

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JANUARY 6, 2011**

BOARD MEMBERS PRESENT: Robert Burger, Chairman; Alan Hassler, Vice-Chairman;
Doralyn Genova, Secretary; Dale Peck, Treasurer;
Robert Norman, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; David Foster;
Kelly McLaughlin

REGULAR MEETING

Chairman Burger called the Regular Meeting to order at 5:00 p.m. One item was added to New Business, Hidden Valley Water Company.

MINUTES OF THE DECEMBER 2, 2010 AND DECEMBER 8, 2010 MEETINGS

Director Genova moved to approve the December 2, 2010 Regular Meeting Minutes as presented. Director Peck seconded and the motion passed unanimously. Director Genova moved to approve the December 8, 2010 Special Meeting Minutes as presented. Director Hassler seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks \$130,781.42 plus HRA Disbursements of \$2,010.92 plus Benefits Checks of \$23,058.05 plus Supplemental Checks of \$117,380.08 for a total of \$273,230.47. Director Peck seconded the motion. Manager Tooker reported on the processing procedures for payments to the Clifton Sanitation District. The motion passed unanimously.

Accountant Foster exited the meeting at 5:25 p.m.

MANAGER'S REPORTS

Manager Tooker noted the sale of one tap for November, 2010, for a total of 31 taps year-to-date. This is a 56% reduction of tap sales since 2009. Assistant Manager Reinertsen reported that several water line leaks were identified this week and once repaired will improve the percentage between plant outflow and water sales.

EXPRESS AGENDA

The Board reviewed the Express Agenda and approved the following items by consensus:

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1. New Water Rates Effective January 1, 2011 - New Water Service Rates go into effect for consumption beginning on January 1, 2011. Billing for the new rates will begin February 1, 2011. Each of the Board Members was contacted to confirm their understanding of when the new rates would be effective and when they would be apparent in their bills. A Press Release regarding the new water rates went out to the media on December 10, 2010 and the rates were publicized, along with Ute Water's rate increase, in the Daily Sentinel on December 6, 2010. All District customers will receive a notice of the rate increase on their bill, a rate increase insert with their bill, or a special mailing.
 2. Project 2009-04 Colorado River Intake Structure – Gould Construction has completed the concrete walls and pipe embeds for the new control building. The design is now 100% complete and one copy is being forwarded to the Colorado Department of Health and Environment for review and comment as requested last summer by the District's local Health Department representative. Overall, project construction is approximately 2 weeks behind schedule but the contractor is still committed to the July 15, 2011 completion date as per the contract.
 3. Frozen Water Service Calls – With the recent cold temperatures, the District's on-call service technician received 25 customer calls regarding frozen customer water lines over January 1st weekend. All calls have been customer related and not related to frozen District facilities.
 4. Staff Retirements – Formal recognition of District staff that retired December 31, 2010 will be scheduled in January. Carey Blount, Violet Church and David Larsen retired with 93 years of combined service to the District.

UNFINISHED BUSINESS

Health Reimbursement Arrangement - Manager Tooker presented the annual agreement with the program administrator for the District's Health Reimbursement Arrangement. Director Hassler moved to authorize Manager Tooker's signature on the Health Reimbursement Arrangement agreement with Flex Magic Consulting, Inc. for the plan year January 1, 2011 through December 31, 2011. Director Genova seconded and the motion passed unanimously.

Project 2008-04 MF/UF Pilot Testing Program Additional Services – Manager Tooker reported that Burns and McDonnell Engineering submitted a proposal to prepare additional information requested by the Board for a new building to house a Microfiltration/Ultrafiltration (MF/UF) system, an option to install a new sand filtration system, and an inflationary analysis of the option presented to the Board at the October 26, 2010 Special Meeting. The Board and staff believe the proposal will include more information than necessary at this time and staff was directed to request a proposal with less detail.

NEW BUSINESS

Resolution Designating Time, Location and Posting of Meetings – The Board agreed to continue conducting meetings at 5:00 p.m. on the first Thursday of each month at District offices, and to retain the existing meeting posting locations. Director Peck moved to adopt the Resolution Designating Time, Location and Posting of Meetings. Director Genova seconded and the motion passed unanimously.

