner (*file 4-01-04*) that summarized the past clean-up activities as well as proposed additional clean-up of the Warren property. Manager Tooker identified the District had previously contributed \$17,000 with an indemnification clause regarding future claims. Several options were presented regarding further participation. It was the consensus of the Board to have Manager Tooker seek legal advice from District counsel regarding this matter and report back to the Board.

VULNERABILITY ASSESSMENT – Assistant Manager Reinertsen reported that Pinkerton Consulting and Investigations has been retained to perform the EPA required Vulnerability Assessment for the District. Information only, no Board action required at this time.

CLIFTON WATER DISTRICT FACILITY TOURS – Director Woods had requested Staff to evaluate the District's post-911 procedures regarding facility tours. After evaluation, Staff recommended continuation of the District procedures to not allow facility tours. Director Teal moved to allow facility educational tours for middle school age children and below as long as the Department of Homeland Security advisory was yellow or below. Director Woods seconded the motion, which passed, 3 – 1. Staff was directed to establish new District protocols to accommodate this action of the Board.

ORCHARD MESA PROPERTY – Manager Tooker informed the Board that the closing for the sale of the District’s Orchard Mesa Property took place on Monday, March 29, 2004. Information only, no Board action required.

CONSTRUCTION PROJECT COORDINATOR SEARCH – Manager Tooker reported on the status of the search for a Construction Project Coordinator for the District’s capital construction projects. Information only, no Board action required at this time.

DRAFT 2003 AUDIT FROM MARY BRENES, CPA – A draft copy of the 2003 Audit (*file 4/01/04*) was presented to the Board for review. Mary Brenes, CPA will present the final 2003 Audit at the May 6, 2004 Board Meeting. Information only, no Board action required.

COMPENSATION FOR ELECTION JUDGES – Director Teal moved to accept Staff’s recommendation for the Election Judge compensation at \$10 per hour and \$5 per hour for the student judge. Director Cook seconded the motion, which passed unanimously.

LONG PARK STATUS – Staff identified to the Board that the area being developed as Long Park by Mesa County (adjacent Central High School) is an Out-of-District parcel and that Staff is expecting to receive an inclusion request from Mesa County. Information only, no Board action required at this time.

EXECUTIVE SESSION – At 7:15 p.m., Director Teal moved to enter into Executive Session to discuss “personnel matters” 24-6-402 (4)(f) C.R.S. Director Woods seconded the motion, which passed unanimously.

At 7:45 p.m., Director Teal moved to exit Executive Session. Director Woods seconded the motion, which passed unanimously.

Director Woods moved to increase the Manager’s wage 4.5% to \$71,582.50, retroactive to September 4, 2003, with the retroactive amount being paid in one lump sum. Director Teal seconded the motion which passed unanimously.

The meeting was adjourned by mutual consent at 7:55 p.m.


ATTEST:

-- Excused --

John L. Ballagh

Perry V. Rupp

Randy Cook



Paul Teal



Brian Woods

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

May 6, 2004

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal, Assistant Secretary Woods and Treasurer Cook. Staff present included Dale Tooker, David Reinertsen, Dave Payne, Lori Cosslett and Carrie Restivo. Present as guests were Mary Brenes, Paul Fischer, Lee Lindeen, John Whiting and Ed Hokenson.

At 5:02 p.m., Chairman Ballagh called the Regular meeting to order.

OATH OF NEW DIRECTORS – Chairman Ballagh administered the Oath of Office to Brian Woods and Perry Rupp for Directors of the Board of the Clifton Water District for terms of four years each and to Randy Cook for Director of the Board of the Clifton Water District for a term of two years. Directors Woods, Rupp and Cook signed the appropriate “Oath of Office” forms (*Oath of Office, Election 2004 and file 5/6/04*) for submittal to the proper government agencies.

At 5:03 p.m., Mary Brenes, CPA presented the District’s 2003 Audit (*2003 Audit and file 5/4/04*) to the Board of Directors. Ms. Brenes exited the meeting at 5:37 p.m.

At 5:38 p.m., Paul Fischer and Lee Lindeen with Burns & McDonnell presented design options that have been developed concerning the Phase II Treatment Plant Optimization Project. Mr. Fischer and Mr. Lindeen exited the meeting at 6:22 p.m.

At 6:27 p.m., Ed Hokenson and John Whiting with Hidden Valley Water Company presented a letter and spreadsheet (*Hidden Valley Water Company and file 5/6/04*) concerning projected tap fee allocations for Board discussion and review. It was Board consensus that Staff evaluate the presented data and report back to the Board at a future meeting. Mr. Whiting and Mr. Hokenson exited the meeting at 6:45 p.m.

MINUTES OF APRIL 1, 2004 - Director Teal moved to accept the minutes of the April 1, 2004 Board Meeting. Director Rupp seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE – Director Teal moved to approve expenditures of \$79,309.72 plus \$147,941.61 on the supplemental statement for a total of \$227,251.33. Director Woods seconded the motion, which passed unanimously.

STAFF REPORTS – Dave Payne, Water Treatment Plant Supervisor discussed the 2003 Water Treatment Goal Analysis (*file 5/6/04*) which was included in the Board packet.

Assistant Manager Reinertsen passed out a Staff Report on the May 4, 2004 Clifton Water District Regular Election Results (*Staff Reports and file 5/6/04*).

Minutes

Page 2

May 6, 2004

EXPRESS AGENDA -- The Directors reviewed the Express Agenda and accepted the following items as presented:

31 ½ and F ½ Road Project – The cooperative upgrade project between the Clifton Water District and the Clifton Sanitation District No. 2 is complete. Information regarding this project is included as a Staff Report in the Board packet.

Unidirectional Flushing Program – District Staff will be performing the annual system flushing program beginning April 26, 2004. Included in the Board Packet is a Press Release concerning the program.

Project Manager Search – Staff has advertised in the Daily Sentinel for a Project Manager and will be interviewing candidates the first week of May 2004.

Optimization Phase I Disinfection – Moltz Construction, the contractor for the project, has mobilized and has performed site preparation, excavation and initial concrete for the building.

Drought Response - The Drought Response Information Program (DRIP) has finalized the wording of the first Public Service Announcement (PSA) to be released in May and June. This PSA will feature Mesa County Commissioner Tillie Bishop as the spokesperson introducing the efforts the Grand Valley water providers are taking regarding local drought issues and concerns. There will be a joint press release issued in conjunction with the Children's Water Festival in May. Public awareness and education regarding the adopted Drought Response Plan are being planned for issuance throughout the summer and fall.

2004 SDA Regional Workshop - Included in the Board Packet is a brochure concerning the SDA's Regional Workshops. Contact Lori Cosslett for registration.

31 Road Project – Information has been given to the District's legal counsel concerning the request made from Central Grand Valley Sanitation and their attorney Larry Beckner. Staff is expecting legal response to be presented at the June 3, 2004 meeting.

2003 AUDIT – Mary Brenes, CPA, had presented the 2003 District Audit to the Board earlier in the meeting. Director Teal moved that the Clifton Water District Board of Directors accept the 2003 District Audit as presented. Director Cook seconded the motion, which passed unanimously.

RATIFY TELEPHONE POLL APPROVING ENGINEERING CONTRACT FOR WATER TREATMENT OPTIMIZATION PHASE II – Manager Tooker had conducted a telephone poll of the Board on April 5, 2004, regarding the engineering services for Water Treatment Optimization Phase II activities. Director Teal moved to ratify the telephone poll approving the Engineering Contract with Burns & McDonnell for Phase II of the Water Treatment Plant Optimization Project. Director Woods seconded the motion, which passed unanimously. It was Board consensus that business items of this magnitude not be telephone polled for approval, these items require addressing at the next Regular Board meeting as action items.

WATER TREATMENT PLANT PHASE II OPTIONS – Based on the earlier presentation by representatives of Burns & McDonnell, it was the consensus of the Board to hold a Special Meeting on Thursday, May 27, 2004, at 5:00 pm to further discuss the design options presented.

PROJECT 2002-01, FINISHED WATER STORAGE TANK PROJECT ADVERTISE FOR FINAL PAYMENT – Based on Staff recommendations, it was the consensus of the Board to table this item until the June 3rd Board of Directors meeting.

HIDDEN VALLEY WATER COMPANY PROPOSAL – Based on the earlier presentation, it was the consensus of the Board to discuss this item further at a future Board Meeting after Staff has completed an evaluation of the submitted proposal.