Resolution Text inserted below:

***RESOLUTION DESIGNATING MEETING TIME, PLACE
AND 24-HOUR POSTING LOCATION***

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 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 6th day of January 2011.

Resolution Adopting Availability of Service Charge for 2011 – Manager Tooker presented a Staff Report summarizing 2010 water sales data used to determine the In-District and Out-of-District Availability of Service charge for 2011. Director Hassler moved to adopt the Resolution for the Availability of Service (AOS) Charge for 2011. The Resolution establishes the In-District AOS at \$9.76 / month (50% of the 2010 average usage/month) and the Out-of-District AOS at \$14.64/ month (45% of the 2010 average usage/month or 1.5 times the In-District AOS). Director Genova seconded and the motion passed unanimously.

Resolution Text inserted below:

RESOLUTION FOR THE AVAILABILITY OF SERVICE CHARGE FOR 2011

WHEREAS, the District has reviewed the Availability of Service Charge Policy; and

WHEREAS, the Availability of Service Charges are considered to be an equitable revenue contribution toward the repayment toward debt incurred by the Clifton Water District; and

WHEREAS, the Availability of Service Charge Policy is for those customers who benefit from the immediate availability of water service even though they are currently not receiving water; and

WHEREAS, all revenue generated by the Availability of Service Charge shall be used to repay the principal and interest on bonds and other outstanding indebtedness; and

WHEREAS, in the 2011 Fiscal Year the District has indebtedness for Water Revenue Bonds; and

WHEREAS, the said percentage of the Availability of Service Charge shall be determined by the Board; and

WHEREAS, in 2010 the average water usage charge for a Clifton Water District In-District customer was \$19.52/month per customer; and

WHEREAS, in 2010 the average water usage charge for a Clifton Water District Out-of-District customer was 32.85/month per customer.

NOW THEREFORE BE IT RESOLVED, that the Clifton Water District Board of Directors establish the In-District Availability of Service Charge for the 2011 Fiscal Year at 50% of the In-District average water bill in 2010, which equals \$9.76 per month per customer and the Out-of-District Availability of Service Charge for the 2011 Fiscal Year at 45% of the Out-of-District average water bill in 2010, which equals \$14.64/month per customer.

BE IT FURTHER RESOLVED, that this Resolution be adopted this 6th day of January 2011 and is effective January 7, 2011.

Colorado Counties Officials and Employees Retirement Association (CCOERA) Roth 457 – Manager Tooker reported on the additional benefit available to District employees for a Roth 457, and presented the relevant agreement with CCOERA to add Roth 457 as an optional contribution. Director Genova moved to authorize execution of the agreement with Colorado County Officials and Employees Retirement Association regarding Roth 457 contributions. Director Burger seconded and the motion passed unanimously.

Western Slope Communications Agreement Termination – Manager Tooker presented an agreement and correspondence with Western Slope Communications representatives regarding an FM antenna housed at the District's Plant #1 site that will expire on April 17, 2011. The District receives no benefit from this agreement, the location of the antenna hinders District access, and the District has not received proof of Commercial Liability Insurance from Western Slope Communication's successor Four Corners Broadcasting. Manager Tooker recommends not renewing the agreement for another term. Director Hassler moved that the District shall notify the successor to Western Slope Communications LLC that the April 17, 2001 agreement is ending and the tenant shall quit the premises by that date. Director Genova seconded and the motion passed unanimously.

Whitewater Development LLC Request – Assistant Manager Reinertsen presented a Staff Report and letter regarding a request from Steve Hejl for a District cost-share participation in the installation of 3,080 feet of water main to serve a proposed development on 400 acres on Coffman Road in Whitewater. There are currently no plans for the District to extend a mainline in this area but if the District were to extend a line in this area it would be a 12" water line rather than an 8" line that Hejl believes is adequate. Previously, the Board has directed Staff to inform developers that if they want to develop a site that needs infrastructure improvements ahead of the District's capital improvement plans, the developer can accelerate the District's schedule by funding those improvements for their present time use. Steve Hejl has requested that the District cover the additional cost of a 12" line above his cost for an 8" line. Board consensus was that a 12" line is the proper size for extension of a water line in this area, and directed Staff to continue discussions with Hejl regarding the project and to develop a cost recapture agreement if the project will provide benefit to the District.

Transfer of Funds from Contingency to Purchase Water Shares – Manager Tooker summarized the recent purchases of Grand Valley Irrigation Company water shares. Director Genova moved to authorize a Budget Transfer of \$14,853 from Contingency to Purchase Water Shares. Director Norman seconded and the motion passed unanimously.

Hidden Valley Water Company – Manager Tooker reported that the representatives of the Hidden Valley Water Company, a consecutive water system serving approximately 25 homes in the Whitewater area, have asked the District to take over the water system. These properties are currently not located within the In-District or Out-of-District service areas. Prior to further consideration of the request, District staff will need to evaluate the condition of the system and map the locations of infrastructure. In addition, legal authority for actions of the Hidden Valley Water Company, including the right to convey the system, must be determined. By Board consensus, Staff will continue to evaluate the existing system, will obtain a legal opinion regarding the authority of the Hidden Valley Water Company representatives, and a legal opinion on options for transfer of the system to the District.

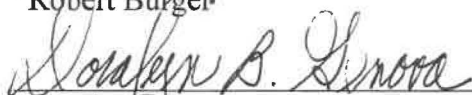
ADJOURNMENT

Director Genova moved to adjourn the meeting. Director Peck seconded and the motion passed unanimously. The meeting was adjourned at 6:55 p.m.

ATTEST:



Robert Burger



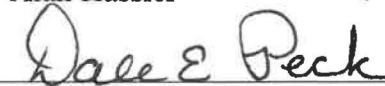
Doralyn Genova



Robert Norman



Alan Hassler



Dale Peck

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, FEBRUARY 3, 2011**

BOARD MEMBERS PRESENT: Alan Hassler, Vice-Chairman; Doralyn Genova, Secretary; Dale Peck, Treasurer; Robert Norman, Director (via telephone)

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; David Foster; Kelly McLaughlin

REGULAR MEETING

Vice Chairman Hassler called the Regular Meeting to order at 5:05 p.m. Chairman Burger was excused and Director Norman was present via phone.

MINUTES OF THE JANUARY 6, 2011 MEETING

Director Genova moved to approve the January 6, 2011 Regular Meeting Minutes with a correction to clarify the number of taps as year-to-date in the Manager's Report, and to correct a typographical error in the Resolution text on page 4. Director Peck seconded and the motion passed.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$205,243.71 plus HRA Disbursements of \$3,644.74 plus Benefits Checks of \$17,860.71 plus Supplemental Checks of \$23,065.97 for a total of \$249,815.13. Director Peck seconded the motion. Accountant Foster noted that there were three payroll periods in December plus the payout of accumulated leave for three retiring and one resigning employee, resulting in higher payroll expenses for the month. The year-end totals on the Statement of Cash Flow were reviewed. The motion passed.

Accountant Foster exited the meeting at 5:25 p.m.

MANAGER'S REPORTS

Manager Tooker reviewed the year-end tap sales, water sales, plant production and water quality data. Tap sales for 2010 totaled 35, a 53% reduction from 2009. Accounts billed as Availability of Service at year-end of 352 is a 30% increase from 2009. Despite the increased number of accounts that are off, total water sales increased by 3.2% which is attributed to the meter reading and billing corrections made in early 2010. Total water production decreased by 4.7% from 2009. Further in the Manager's Report it was noted that overtime hours for the month of

December, 2010 were increased primarily due to weather-related call outs and repairs, including 25 frozen water call-outs over the New Year's weekend.

STAFF REPORTS

Credit Card Transactions Report – Administrative Coordinator McLaughlin presented the year-end summary of the number of credit card transactions and costs to the District for processing these transactions. Customer usage of credit cards went down 45% following the October 1, 2010 implementation of the \$3.25 Credit Card Usage Fee.

InfoSend Bill Print and Mailing Report – Administrative Coordinator McLaughlin reported that the implementation of bill printing and mailing through InfoSend from May through December, 2010 resulted in an actual cost savings of \$17,634.00, which is an annualized savings of \$28,215.00. The partnership with InfoSend will be expanded in 2011 to utilize their services for web bill presentation, online bill viewing, and online web payments.