UTILITY BILLING SOFTWARE – Manager Tooker presented a Staff Report pertaining to the status of the District's utility billing software (*Staff Reports and file 5/6/04*). Director Woods moved to defer the recommendation to purchase the Caselle, Inc. Billing and Financial System Package at this time. Director Teal seconded the motion, which passed unanimously.

DIRECTORS OATH OF OFFICE – The Director's Oath of Office was performed at the beginning of the meeting as the Directors up for election on May 4, 2004, were all retained.

REORGANIZATION OF THE BOARD – It was the consensus of the Board to continue the Board organization is the same configuration: John L. Ballagh, Chairman; Perry V. Rupp, Vice Chairman; Paul Teal, Secretary; Brian Woods, Assistant Secretary; and, Randy Cook, Treasurer.

SIGNATURE CARDS – Staff contacted both Palisades National Bank and Alpine Bank, Clifton branch, regarding the need for new signature cards for re-elected Board members. Both institutions indicated that new cards were not required for re-elected Board members.

INSURANCE RENEWAL, HOME LOAN – No information present, item deferred to the June 3rd Regular Board Meeting.

PALISADES NATIONAL BANK WIRE TRANSFER AGREEMENT – Staff presented a new Palisades National Bank Wire Transfer Agreement (*Palisades National Bank Agreements and file 5/6/04*) for Board review and approval. Director Teal moved to approve the new Palisades National Bank Wire Transfer Agreement. Director Rupp seconded the motion, which passed unanimously.

WHITEWATER, DESERT ROAD PUMP STATION EVALUATION – Assistant Manager Reinertsen presented a Staff Report titled Desert Road Booster Pump Station Evaluation (*Staff Reports and file 5/6/04*). The evaluation was performed by Schmueser, Gordon, Meyer, Inc. from Glenwood Springs, CO. Information only, no Board action required.

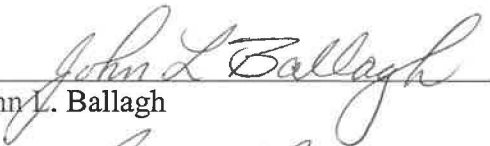
WHITEWATER FIRE PROTECTION ISSUES – Manager Tooker presented a Staff Report regarding above-ground flushing hydrants for new developments in the Whitewater Area (*file 5/6/04 and Staff Reports*). Information only, no Board action taken at this time.

GVICo WATER SHARES – Manager Tooker presented a Staff Report regarding purchase of GVICo Water Shares (*Staff Reports and file 5/6/04*). It was Board consensus to have Staff explore the private tax incentives available for contribution of water shares to the District.

IRS AUDIT OF 2001 MONEY PURCHASE PLAN – On May 13, 2004 the Internal Revenue Service will perform an on-site audit of the District’s Money Purchase Plan (Retirement Account) for 2001. Information only, no Board action required at this time.

The meeting was adjourned by mutual consent at 8:37 p.m.

ATTEST:



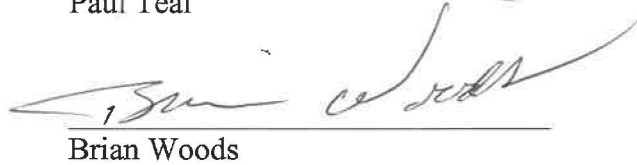
John L. Ballagh



Paul Teal



Perry V. Rupp



Brian Woods



Randy Cook

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

May 27, 2004

Present were Chairman Ballagh, Secretary Teal, Assistant Secretary Woods and Treasurer Cook. Staff present included Dale Tooker, David Reinertsen, Dave Payne and Lori Cosslett. Vice-Chairman Rupp had an excused absence. Present as guests were Paul Fischer and Darren Brickman from Burns & McDonnell Engineering.

At 5:00 p.m., Chairman Ballagh called the Special Planning meeting to order.

The Board of Directors and Staff toured the construction site for the Phase I of the Plant Optimization.

At 5:45 p.m., Paul Fischer with Burns & McDonnell presented two sets of drawings (*file 5/27/04 and project file*) that showed two different design options for the Phase II Treatment Plant Optimization Project. Manager Tooker presented updated information regarding the Clifton Water District's Supply and Demand (*file 5/27/04*), a Staff Report on CASWTP Plant Optimization Phase II Project 2002-03 (*file 5/27/04 and Staff Reports*) and the updated Major Capital Improvement Plan Summary (*file 5/27/04*).

Director Cook moved that Burns & McDonnell Engineering proceed with the design of a 16 million gallon per day (MGD) water treatment facility with equipment for 16 MGD, with the estimated construction cost of \$4.8 million to reflect the identified design cost savings of \$379,000 which includes contingency reduction to 5%, metal sided building construction, and installation of one pre-treatment chemical storage tank. Director Teal seconded the motion which passed unanimously.

Mr. Fischer and Mr. Brickman exited the meeting at 6:50 p.m.

Assistant Manager Reinertsen updated the Board on the activities of the Drought Response Information Project (DRIP). The DRIP Project had the initial kickoff press conference on May 27, 2004 with the District represented by several staff members and Director Teal. The Board viewed the television Public Service Announcement that was developed for the DRIP Project with Mesa County Commissioner Bishop serving as the spokesperson.


Manager Tooker presented a Plant Investment Fee Cost of Service analysis for the Whitewater service area, a Current Period Evaluation of Whitewater Capital Expenses, and a graph showing a District-wide Average Use Comparison for 2003 (*file 5/27/04 and Staff Reports*). Based on the evaluation, it was the consensus of the Board to leave the Out-of-District Plant Investment Fee at 150% of the In-District rate as identified by motion on January 16, 2004.

Minutes
Page 2
May 27, 2004

Manager Tooker informed the Board of recent discussions with Mr. Darren Davidson regarding tap fees and the June 1, 2004 fee increase deadline. Information only, no Board action required at this time.

The meeting was adjourned by mutual consent at 8:04 p.m.

ATTEST:



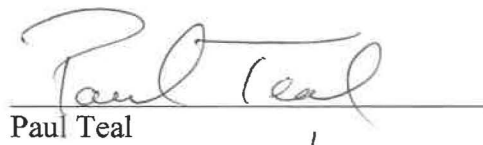
John L. Ballagh

Excused

Perry V. Rupp



Randy Cook



Paul Teal



Brian Woods

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

June 3, 2004

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal, and Treasurer Cook. Director Woods had an excused absence. Staff present included Dale Tooker, David Reinertsen, Dave Payne, Lori Cosslett and Carrie Restivo. Present as guest was Jamie Hamilton with Home Loan & Investment Company.

At 5:00 p.m., Chairman Ballagh called the Regular meeting to order.

Jamie Hamilton presented information concerning the District's liability insurance policy for the next policy year (*file 6/3/04 and Home Loan File*). Mr. Hamilton exited the meeting at 5:15 p.m.

MINUTES OF MAY 6, 2004 - Director Teal moved to accept the minutes of the May 6, 2004 Board Meeting with corrections. Director Cook seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE – Director Teal moved to approve expenditures of \$85,369.73 plus \$109,591.42 on the supplemental statement for a total of \$194,961.15. Director Rupp seconded the motion, which passed unanimously.

STAFF REPORTS – No Staff Reports were presented at this meeting.

EXPRESS AGENDA – The Directors reviewed the Express Agenda and accepted the following items as presented:

Middle Water Storage Tank, Project 2002-01 – The Contractor has completed 90% of the 'punch-list' items required for final completion. Contractor anticipates completion of all 'punch-list' items by June 15, 2004.

Plant Optimization Phase I, Project 2002-03 – The Contractor, Moltz Construction, Inc. has completed installation of the concrete floor with concrete retaining walls scheduled for completion by June 4, 2004. Block wall construction is scheduled to commence the week of June 7th. At present the project is approximately one week behind schedule with schedule recover anticipated by July barring specialty equipment deliver delays.

Plant Optimization Phase II, Project 2002-03 - Burns and McDonnell is proceeding with design of Phase II after direction received at the Board of Director's Special Planning Meeting, held May 27, 2004.

Water Wise Letters – Included in the Board packet are few selected letters from students from Dos Rios Elementary School thanking the Clifton Water District for the Water Wise kits.

Consumer Confidence Reports – The District's annual Water Quality Report (Consumer Confidence Report) will be sent to all District customers this June.