Customer Trends – Administrative Coordinator McLaughlin summarized year-end customer account data showing increased numbers of customer accounts with Discontinuation of Service, Availability of Service, and Third Party billing. The District also processed 90 property transfers related to Foreclosure in 2010.

EXPRESS AGENDA

Following brief discussion, the Express Agenda items were approved by Board consensus as follows:

1. Project 2009-04 Colorado River Intake Structure – Gould Construction continues backfill and concrete foundation/slab work on the new Control Building. Groundwater de-watering wells have been installed and are functioning. Staff has been in communications with the local Colorado Department of Health and Environment project engineer concerning review and approval of the final project design. At present, the project continues to be two weeks behind schedule but the contractor is confident that schedule recovery will occur once foundation and slab concrete work is complete.
2. Project 2011-01 I-70B Main Line Bore (Checker Auto) – Rolland Consulting Engineers has completed the project design drawings. Staff has been meeting with adjacent property owners to discuss the project details in an effort to minimize negative impacts to their property uses. Staff is also finalizing identified new and amended water line and construction easements necessary to complete the project. Once those easements are in place, Staff will present this project to the Board for construction contract considerations.
3. Hidden Valley Water Company – Distribution staff met with Steve Whiting to identify and and GPS the locations of meter pits, valves, pump stations and water storage tanks.

UNFINISHED BUSINESS

Western Slope Communications Agreement Termination – Manager Tooker stated that a certified letter was mailed to Four Corners Broadcasting, Western Slope Communications' successor, followed by a phone call regarding the District's non-renewal of the current lease agreement on April 1, 2011. Four Corners Broadcasting has commenced the process to obtain a new FCC license to relocate their transmitter.

Project 2008-02 MF/UF Pilot Testing Program Additional Services – Assistant Manager Reinertsen presented a Staff Report and summary of Burns and McDonnell's amended proposal to accommodate the Board's request for evaluation of new construction compared to the presented retrofit evaluation, evaluation of existing sand filter upgrades, and to perform a more thorough inflationary cost analysis. The Board asked if this review would need to be done again if the project does not move forward in the near future. Manager Tooker reported that this evaluation is necessary in order to determine the District's direction, and to prepare for project financing. Director Genova moved to approve the Staff Recommendation to accept the proposal from Burns & McDonnell Engineering to provide the additional evaluations in order to finalize the previously submitted MF/UF Membrane Pilot Testing Program Report for a not-to-exceed cost of \$29,152 and the delivery schedule of May, 2011. Director Peck seconded and the motion passed.

Whitewater Development LLC Request – Assistant Manager Reinertsen presented a Staff Report and reported that Whitewater Development LLC's representative Steve Hejl has submitted his proposal for a cost recapture agreement for the installation of a 12" main line to serve his 400 acre development in the Whitewater area. As per Board discussion at the January 4, 2011 meeting, the District would consider a cost recapture agreement to reimburse Hejl for the additional costs of upgrading to the 12" line necessary for District purposes. Board members suggested a willingness to participate in a cost recapture agreement for installation of a line that would eventually be needed to loop the District's system in that area. Hejl's proposal is that upon sale of the first four taps the District will pay the developer \$7,500 for each tap sold. District Staff has recommended the amount of the recapture agreement to be \$2,000 per tap sold for a maximum of 15 taps during a five year period of time. It was also noted that the current Plant Investment Fee for the Whitewater area is \$7,500. Director Genova moved to decline the cost recapture agreement proposal from Whitewater Development LLC of \$7,500 each from the first four taps sold. Director Norman seconded and the motion passed.

Palisade Wastewater Treatment Project – Manager Tooker provided the Board with a copy of a letter sent from the Town of Palisade to the Clifton Sanitation District (CSD) regarding Palisade's possible withdrawal of plans to pump sewage to CSD and instead install a less expensive diffuser system to reduce ammonia in the effluent. This effluent goes into the Colorado River a upstream from the Water District's intake structure. Due to water quality concerns, the District has strongly supported the Town of Palisade's plans to replace its existing wastewater treatment system with the use of the regional wastewater treatment facility at the Clifton Sanitation District. The Board directed Manager Tooker to prepare a letter, for Board

review, to the Town of Palisade that identifies the District's issues with their wastewater treatment plans.