Vulnerability Assessment, SCADA Audit – A representative from SNS, the firm performing the SCADA audit portion of the Vulnerability Assessment for Pinkerton Investigation Services, completed the audit on May 25, 2004. Based on the audit, the District's SCADA system is in strict compliance

Minutes

Page 2

June 3, 2004

with recommended security safeguards. Security deficiencies were noted in the District's central server network and are being addressed by staff with support from SNS.

Annual Fire Department Facility Inspection – Personnel from the Clifton Fire District performed the 2004 annual facility inspection. The three minor deficiencies identified were immediately addressed and not documented as 'formal' action items.

3rd Party Chlorine Review Audit – Representative from the City of Grand Junction performed a 3rd Party Chlorine Review Audit on May 26, 2004. This system audit is a required component of the EPA's Risk Management Plan (RMP). The audit is required every three years. The District will perform the audit again this fall after the Plant Optimization Phase I construction project is completed and on-line.

IRS Audit of 2001 Retirement Plan – The IRS Audit was completed and the District's Retirement Plan and Program was given a clean audit determination from the IRS with an insignificant reporting error on the part of the Third Party Administrator identified. No corrective action or reporting is required. The Audit has been closed.

INSURANCE PROPOSAL, HOME LOAN & INVESTMENT COMPANY – Director Teal moved to transfer \$1,255 from Contingency to the General and Administrative Insurance and Bonds budget line item. Director Cook seconded the motion which passed unanimously. Director Cook moved to accept the proposal from Home Loan & Investment Company for the District's liability insurance renewal. Director Teal seconded the motion, which passed unanimously.

PROJECT 2002-01 FINISHED WATER STORAGE TANK PROJECT ADVERTISE FOR FINAL PAYMENT – Staff removed this item from the agenda as the contractor has not completed all work as planned.

31 ROAD PROJECT, WARREN PROPERTY – The Board reviewed the May 10, 2004 confidential letter (*file 6/3/04 and 31 Road Project*) from Mr. Larry Beckner, legal counsel for Central Grand Valley Sanitation District. The letter presented the ongoing issues regarding the Warren property and the 31 Road Project. Manager Tooker reported that he has spoken with legal counsel regarding the letter. It was Board consensus to have Staff acknowledge receipt of the letter via an inquiry response.

MESA COUNTY PETITION FOR INCLUSION OF 3113 AND 3117 F ROAD, AS RECORDED IN BOOK 3114 PAGE 262 OF THE MESA COUNTY CLERK AND RECORDER 07/17/02 – Manager Tooker reviewed the District map and Inclusion Petition Request from Mesa County for the Long Memorial Park parcel (*file 6/3/04 and Long Property/Mesa County Inclusion*). This parcel is located between F and E ½ Roads adjacent the west side of Central High School and had never been included into the District's service boundaries. Director Teal moved to proceed with the In-District inclusion for the Mesa County property known as 3113 and 3117 F Road, which consists of four separate parcels (Tax Schedule ID 2943-102-00-075, 2943-102-00-015, 2943-102-00-076, 2943-102-00-021) and to schedule a Public Meeting at the next Regular Board meeting to hear the petition from Mesa County. Director Cook seconded the motion, which passed unanimously.


RETIREMENT PROGRAM INFORMATION COMMITTEE – Manager Tooker requested that a Board member participate in a Retirement Program Information Committee with five other District employees to receive, review and disseminate information concerning the District’s Retirement Program. Director Rupp was designated as the Board representative for this Committee.

OTHER BUSINESS – Manager Tooker presented information regarding a request by Mrs. Bailey of 416 Lark Court. She has requested relief from her recent water bill claiming her water meter is inaccurate. Director Teal moved to replace the water meter at 416 Lark Court, and give holiday to the May 7, 2004 water bill in excess of the minimum charge, as long as this type of usage does not happen again within the next 36 months, and if it does, the charge granted by this holiday be reinstated along with current usage at that time. Director Cook seconded the motion, which passed unanimously.

Assistant Manager Reinertsen received clarification from the State of Colorado’s Division of Local Affairs regarding the results of the District’s term limit ballot question. The term limit change approved by the electorate affects the term limit requirements for current and future Directors in that they may now serve up to three consecutive four-year terms. The previous two-term limit affected only those Directors whose term would have been limited as of the May 4, 2004 election.

The meeting was adjourned by mutual consent at 6:27 p.m.

ATTEST:



John V. Ballagh



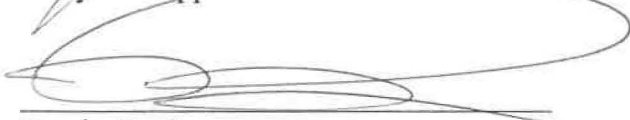
Paul Teal

Excused



Perry V. Rupp

Brian Woods



Randy Cook

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

July 1, 2004

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal, and Assistant Secretary Woods. Director Cook had an excused absence. Staff present included Dale Tooker, David Reinertsen, and Carrie Restivo. Present as a guest was Greg Linza of Mesa County Parks and Rec Department.

At 5:00 p.m., Chairman Ballagh opened the Public Hearing to consider the Petition of Inclusion submitted by Mesa County, noting that the time and place for said hearing was published in accordance with C.R.S. 29-1-106 *et. seq.* Having not received written comments regarding the request for inclusion of property into the District's service boundaries, Chairman Ballagh closed the Public Hearing at 5:01 p.m. and called the Regular Meeting to order.

Director Woods moved to adopt the following Resolution to include property owned by Mesa County into the service boundaries of the Clifton Water District: Director Teal seconded the motion which passed unanimously. Mr. Linza exited the meeting at 5:05 p.m.

RESOLUTION TO INCLUDE MESA COUNTY PROPERTY

WHEREAS on May 28, 2004 the County of Mesa, A Political Subdivision of the State of Colorado Petitioned the Clifton Water District Board of Directors to include property within the boundaries of the Clifton Water District generally described as:

Recorded in Book 3114 Page 262 of the Mesa County Clerk and Recorder on July 17, 2002 more particularly described as follows:

PARCEL NO. 1 – Tax Schedule No. 2943-102-00-021 (new tax schedule no. 2943-102-00-932)
The E ½ SW ¼ NW ¼ of Section 10, Township 1 South, Range 1 East U.M.

PARCEL NO. 2 – Tax Schedule No. 2943-102-00-076 (new tax schedule no. 2943-102-00-934) S
¼ E ½ NW ¼ NW ¼ of Section 10, Township 1 South, Range 1 East U.M.

PARCEL NO. 3 – Tax Schedule No. 2943-102-00-015 (new tax schedule no. 2943-102-00-931)
North ¾ E ½ NW ¼ NW ¼ of Section 10, Township 1 South, Range 1 East U.M. EXCEPT
Beginning at a point 656.25 feet East of the Northwest corner of said Section 10, thence running
East 80 feet, thence South 228 feet, thence West 80 feet, thence North 228 feet to the point of
beginning.

PARCEL NO. 4 – Tax Schedule No. 2943-102-00-075 (new tax schedule no. 2943-102-00-933)
Beginning at a point 656.25 feet East of the Northwest corner of Section 10, Township 1 South,
Range 1 East of the U.M. thence East 80 feet, thence South 228 feet, thence West 80 feet, thence
North 228 feet to the point of beginning.

Also described as: The E ½ NW ¼ NW ¼ EXCEPT the North 50 feet conveyed to the County of
Mesa by deeds recorded on January 26, 1983 in Book 1412, at pages 163 and 164; AND the E ½
SW ¼ NW ¼ EXCEPT tract conveyed to the County of Mesa by deed recorded August 15, 1995
in Book 2164 at page 992, All in Section 10, Township 1 South, Range 1 East of the Ute
Meridian.

WHEREAS the Board of Directors of the Clifton Water District has determined that it is in the
District's best interest to include the stated property within the District's boundaries; and

Minutes
Page 2
July 1, 2004

WHEREAS the District wishes to reaffirm the inclusion of all of the identified parcels within the District's boundaries.

NOW THEREFORE BE IT RESOLVED that the Clifton Water District Board of Directors approve the inclusion of the said property as described above, adopt the Order dated July 1, 2004 and authorize the Secretary and President of the Board to sign the Certificate of Inclusion and Order dated July 1, 2004.

MINUTES OF MAY 27, 2004 - Director Teal moved to accept the minutes of the May 27, 2004 Special Planning Meeting. Director Rupp seconded the motion, which passed unanimously.

MINUTES OF JUNE 3, 2004 - Director Teal moved to accept the minutes of the June 3, 2004 Board Meeting with corrections. Director Rupp seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE – Director Teal moved to approve expenditures of \$138,608.18 plus \$192,362.36 on the supplemental statement, for a total of \$330,970.54. Director Rupp seconded the motion, which passed unanimously.

STAFF REPORTS – Manager Tooker presented a Staff Report providing historical information regarding selenium data as it relates to the District's treatment plant operations. No Board action required.

EXPRESS AGENDA – The Directors reviewed the Express Agenda and accepted the following items as presented:

Middle Water Storage Tank, Project 2002-01 – The Contractor, Elsworth Paulson, continues to experience material delivery problems with the cathodic protection subcontractor. Final material delivery and accompanying installation is scheduled for the week of July 19, 2004.

Plant Optimization Phase I, Project 2002-03 – The Contractor, Moltz Construction, Inc. has commenced construction of the interior and exterior block walls. Chemical tanks are scheduled for delivery and placement of the week of June 28, 2004 with concrete "T" roof structure scheduled for delivery and placement the week of July 5, 2004. At present the project is approximately one week behind schedule due to material delivery delays. Schedule recovery still anticipated by the end of July, barring specialty equipment delivery delays.

Plant Optimization Phase II, Project 2002-03 - Burns and McDonnell Engineering Company continues with the design of Phase II. A design progress review is scheduled for the week of July 26, 2004.

Policy Committee - Manager Tooker met with Chairman Ballagh for the initial meeting of the Policy Committee. Director Teal was absent and a future meeting will be scheduled.

Vulnerability Assessment - The District's mandated Vulnerability Assessment has been completed and was delivered to the Environmental Protection Agency (EPA) by June 30, 2004. Staff will present the findings of the final report at the Regular Board meeting in August.

Minutes
Page 3
July 1, 2004

Computer Network Security Evaluation - Representatives from SNS completed the District's network computer security audit and identified firewall upgrades. Staff has been provided the software tools and training to maintain the required levels of computer security identified during the original Vulnerability Assessment investigation.

Water Quality Report - By regulation, the Clifton Water District has prepared the 2003 Water Quality Report sending it to all District customers. The report is also available on the District's website.

Construction Project Coordinator - Because of the technical nature of the Plant Optimization Phase I Project, Manager Tooker has assigned Water Treatment Plant Superintendent Dave Payne to act as the Construction Project Coordinator for the Phase I Project. The Phase II candidate search is still ongoing.

Risk Management Plant (RMP) - Staff submitted the required five-year RMP update to the EPA by the June 21, 2004 due date. The RMP will be revised and resubmitted upon completion of the Plant Optimization Phase I Project.

Mainline Upgrade Project, G Road - The District's Pipeline Construction crew has completed the mainline upgrade project on G Road from 33 Road to 34 Road. Completion of this upgrade project has eliminated all previous customer service connections to the 16" transmission line running from the treatment plant to the storage tanks north of I-70. This upgrade project included installation of a new crossing (beneath) the Highline Canal on 34 Road.

North Raw Water Settling Pond Design, Project 2003-04 – Staff requested Board approval to negotiate a contract with Boyle Engineering to change the scope of services from design, specifications, and construction oversight to just design and construction specifications. Director Teal moved to have staff enter into contract negotiations for the design and construction specification portion of Project 2003-04, North Raw Water Settling Pond. Director Rupp seconded the motion which passed unanimously.

Lincoln National Retirement Account Authorization Signatures – Director Woods moved to adopt the following Resolution that identifies Chairman Ballagh, Manager Tooker, and Accountant Restivo as authorized signatories for the District's Money Purchase Plan and the District's 457 Plan: Director Teal seconded the motion which passed unanimously.

**RESOLUTION IDENTIFYING SIGNATURE AUTHORITY
FOR THE DISTRICT'S MONEY PURCHASE PENSION TRUST AND 457
DEFERED COMPENSATION PLANS**

WHEREAS a meeting of the Board of Directors of the Clifton Water District Acting By and Through It's Water Activity Enterprise, herein referenced to as "District," was held on the 1st day of July, 2004; and

Minutes
Page 4
July 1, 2004

WHEREAS the Directors have determined that efficient management of the District's retirement programs is critical to the success of the plans; and

WHEREAS the Directors authorize Board President John L. Ballagh, Manager, Dale Tooker and Accountant, Carrie Restivo to perform day-to-day management and to have signature authority for the District's Money Purchase Pension Trust and the 457 Deferred Compensation Plan; and

WHEREAS the assignment of the stated individuals replace any and all previous authorized signatures.

NOW THEREFORE BE IT RESOLVED that the Clifton Water District Board of Directors authorize the signature powers of the individuals stated above dated July 1, 2004.

Shoshone Call/River District/City and County of Denver – The Board discussed a confidential report from the Colorado River Water Conservation District regarding the Shoshone Power Plant water concerns. Mr. Eric Kuhn, General Manager of the Colorado River Water Conservation District, will attend the next scheduled Regular Board Meeting (August 5, 2004) to address the Board regarding Shoshone Call issues and concerns. No Board action required.

Xcel Energy Charges and Rate Changes - Staff presented a Staff Report concerning new charges and billing requirements imposed by Xcel Energy on the District. No Board action required.

2005 Budget Committee – It was the consensus of the Board for Directors Teal and Woods serve on the District's 2005 Budget Committee.

Benefit Committee – It was the consensus of the Board for Directors Ballagh and Cook serve on the District's Benefit Committee.

SDA Workshop Debriefing – Chairman Ballagh, Directors Woods and Rupp along with Staff members Tooker and Reinertsen discussed pertinent points raised at the SDA Workshop. Information only, no Board action required.

AWWA Annual Conference Debriefing - Manager Tooker provided a review of the 2005 AWWA Annual Conference that he attended in June. The items he discussed are summarized in a Conference notebook available for review as requested. No Board action required.

Minutes
Page 4
July 1, 2004

Recapture Policy – It was Board consensus for Staff to develop a new District Policy addressing construction recapture agreements for future consideration by the Board.

The meeting was adjourned by mutual consent at 7:10 p.m.

ATTEST:



John L. Ballagh



Paul Teal



Perry V. Rupp



Brian Woods

Excused

Randy Cook

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

August 5, 2004

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal, Assistant Secretary Woods, and Treasurer Cook. Staff present included Dale Tooker, David Reinertsen, and Carrie Restivo. Present as a guest was Chris Johnson, of Capital Investment Counsel.

At 5:00 p.m., Chairman Ballagh called the Regular meeting to order.

Chris Johnson presented the current status of the District's Financial Portfolio (*file 8-5-04*). Mr. Johnson left the meeting at 5:10 p.m.

MINUTES OF JULY 1, 2004 - Director Teal moved to accept the minutes of the July 1, 2004 Board Meeting with corrections. Director Woods seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE – Director Teal moved to approve expenditures of \$67,326.43 plus \$353,628.63 on the supplemental statement, for a total of \$420,955.06. Director Rupp seconded the motion, which passed unanimously.

At 5:20 p.m., Eric Kuhn, of the Colorado River Water Conservation District, entered the meeting and presented "Science, Policy and Future Colorado River Compact Issues" to the Board and Staff (*file 8-5-04*). Mr. Kuhn exited the meeting at 6:25 p.m.

STAFF REPORTS – No Staff Reports were presented at this meeting.

EXPRESS AGENDA – The Directors reviewed the Express Agenda and accepted the following items as presented:

Plant Optimization Phase I, Project 2002-03 – The Contractor, Moltz Construction, Inc. has completed construction of the block walls and has begun interior painting and installation of interior piping systems. The overall project schedule is approximately 3 weeks behind schedule due to vendor delays with the scrubber unit. Project is approximately 40% cost complete.

Plant Optimization Phase II, Project 2002-03 - Representatives from Burns and McDonnell Engineering Company met with staff on July 13, to finalize location and configuration of the new Pre-Treatment facility. Subsurface soil borings were completed on July 22. The design package should be ready for in-house review by the end of August.

Benefits Committee – The Benefits Committee consisting of Chairman Ballagh, Director Cook and Manager Tooker met on July 12, 2004 and July 14, 2004 and discussed a number of information items concerning the direction of the District and the Employee Benefits Program.

Minutes
Page 2
August 5, 2004

Policy Committee – The Policy Committee consisting of Chairman Ballagh, Director Teal and Manager Tooker met on June 29, 2004 and July 19, 2004, reviewing a number of policies to be presented for Board consideration.