NEW BUSINESS

GVICO Water Shares Purchase – Manager Tooker stated that the developer of Chatfield IV has offered to sell the District 23 Grand Valley Irrigation Company (GVICO) shares. The District has \$7,500.00 in the Water Shares Purchase budget and would need an additional \$5,000.00 from Contingency to acquire all 23 shares. Assistant Manager Reinertsen added that he has also been contacted by another developer regarding the possible sale of water shares. He also provided the Board with a draft Water Shares Development Policy that was prepared in 2008 and should be considered by the Board further as more water shares become available. Director Genova moved to approve the purchase of 23 Grand Valley Irrigation Company Shares as presented, and to approve the transfer of \$5,000.00 from Contingency for this purpose. Director Peck seconded and the motion passed.

ADJOURNMENT

Director Genova moved to adjourn the meeting. Director Peck seconded and the motion passed. The meeting was adjourned at 7:05 p.m.

ATTEST:

--Excused--

Robert Burger

Doralyn B. Genova

Doralyn Genova

Robert Norman

Robert Norman

Alan Hassler

Alan Hassler

Dale E. Peck

Dale Peck

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, MARCH 3, 2011**

BOARD MEMBERS PRESENT: Robert Burger, Chairman; Alan Hassler, Vice-Chairman;
Doralyn Genova, Secretary; Dale Peck, Treasurer;
Robert Norman, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; David Foster;
Kelly McLaughlin

GUESTS: David Durham

REGULAR MEETING

Chairman Burger called the Regular Meeting to order at 5:00 p.m.

GUESTS

David Durham of Bray and Company was present to discuss his concerns, also submitted in writing (*3/3/11 File*), with District Policies and Procedures affecting his representation and the billing of federally-owned foreclosed properties. His concerns were in the general areas of billing, accountholder name and access to the property.

Mr. Durham exited the meeting at 5:25 p.m.

MINUTES OF THE FEBRUARY 3, 2011 MEETING

Director Genova moved to approve the February 3, 2011 Regular Meeting Minutes as presented. Director Hassler seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and approve Accounts Payable Regular Checks of \$57,915.77 plus HRA Disbursements of \$1,659.76 plus Benefits Checks of \$19,166.92 plus Supplemental Checks of \$182,824.85 for a total of \$261,567.30. Director Norman seconded and the motion passed unanimously. Accountant Foster provided a revised payroll report to correct an error regarding 457 contributions. A voided check and the GVICO share numbers were also noted.

Accountant Foster exited the meeting at 5:40 p.m.

MANAGER'S REPORTS

Manager Tooker explained that on Page 1 of the Manager's Report the effluent production numbers are based on the calendar month reported while the water sales numbers are based on billing during the month which includes usage in the previous month depending on the billing group and meter reading dates. He also explained the definition of abandoned taps.

STAFF REPORTS

Revenue from Water Rate Increase – Manager Tooker reported that at the end of February, 2011, the first full month of billing the new rates, the District billed \$23,892.00 more than in February of 2010. The average water bill per customer went from \$19.01 in 2010 to \$21.30 in 2011.

EXPRESS AGENDA

The Board reviewed the Express Agenda and approved the following items by consensus:

1. Clifton Sanitation District Rate Increase – The Clifton Sanitation District has announced a rate increase to \$25.00/month per unit effective April 1, 2011. A billing insert will be mailed with billings to CSD customers in the month of March, 2011.
2. Palisade Wastewater Treatment – A copy of the letter of comments sent to the Town of Palisade on February 16, 2011 is included in the Board packet.
3. Teleworks Integrated Voice Response System – Due to the inability of Teleworks and Springbrook to work out a satisfactory method to collect and post the District's \$3.25 Credit Card Transaction Fee, the Teleworks Integrated Voice Response System will not be implemented for inbound/outbound customer account access and credit card payment processing. Staff will proceed to work with InfoSend toward implementation of web presentation and payment of bills.
4. Project 2009-04 Colorado River Intake Structure – Contractor has completed concrete floor slabs in the new Control Building as well as the floor slab of the pump well structure. The masonry subcontractor has mobilized equipment and masonry materials and begun block wall construction. The Contractor has been placing new transmission pipe and buried control conduits.
5. Project 2008-04 MF/UF Pilot Testing Program Additional Services – Burns & McDonnell Engineering Company signed the added scope letter and has been working with Staff to identify possible locations for the new building evaluation.
6. 2010 Tier II Chemical Inventory Annual Report – Staff completed the District's required Tier II Chemical Inventory Annual Report. This report provides an inventory of the bulk quantity chemicals maintained onsite and is submitted to the State's Emergency Response Commission, the Local Emergency Preparedness Committee, and the District's hazardous material responding agency (Grand Junction Fire Department). This annual report satisfies