32 Road Upgrade Project, F Road to F ¼ Road – The District's pipeline construction crew has completed installation of a new 8" main line from F ¼ to south of F Road on 32 Road. This upgrade project was unplanned for FY 2004. This project was performed at this time due to a Mesa County Overlay Project along 32 Road. The mainline is in service with individual service connections to be complete by August 13, 2004. This new mainline will eliminate an undersize mainline that limited flows to the 32 Road & I-70 B Commercial Area.

Middle Water Storage Tank, Project 2002-01, Advertise for Final Payment - The Contractor, Ellsworth Paulson, has completed all final punch list items except for a replacement reference probe. The original probe was defective and the replacement has been ordered. The replacement probe is scheduled for delivery and installation by August 16. Final payment advertising will be requested at the September Board Meeting.

Rocky Mountain Section American Water Works Association Annual Conference – The Annual Conference will be held Sunday, September 12, 2004 through Wednesday, September 15, 2004 at the Adam's Mark Hotel. Board members interested in attending the conference should contact Manager Tooker.

DRIP Activities – The public awareness drought campaign continues with Staff involvement on radio, television, and newspaper coverage. Assistant Manager Reinertsen served on the discussion panel at the 1st Annual Grand Junction Water Conservation Seminar sponsored by the Colorado State University Extension, the Bureau of Reclamation, and the valley domestic and irrigation water providers.

Policy #40 Public Meetings Revision – Staff presented a revised Policy #40 (*District Policies and file 8-5-04*) which addresses District policy concerning Public Meetings. Director Teal moved to adopt the revised Policy #40 Public Meetings. Director Rupp seconded the motion which passed unanimously.

District Vulnerability Assessment – It was consensus of the Board for Staff to defer the discussion of the results of the District's Vulnerability Assessment until the next regular Board meeting, September 2, 2004.

Policy #45 Public Records/Official Custodian Designation - Staff presented a new Policy #45 (*District Policies and file 8-5-04*) addressing District policy concerning Public Records. Director Woods moved to adopt Policy #45 as corrected. Director Teal seconded the motion which passed unanimously.

Director Rupp moved to adopt the Designation of the Official Custodian of Records of the Clifton Water District Resolution. Director Cook seconded the motion which passed unanimously.

**RESOLUTION DESIGNATING THE OFFICIAL CUSTODIAN OF RECORDS OF THE
CLIFTON WATER DISTRICT
August 5, 2004**

WHEREAS pursuant to Section 32-1-1001(1)(h), C.R.S., the Board of Directors of the Clifton Water District ("District") is responsible for the management, control and supervision of all of the business affairs of the District; and

WHEREAS pursuant to Section 32-1-1001(1)(i), C.R.S., the Board of Directors of the District has the authority to appoint an agent; and

WHEREAS the Board of Directors of the District has determined that it is appropriate to designate an official custodian of the District's records for the protection of such records and in order to permit their inspection by persons entitled to examine and copy such records in an orderly fashion.

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

1. **Official Custodian.** The Secretary of the Board of Directors and officer of the District, is hereby designated as the Official Custodian responsible for the maintenance, care and keeping of all records of the District.
2. **Agents of the Official Custodian.** The Official Custodian shall have the authority to designate such agents as determined appropriate to perform any and all acts necessary to enforce and execute the provisions of this resolution.
3. **Inspection of Public Records.** All public records of the District shall be open for inspections at the times designated herein, unless prohibited by the provisions of Part 2 Title 24 Article 72 ("open Records Act") or policies adopted by the Board of Directors in conformance with the Open Records Act.
4. **Request for Inspection.** Request for inspection and copying of any public records of the District shall be made to the office of the appropriate Official Custodian in writing and shall set forth the particular documents or record desired to be inspected or copied. . If such document or record is available for inspection and copying, the Official Custodian will notify the applicant of the date, time and location where the material can be inspected or copied. If such public record is not available to the Official Custodian, the applicant shall be notified of this fact.
5. **Times for Inspection.** All public records of the District shall be open for inspection during regular office hours, Monday through Friday, except on holidays, at a time set by the Official Custodian for each request for inspection.

6. Copies, Print-outs or Photographs of Public Records. In a case where a person has the right to inspect a public record under the control of the Official Custodian and requests in writing that the District furnish copies, print-outs or photographs thereof, the Official Custodian shall notify the applicant if such record is available for copying and may furnish such copies, print-outs or photographs for a reasonable fee to be set by the Official Custodian, which shall not exceed One Dollar and Twenty-Five (\$1.25) per page unless the actual cost exceeds that amount, in which case the actual cost may be charged.
7. Exemptions. No person shall be permitted to inspect or copy any records of the District if, in the opinion of the Official Custodian after consultation with the District's general counsel, such inspection or copying would come within the prohibition of one or more exemptions set forth in the Open Records Act.

The foregoing Resolution was approved and adopted this 5th day of August 2004.

Hubbard Agreement – Manager Tooker presented a draft agreement (*Hubbard Commercial Project and file 8-5-04*) submitted by Mr. Lyman Hubbard for Board consideration regarding his proposed commercial development in Whitewater. After discussion, it was Board consensus for Manager Tooker to address District concerns with Mr. Hubbard's representatives and resubmit for consideration at a future date. No Board action taken at this time.

Domestic Water Provider Meeting – It was Board consensus for Manager Tooker to notify representatives from Ute Water Conservancy District and the City of Grand Junction that the Board is willing to participate in a Domestic Water Provider meeting but not during the originally scheduled week of September 26 due to schedule conflicts. Information only, no Board action required.

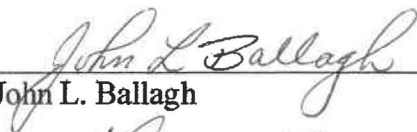
Rinderle Inclusion Request – Staff presented a Staff Report (*Springfield Ranches Subdivision and file 8-5-04*) addressing the formal service inclusion request of Mr. Gary Rinderle of Springfield Ranches LLC for a 96.8 acre parcel on Orchard Mesa, known as 152 32 Road. Director Woods moved to proceed with the In-District inclusion process for the property owned by Mr. Gary Rinderle of Springfield Ranches LLC known as 152 32 Road (Tax Schedule ID 2943-352-00-059) and to schedule a Public Meeting at the next regular Board meeting to hear the petition from Mr. Rinderle. Director Cook seconded the motion which passed unanimously.

Special District Association Annual Conference – Director Teal moved to nominate John Ballagh to run for the Special District Association's Board of Directors. Director Woods seconded the motion which passed unanimously.

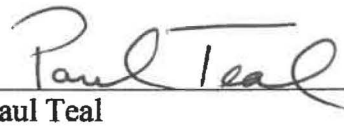
Temporary Disability Request – Manager Tooker presented a request (*file 8-5-04*) by staff member, Genevieve Muncaster, for consideration of Temporary Disability Leave as per the District Personnel Manual. Director Woods moved to grant Temporary Disability Leave for Genevieve Muncaster in accordance with the conditions of Section 12 of the District's Personnel Manual. Director Cook seconded the motion which passed unanimously.

The meeting was adjourned by mutual consent at 7:50 p.m.

ATTEST:



John L. Ballagh



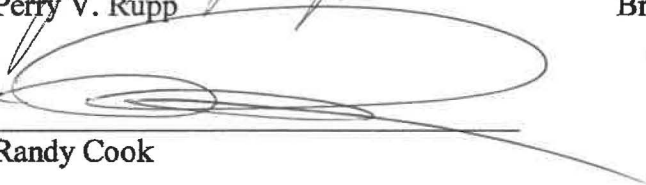
Paul Teal



Perry V. Rupp



Brian Woods



Randy Cook

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

September 2, 2004

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal, Treasurer Cook, and Assistant Secretary Woods. Staff present included David Reinertsen, David Payne, and Carrie Restivo. Present as a guest was Bob Engelke, representing Mr. Gary Rinderle, dba Springfield Ranches, LLC.

At 5:00 p.m., Chairman Ballagh opened the Public Hearing to consider the Petition of Inclusion submitted by Mr. Gary Rinderle, dba Springfield Ranches, LLC, noting that the time and place for said hearing was published in accordance with C.R.S. 29-1-106 et. seq. Having not received written comments regarding the request for inclusion of property into the District's service boundaries, Chairman Ballagh closed the Public Hearing at 5:01 p.m. and called the Regular Meeting to order.

Director Teal moved to include 152 32 Road as Recorded in Book 3649 Page 849 of the Mesa County Clerk and Recorder on May 10, 2004, into the In-District service boundaries of the Clifton Water District. Director Woods seconded the motion which passed unanimously. It was Board consensus for Staff to provide the Resolution for Inclusion at the next regular Board Meeting. Mr. Engelke exited the meeting at 5:15 p.m.

The Directors and Staff toured the Phase I Plant Optimization construction project site.

MINUTES OF AUGUST 5, 2004 - Director Teal moved to accept the minutes of the August 5, 2004 Board Meeting. Director Woods seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE – Director Teal moved to approve expenditures of \$104,689.79 plus \$239,197.24 on the supplemental statement, for a total of \$343,887.03. Director Woods seconded the motion, which passed unanimously.

STAFF REPORTS – Treatment Plant Supervisor Payne presented a Staff Report entitled "Future Utilities Outlook" (*Staff Reports and file 9-3-04*).

EXPRESS AGENDA – The Directors reviewed the Express Agenda and accepted the following items as presented:

Plant Optimization, Phase I, Project 2002-03 – The Contractor, Moltz Construction, Inc. continues electrical and piping system installation. Exterior concrete work is complete along with final exterior grading. Revised substantial completion date is September 30, 2004 with Final Completion planned for October 11, 2004. Project is approximately 70% complete.

Plant Optimization, Phase II, Project 2003-03 – Burns and McDonnell Engineering Company continues to work on the design package. In-house design review is scheduled for the middle of September.

Minutes

Page 2

September 2, 2004

RMSAWWA Operator of the Year Award—Carey Blount – Water treatment plant operator Carey Blount was nominated for the Ralph Leidholdt Operator Award. He will receive the Award at the RMSAWWA Awards Luncheon to be held on September 13th at the Adams Mark Hotel in Grand Junction. Board members are reminded to be at the Hotel by 11:15 am for the luncheon.

SDA Annual Conference – Directors Ballagh and Woods will represent the District at the SDA Annual Conference. The conference is scheduled for September 22 through 24, 2004 in Steamboat Springs.

32 Road Upgrade Project – The District's Pipeline Construction crew has completed installation of a new 8" main line from F ¼ to south of F Road on 32 Road. All affected residential customers have been connected to the new line. This upgraded mainline eliminated an undersized mainline that limited flows to the 32 Road & I-70 B Commercial Area.

30 Road Upgrade Project – The mainline upgrade design for 30 Road from F to F ½ Roads has been completed. Permits have been issued by both the City of Grand Junction and Mesa County. The District's Pipeline Construction crew is scheduled to commence work in mid-September. This line will be 10" and will replace an existing, undersized 3" mainline.

Desert Road Booster Pump Station – Upgrade Design – Schmueser, Gordon, and Meyer has submitted a proposal to design the pump station upgrades identified in the Whitewater Service Area Engineering Study that was completed in April 2004. This design will provide the identified capacity upgrades needed to assure sufficient delivery to the existing service commitments south of the pump station. Design is to be completed by the end of September, with modifications being completed by November 2004.

Middle Water Storage Tank, Project 2002-01 – Director Teal moved to authorize Staff to advertise for final payment to Ellsworth-Paulson Construction Company for the Middle Water Storage Tank, Project 2002-01. Director Woods seconded the motion which passed unanimously.

Domestic Water Provider Meeting – The Domestic Water Provider Meeting has been scheduled for Wednesday, September 30, 2004 at Canyon View Park. Information only, no Board action required at this time.

Mt. Garfield Outdoor Classroom, 2004 Schedule - Staff presented a letter from Mr. Patrick Steele of Mt. Garfield Middle School identifying that the use of the Outdoor Classroom will be very limited during the 2004/2005 school year. It was Board consensus to have representatives of Mt. Garfield Middle School address the Board with a formal program request prior to use by the students during the 2004/2005 school year.

Western Colorado Waters Inc. – Director Woods moved to have the District become a Charter Member of the Western Colorado Waters, Inc. organization and authorized payment of the \$100 charter membership fee. Director Teal seconded the motion which passed unanimously.

Minutes
Page 3
September 2, 2004

Special District Association – Annual Business Meeting – It was Board consensus for Director Woods to represent the Clifton Water District at the Special District Association’s Annual Business Meeting scheduled for September 23, 2004 in Steamboat Springs, CO.

Manager Designated to Prepare 2005 District Budget – Director Cook moved to designate Manager Tooker to prepare the District’s 2005 Budget. Director Teal seconded the motion which passed unanimously.

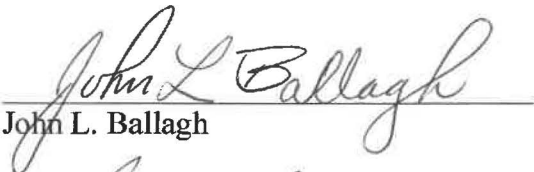
At 6:51 p.m., Director Teal moved to enter Executive Session for the purpose of discussing “Specialized details of security arrangements or investigations” (24-6-402(4)(d) C.R.S.) and to discuss “Personnel matters” (24-6-402(4)(f) C.R.S.). Director Woods seconded the motion which passed unanimously.

Staff members Payne, Reinertsen, and Restivo exited the Executive Session at 7:10 p.m.

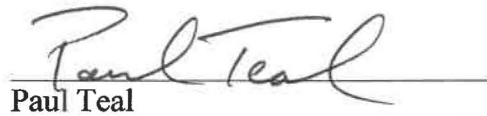
Director Teal moved to exit the Executive Session at 7:43 p.m. Director Woods seconded the motion which passed unanimously.

At 7:45 p.m., Director Teal moved to adjourn the Regular Meeting. Director Woods seconded the motion which passed unanimously.

ATTEST:



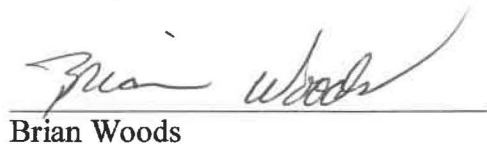
John L. Ballagh



Paul Teal



Perry V. Rupp



Brian Woods



Randy Cook

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

October 7, 2004

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal, and Treasurer Cook. Assistant Secretary Woods had an excused absence. Staff present included Dale Tooker, David Reinertsen, Carrie Restivo, and Amanda Crysler.

At 5:00 p.m., Chairman Ballagh called the Regular Meeting to order.

MINUTES OF SEPTEMBER 2, 2004 - Director Teal moved to accept the minutes of the September 2, 2004 Board Meeting with corrections. Director Cook seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE – Director Teal moved to approve expenditures of \$176,041.13 plus \$405,881.77 on the supplemental statement, for a total of \$581,922.90. Director Cook seconded the motion, which passed unanimously.

STAFF REPORTS – Assistant Manager Reinertsen presented a Staff Report detailing the final project status of the Middle Water Storage Tank, Project 2002-01. Information only, no Board action required.

EXPRESS AGENDA – The Directors reviewed the Express Agenda and accepted the following items as presented:

Plant Optimization Phase I, Project 2002-03 – The Contractor, Moltz Construction, continues final HVAC installation, painting, and equipment control installation and performance testing. Due to specialty material vendor delivery delays, the revised final completion is October 29, 2004. Discussions continue between the Contractor, the Engineer (Burns & McDonnell) and District staff regarding project deductive cost changes to reflect requested time extensions. Project is approximately 90% complete.

Plant Optimization Phase II, Project 2003-03 – The design engineer, Burns & McDonnell, continues to work on the design package. In-house design review is now scheduled for mid-October with Final Design to be presented to the Board at the regularly scheduled November Board Meeting. Construction start is currently scheduled to commence in the mid-February or early March, 2005.

30 Road Upgrade Project, F Road to F ½ Road – The District's Pipeline Construction crew has completed approximately one-half of the installation of the new 10" main line for this project. The new main line tie-in at 30 and F Roads is complete and has been placed in service.

Final payment for the Middle Water Storage Tank Project – Final project completion advertising was published in September. A final project report was included as a Staff Report in this Board Package. Final payment (including remaining retainage) was processed in the September 2004 accounts payable.

AWWA Fuller Award – Manager Tooker was awarded the George Warren Fuller Award from the Rocky Mountain Section of the American Water Works Association at the Annual Conference held in September. The Fuller Award is a national award given by the American Water Works Association (AWWA) and will be officially presented at the AWWA National Conference in San Francisco, June, 2005.