the District's required public notification of chemical hazards mandated by the USEPA's Community Right to Know Act.

7. GVICO Water Shares Purchase – Staff finalized the purchase of 23 shares of GVIC water shares from a private developer that had approached the District regarding this purchase.

UNFINISHED BUSINESS

Hidden Valley Water Company – Manager Tooker reported on the site evaluation conducted at the Hidden Valley Water Company water system. The number of units connected to the system were identified, as were the locations and condition of the tanks and pump stations. Photos and maps of the findings were presented to the Board.

NEW BUSINESS

David Durham Bray and Company Realtors Request – The Board continued discussion of David Durham's concerns with District Policies and Procedures and reviewed the Staff Report (*3/3/11 File, 2011 Staff Reports*). Regarding his request to change the name on a customer account to the representative, the District can only place a lien against a property owner and will continue to retain the property owner's name as the customer for each parcel. The Board directed Staff to investigate the feasibility of allowing a property owner to choose to suppress the mailing of a bill to the property owner but continue to mail the property owner Discontinuation Notices while there is a Third Party receiving Bills and Discontinuation Notices. Staff will also work with Durham to change the accounts he represents from Availability of Service to Active status, if paid current, so he can turn water off and on within the property at his discretion.

Habitat for Humanity Request for Irrigation Tap – A letter (*3/3/11 File, 2011 Incoming Correspondence, Customer File*) was provided to the Board from Habitat for Humanity stating the need to purchase a water tap in the John H. Hoffman Subdivision on D Road for the purposes of complying with the City of Grand Junction's landscaping requirements. The District does not currently have a Policy prohibiting the sale of water taps used specifically for irrigation purposes. By Board consensus, Staff will advise Habitat for Humanity that a water tap will be approved but the use of xeric landscaping will be required.

Reschedule May 5, 2011 Meeting – Due to several key staff members attendance at the Springbrook Annual Conference May 2 – 5, 2011, by consensus the Board re-scheduled the May 5, 2011 Regular Meeting to Thursday, May 12, 2011.

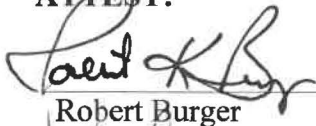
Central Grand Valley Sanitation District Request for IGA – Manager Tooker reported that, prior to billing for the Clifton Sanitation District (CSD), the District provided a service to Discontinue Water Service on delinquent CSD accounts. A copy of the Intergovernmental Agreement pertaining to that service was provided the Board as an example. Central Grand Valley

Sanitation District (CGVSD) is now requesting the same service for its customers served by the Clifton Water District. Board consensus was to have Staff continue working with a similar agreement with CGVSD.

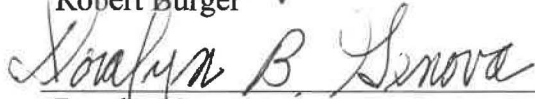
ADJOURNMENT

Director Genova moved to adjourn the meeting. Director Peck seconded and the motion passed unanimously. The meeting was adjourned at 7:15 p.m.