Central Grand Valley Sanitation District, 31 Rd / Warren Property – Manager Tooker reviewed with the Board the Draft copy of the Agreement generated by Mr. Larry Beckner, Attorney for the Central Grand Valley Sanitation District. Director Teal moved to authorize participation of the Clifton Water District in the 31 Road/Warren Property Clean-Up Agreement, with conditions, for \$4,000, not to exceed \$8,000. Director Rupp seconded the motion and the Board approved unanimously.

Director Cook moved to authorize the Manager to sign the Warren Agreement if it meets the conditions set forth by the Board and authorize the Manager to negotiate and additional 25% of the authorized not-to-exceed amount of \$8,000. Director Teal seconded the motion, which passed unanimously.

2005 Proposed Budget – The 2005 Proposed District Budget was presented by Manager Tooker. Director Teal moved to set the Budget Hearing for 5:00 p.m. on November 5, 2004 at the next Regular Board Meeting. Motion amended that the board shall publish the hearing. Director Cook seconded the motion, which passed unanimously.

Rinderle Inclusion Resolution – Director Cook moved to adopt the Resolution to include Orchard Mesa property owned by Mr. Gary Rinderle, dba Springfield Ranches, LLC, into the service boundaries of the Clifton Water District. Director Teal seconded the motion, which passed unanimously.

RESOLUTION TO INCLUDE PROPERTY INTO DISTRICT SERVICE BOUNDARIES

Whereas on July 29, 2004, Mr. Gary Rinderle, dba Springfield Ranches, LLC, petitioned the Clifton Water District Board of Directors to include property within the boundaries of the Clifton Water District generally described as follows:

Recorded in Book 3649 Page 849 of the Mesa County Clerk and Recorder on May 10, 2004 more particularly described as follows:

Tax Schedule No. 2943-352-00-059 (152 32 Road) BEG N 89DEG36'26SEC E 20FT FR W4 COR SEC 35 1S 1E N 0DEG01'30SEC E 291.06FTALG CV TO R RAD 1492.50FT CH BRS N 11DEG35'09SEC E 289.50FT N 2DEG03' E306.10FT N 0DEG01'30SEC E 21.45FT TO OM CNL 2 ALG SLY CNL ROW NELY TO N LI NW4SD SEC 35 N 89DEG34'46SEC E 1291.87FT S 0DEG09'12SEC E 2643.15FT S89DEG36'26SEC W 2614.16FT TO BEG EXC W4 COR SD SEC 35 N 89DEG36'26SEC E 855FTN 0DEG23'34SEC W 445FT N 89DEG36'26SEC E 1781.02FT S 0DEG09'12SEC E 445FT S89DEG36'26SEC W 1779.16FT TO BEG. All in Section 35, Township 1 South, Range 1 East, Ute Meridian.

WHEREAS the stated parcel is not included in the service boundaries of any domestic water provider; and,

WHEREAS said owner desires domestic water service from the Clifton Water District; and,

WHEREAS the Board of Directors of the Clifton Water District has determined that it is in the District's best interest to include the stated property within the District's boundaries; and,

WHEREAS the District has previously included other Orchard Mesa properties into the District's service boundaries; and,

WHEREAS the District's planned Whitewater transmission line upgrade will be installed adjacent west property boundary of said property; and,

WHEREAS the said property is below the 4,800 foot contour District service boundary, thus requiring no added pumping requirements to existing distribution system.

NOW THEREFORE BE IT RESOLVED that the Clifton Water District Board of Directors approve the inclusion of the said property as described above, adopt the Order dated September 2, 2004 and authorize the Secretary and President of the Board to sign the Certificate of Inclusion and Order dated September 2, 2004.

Outdoor Classroom / Mt. Garfield Middle School – It was the consensus of the Board for Staff to draft a letter, for signature by Chairman Ballagh, directing School District 51 to formally reapply for any future use of District property for outdoor classroom activities.

Water Utilities Invitation – Due to scheduling conflicts, the planned Water Utilities picnic/bbq did not occur on September 30, 2004. It was Board consensus to reschedule the picnic/bbq for November 11, 2004 from 5:30 p.m. to 7:00 p.m. at the Clifton Water District main office. Staff was directed to invite Board and Council members from The City of Grand Junction, the Town of Palisade, and Ute Water Conservancy District.

Lincoln National Service Agreement – Director Teal moved to authorize Board approval of the new Lincoln National Service Agreement for administering the District's retirement account. Director Cook seconded the motion. The motion was unanimously defeated.

Special District Association 2004 Annual Conference Debriefing – Chairman Ballagh provided a debriefing of the recently attended Special District Association's Annual Conference held in Steamboat Springs, CO. Information only, no Board action required.

Bylaws Housekeeping – Director Teal moved to amend the District By-Laws showing the current Regular Board Meeting Schedule. Director Rupp seconded the motion, which passed unanimously.

Obsolete Building – It was the consensus of the Board for Staff to deal with the obsolete building on District property in a manner that best serves the District. No further Board action is required.

Turkey Tradition – Director Teal moved to continue the annual tradition of the District providing either a turkey or ham to all employees and Board members for either Thanksgiving or Christmas, placing the Manager or his designee in charge of logistics. Director Rupp seconded the motion, which passed unanimously.

Colorado River Water Users Association (CRWUA) Conference – The CRWUA Annual Conference is scheduled for December 15 -17, 2004 in Las Vegas, Nevada. Board members interested in attending are to let staff know so reservations can be secured. Information only, no action required at this time.

At 7:05 p.m., Director Cook moved to enter Executive Session to discuss “personnel matters” 24-6-402(4)(f) C.R.S. Director Teal seconded the motion, which passed unanimously. Staff members Tooker, Reinertsen, Restivo, and Crysler exited the meeting.

At 7:58 p.m., Director Teal moved to exit the Executive Session. Director Rupp seconded the motion, which passed unanimously.

At 7:59 p.m., Director Teal moved to adjourn the Regular Meeting. Director Cook seconded the motion, which passed unanimously.

ATTEST:



John L. Ballagh



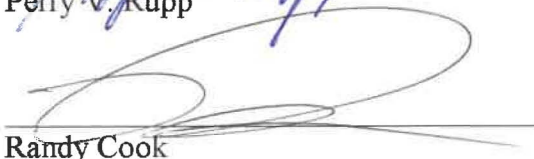
Paul Teal



Perry V. Rupp

-- Excused --

Brian Woods



Randy Cook

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

November 4, 2004

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal, and Assistant Secretary Woods. Director Cook had an excused absence. Staff present included Dale Tooker, Carrie Restivo, and Amanda Crysler.

Chairman Ballagh opened the Public Hearing on Proposed 2005 Budget at 5:00 p.m. noting that the time and place for said hearing was published in accordance with C.R.S. 29-1-106 et seq. (Notice of said budget hearing was published in The Daily Sentinel in accordance with C.R.S. 29-1-106(3)(a)). Hearing no questions or comments regarding the Proposed 2005 Budget, Director Teal moved to declare the public meeting closed. Director Woods seconded the motion, which passed unanimously.

At 5:01 p.m. Chairman Ballagh called the Regular Meeting to order.

MINUTES OF OCTOBER 4, 2004 – Director Teal moved to accept the minutes of the October 4, 2004 Board Meeting with corrections. Director Woods seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Teal moved to approve expenditures of \$79,059.00 plus \$221,025.04 on the supplemental statement, for a total of \$300,084.04. Director Rupp seconded the motion, which passed unanimously.

STAFF REPORT – Manager Tooker presented a Staff Report (*Staff Reports and 11-04-04 File*) explaining the District's efforts to clean the Raw Water Settling Pond. Information only, no Board action required.

EXPRESS AGENDA - The Directors reviewed the Express Agenda and accepted the following items as presented:

Plant Optimization Phase I, Project 2002-03 – The contractor, Moltz Construction, continues final HVAC installation, painting, and equipment control installation and performance testing. Due to continued vendor specialty material delivery delays, the revised final completion date is now mid-November 2004. Operator process training is in progress and Mesa County Building Department Certificate of Occupancy is anticipated the first week of November 2004. Project is approximately 95% complete.

Plant Optimization Phase II, Project 2003-03 – The design engineer, Burns & McDonnell, has provided the design package for in-house staff reviews. Design package and staff recommendations will be presented to the Board, along with final engineer construction cost estimates, as soon as the data is complete and available. Construction start continues to be scheduled to commence in mid-February or early March, 2005. Director Woods stated he would like to see cost and impact on design.

Minutes
Page 2
November 4, 2004

30 Road Upgrade Project, F Road to F ½ Road – The District's Pipeline Construction crew has begun installation of the north half of this project, starting at the intersection of F ½ and 30 Roads. This portion of the project is approximately 25% complete. Final completion for the remaining portion is tentatively scheduled for November 30, 2004.

Mesa County Long Park Construction Project – The District's pipeline construction crew is installing a new 8" mainline, from E ½ Road to F Road, through the middle of the new park. This new mainline will provide distribution system redundancy while providing a centralized mainline connection for the County's use in placement of their service vault. Completion of this project is anticipated by November 11, 2004.

Central Grand Valley Sanitation, 31 Road / Warren Property – An Inter-Party Agreement has been drafted by Attorney Larry Beckner that meets the conditions set forth by the Board at the October meeting. Once all Parties sign the Agreement, Manager Tooker will sign on behalf of the District.

Water Utilities Invitation – Invitations were sent out to Board Members and Councils of Ute Water, City of Grand Junction, and Town of Palisade regarding the BBQ on November 11. The RSVP date is November 5. Board Member invitations are included in the Board Packet.

Drought Response Information Project (DRIP) – A mailing stuffer describing the D.R.I.P. was included in each customer's October 2004 bill. A copy of the mailing is included in the Board Packet.

25 Year Employees – 2004 marked an important year for Violet Church, Carey Blount and Dale Tooker. Each employee has completed 25 years of service to the District.

Holiday Party – Clifton Water District's Annual Holiday party will take place on Saturday, December 10 at Chipeta Golf Course at 6pm. Each Board Member and District employee will receive an invitation.

Parade of Lights – CWD will participate in Grand Junction's Annual Parade of Lights, taking place December 4. Mark Dalley and Carrie Restivo are in charge of the planning and decorating the float. If you would like to be involved, please contact Carrie Restivo.

2005 Proposed Budget – The Board reviewed and discussed a number of items in the 2005 Proposed Budget (*2005 Budget and 11-04-04 File*). The Board noted a few language corrections. It was the Board's consensus to defer the full discussion of the budget to the next monthly Board meeting with all board members present. No action at this time.

Employee Benefits Committee Health Insurance Recommendation – The Board discussed recommendations from the Benefits Committee as presented in a memo (*File 11-04-04*) from Manager Tooker. Recommendations include that the 2005 Budget remain the same value as the 2004 Budget, and that a 5 year plan be implemented in which an employee premium cost-share be presented to staff. It was the consensus of the Board that the District continue with the current health insurance coverage and defer discussion concerning the remaining details to next month's Board meeting, with all Board Members present.

RFP for District's Retirement Plan Services – In an effort to seek a more administratively friendly retirement program, the Benefits Committee recommended that the District seek Requests For Proposals (RFP) for new retirement plan services to replace the current Lincoln National Retirement Plan. In discussion, the Board noted to make sure there is a right of refusal. Director Teal moved to authorize Manager Tooker to prepare the RFP. Director Rupp seconded. Motion passed unanimously.

At 5:51 p.m., Director Teal moved to adjourn the Regular Meeting. Director Woods seconded the motion, which passed unanimously.

ATTEST:



John L. Ballagh



Paul Teal



Perry V. Rupp



Brian Woods

--Excused--

Randy Cook

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

December 2, 2004

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal, Assistant Secretary Woods and Director Cook. Staff present included Dale Tooker, David Reinertsen, Carrie Restivo, and Amanda Crysler.

At 5:00 p.m. Chairman Ballagh called the Regular Meeting to order.

MINUTES OF NOVEMBER 4, 2004 – Director Teal moved to accept the minutes of the November 4, 2004 Board Meeting with corrections. Director Woods seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Teal moved to approve expenditures of \$56,106.70 plus \$123,904.09 on the supplemental statement, for a total of \$179,910.79. Director Rupp seconded the motion, which passed unanimously.

STAFF REPORT – Manager Tooker presented two Staff Reports (*Staff Reports and 12-04-04 file*) to the Board.

The first report detailed the District's construction crew activity for the 2004 calendar year, summarizing projects and costs. In comparison to hourly outside contractor fees, Manager Tooker estimated that the District saved \$80,000.00 using staff to handle construction projects. Information only, no Board action required.

Manager Tooker presented a second staff report regarding the Rocky Mountain Health Plans 2005 premiums. The premium for 2005 is down by 4%, based on the current plan, thus saving the District an estimated \$8,000.00 over the 2004 premiums. Information only, no Board action required.

EXPRESS AGENDA - The Directors reviewed the Express Agenda and accepted the following items as presented:

Plant Optimization Phase I, Project 2002-03 – The contractor, Moltz Construction, continues to address the final 'punch-list' items. A Temporary Certificate of Occupancy was issued. Final acceptance is scheduled for Friday, December 3, 2004.

Plant Optimization Phase II, Project 2003-03 – The design engineer, Burns and McDonnell, met with staff to review comments on the Preliminary Design. Upon completion, the Design Package will be presented to the Board and regulatory agencies for approval.

North Raw Water Settling Pond, Project 2004-01 – Contract negotiations are underway with the design engineer, Boyle Engineering, Inc. Six ground water monitoring wells were installed to monitor the groundwater in support of the design process.

30 Road Upgrade Project, F to F ½ Road – The District's Pipeline Construction Crew has completed the upgrade from F to F 3/10 Road. The section from F 3/10 to F ½ Road will recommence on December 1, 2004.

Mesa County Long Park Construction Project – The District's Pipeline Construction Crew completed the installation of over 3,000 ft of the new 8" mainline that runs north/south through the park. This 'unplanned' project will enhance the distribution system in the vicinity of Central High and Grand Mesa Middle Schools.

Central Grand Valley Sanitation District, 31 Road/Warren Property – Manager Tooker signed the Agreements for the Warren Property to begin clean-up procedures. Progress reports will be made to the Board when available.

State Engineer Dam Inspection – Representatives from the State Engineer's Office performed an on-site inspection of the New Raw Water Settling Pond. The official Report will be presented to the Board when received.

2005 Proposed Budget – The Board reviewed and discussed the 2005 proposed Budget (*2005 Budget and 12-02-04 File*). Director Teal moved to adopt the 2005 Budget Resolution and submit the 2005 Budget, as presented, to the appropriate agencies. Director Cook seconded the motion, which passed unanimously. President Ballagh and Secretary Teal signed the Budget Resolution.

Employees Benefits Committee Health Insurance Recommendation – The Board reviewed and discussed the Employee Benefits Committee's recommendation to implement a 5-year health insurance premium cost-share plan (*Employees Benefits, Staff Report and File 11-04-04*). Director Cook moved to implement the Employee Benefits Committee recommendation of an employee health insurance premium cost-share plan phased in over a five-year schedule. Director Teal seconded the motion, which passed unanimously.

Plant Optimization Phase II – Building Options – In response to the Board seeking information from Burns and McDonnell concerning the options regarding metal and masonry building materials, Manager Tooker presented a report identifying options and estimated costs (*Phase II and File 12-02-04*). Director Woods moved to authorize Manager Tooker to negotiate a change order not-to-exceed \$20,000.00 in design fees with Burns and McDonnell to include a bid alternate for masonry building, in addition to

the original design of a metal structure. Director Cook seconded the motion, which passed unanimously.


2004 GVICo Annual Shareholders Meeting – The 2004 Annual Shareholders Meeting of the Grand Valley Irrigation Company is scheduled for December 4, 2004 at 1:00 p.m. at the Fruita Monument High School Auditorium. Director Cook moved to sign the Proxy, in lieu of attendance at the Annual Stakeholders Meeting. Director Teal seconded the motion, which passed unanimously.

At 6:45 p.m., Director Teal moved to enter Executive Session to discuss “personnel matters” 24-6-402(4)(f) C.R.S. Director Woods seconded the motion, which passed unanimously. Staff members Reinertsen, Restivo, and Crysler exited the meeting.

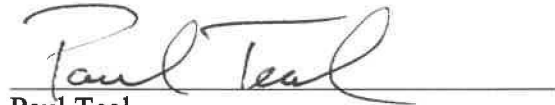
At 7:01 p.m., Director Teal moved to exit the Executive Session. Director Cook seconded the motion, which passed unanimously.

The regular meeting was adjourned at 7:02 p.m. by mutual consent.

ATTEST:



John L. Ballagh



Paul Teal



Perry V. Rupp



Brian Woods



Randy Cook