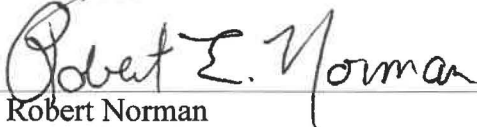
ATTEST:



Robert Burger



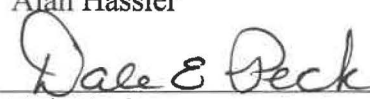
Doralyn Genova



Robert Norman



Alan Hassler



Dale Peck

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, APRIL 7, 2011**

BOARD MEMBERS PRESENT: Alan Hassler, Vice-Chairman; Doralyn Genova, Secretary;
Dale Peck, Treasurer; Robert Norman, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; David Foster;
Kelly McLaughlin

GUESTS: Steve Hejl, Mike Kelleher and Merritt Sixbey

REGULAR MEETING

Vice Chairman Hassler called the Regular Meeting to order at 5:00 p.m. Chairman Burger was excused.

GUESTS

Steve Hejl was present for discussion of his request for a cost recapture agreement regarding the installation of a 12 inch waterline on Coffman Road in the Whitewater area. The Board previously considered the request and directed staff to develop a cost recapture agreement at the January 6, 2011 Regular Meeting. Mr. Hejl is not satisfied with the conditions of the developed cost recapture agreement. Mike Kelleher and Merritt Sixbey commented about the need to move forward with the waterline installation for a pending development project on Coffman Road. The Board advised the guests that any cost recapture agreement is solely for the benefit of the requester(s) as the District's need for this line extension is not identified in the current District Five-Year Major Capital Improvement Plan.

Hejl, Kelleher and Sixbey exited the meeting at 5:45 p.m.

MINUTES OF THE MARCH 3, 2011 REGULAR MEETING

Director Genova moved to approve the March 3, 2011 Regular Meeting Minutes (*2011 Minutes*) as submitted. Director Peck seconded and the motion passed.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$86,970.58 plus HRA Disbursements of \$713.92 plus Benefits Checks of \$18,944.52 plus Supplemental Checks of \$210,539.95 for a total of \$ 317,168.97. Director Peck seconded

the motion. Director Hassler noted a net decrease in the Cash Flow that was attributed to capital expenditures. Director Norman suggested that the Health Reimbursement Arrangement (HRA) report be provided as a summary rather than a detailed report. The motion passed.

MANAGER'S REPORTS

Manager Tooker summarized the Manager's Report. It was noted that overtime hours have increased. The Board commented that some of this may be attributed to reduced staffing levels requiring more hours of current employees.

STAFF REPORTS

Water Issues: Colorado River Basin Proposal Update – Manager Tooker provided an update of ongoing mediation between Western Slope and Front Range water users involved in the Colorado River Basin Proposal.

Colorado Basin Roundtable Letter of Appreciation – Manager Tooker was recognized by the Office of the Governor for his five-year participation in the Colorado Basin Roundtable.

NEW BUSINESS

2010 Audit Issues – The Board moved this agenda item up so Accountant Foster could participate. Manager Tooker reported that auditor Mary Brenes, CPA has requested clarification regarding the categorization of certain Project 2008-02 MF/UF Pilot Study project costs. The Board concurred with Staff's recommendation to depreciate the 2010 expenditures as intangible assets over five years.

David Foster left the meeting at 6:25 p.m.

EXPRESS AGENDA

The Board agreed, by consensus, to approve the Express Agenda items as follows:

1. Western Slope Communications Agreement Termination – As per the termination of the lease agreement between the District and Western Slope Communications/Four Corners Broadcasting, all equipment belonging to the lessee was removed on March 28, 2011. The tower previously used for the antenna remains on the building.
2. David Durham Bray and Company Realtors Request – Following David Durham's meeting with the Board on March 3, 2011, regarding billings on foreclosed properties represented by himself, Staff developed an option to suppress bill printing to a property owner while

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- retaining the bill printing to the Third Party. Mr. Durham has been provided the revised Third Party Notification Authorization Form to select this option.
3. Palisade Wastewater Treatment Facility – A letter of comments was sent to the Colorado Department of Public Health and Environment on March 29 regarding the Town of Palisade's plans for wastewater treatment. A copy of the letter is provided in the Board's packet.
 4. Project 2009-04 Colorado River Intake Structure – Contractor has completed the block walls of the new Controls Building. The concrete walls and lid have been placed for the new pump well structure. Final tie in to the original pump well/river intake structure is scheduled to take place as soon as the District's raw water source changes to the Grand Valley Irrigation Canal, anticipated for the second week of April.
 5. Project 2008-02 MF/UF Pilot Testing Program Additional Services – Burns & McDonnell Engineering Company has the additional scope items in final design review and plan to provide the rough draft for District Staff review the second week of April. Final presentation to the Board will occur at a future Board Meeting.

UNFINISHED BUSINESS

Central Grand Valley Sanitation District IGA - Manager Tooker presented the agreement with the Central Grand Valley Sanitation District regarding the Discontinuation of Service to shared customers that are delinquent on their sewer account. The District will receive \$50 from Central Grand Valley per Discontinuation. Director Genova moved to approve the Intergovernmental Agreement between Clifton Water District and Central Grand Valley Sanitation, and to authorize the signatures of Manager Tooker and Board members. Director Peck seconded and the motion passed.

Whitewater Development LLC Request - Manager Tooker stated that the location of the waterline discussed earlier in the meeting with guests Hejl, Kelleher and Sixbey is not currently a District project priority. Staff does not recommend a change in the District's previous cost recapture proposal to credit the developer \$2,000 per tap sold for five years, as credit toward the additional cost of the line borne by the developer for the increase from an 8" line to a 12" line.. Assistant Manager Reinertsen commented that before the District can consider any arrangement the property owner would need to request water service as an Out-of-District customer. The length of time for cost recapture agreements was discussed, and the District's prioritization of line extensions based on the number of customers served. The Board directed Staff to develop a draft policy, for review by the Policy Committee, which defines cost recapture agreements to be a maximum credit amount of \$2,500 and a maximum timeframe of 7.5 years.

Hidden Valley Water Company – Director Hassler submitted a letter to the Board regarding his potential personal or private interest pertaining to Hidden Valley Water Company matters due to his provision of legal services to the Estate of John Whiting which held as an asset the Hidden Valley Water Company, Inc.

Director Hassler left the room at 7:05 p.m.

Manager Tooker reported that he has received documents regarding the legal authority of representatives for Hidden Valley Water Company and he recommends continuing with the evaluation of the District's potential acquisition of that water system. The Board directed staff to have the District's attorney review the documents and options and to report the findings back to the Board.

Director Hassler returned to the room at 7:10 p.m.

2011 Flood Potential - Manager Tooker reported that the Colorado River Basin snowpack is currently at 130% and weather conditions will affect runoff and potential risks to District property. Conditions will continue to be monitored along with any need for additional flood insurance.

NEW BUSINESS

Customer Complaint/Water Quality Investigation – Manager Tooker summarized the in-depth water testing conducted by the District and the results obtained as a result of a water quality complaint from a customer residing at 313 5th Street. No issues of concern were identified and test results were provided to the customer.

Emergency Water Rate – The Board reviewed the Resolution adopted by the Board in 2009 regarding the District's Emergency Water Rate, and Exhibit A showing the chart of the updated Emergency Water Rate based on the January 1, 2011 rate increase. Director Norman moved to approve and adopt Exhibit A to 2009 Resolution to Establish Emergency Rate, the Emergency Rate Updated and Adopted April 7, 2011. Director Peck seconded and the motion passed. Director Peck moved to put the Emergency Rate on hold until further action. Director Norman seconded and the motion passed.

Project 2009-04 Colorado River Intake Structure - Assistant Manager Reinertsen requested additional discussion on this Express Agenda item and provided a Staff Report outlining a request from contractor Gould Construction for a reduction in the remaining pay request retention. C.R.S. 24-91-1003 allows a reduced retainage once 50% of the work has been completed satisfactorily. Staff finds the work of Gould Construction to be satisfactory and have established a good working relationship. No sub-contractor complaints have been received. Director Norman moved to authorize Staff to notify the Contractor, Gould Construction, that based on their written request, additional retainage will not be withheld for remaining pay requests as long as progress towards completion continues unabated, and as per the provisions of C.R.S. 24-91-1003. Director Peck seconded and the motion passed.

PERSONNEL

Manager Tooker advised the Board that the recruitment of a Water Treatment Plant Supervisor was not successful. As a result, Manager Tooker has reassigned himself to temporarily serve as

the Water Treatment Plant Supervisor and to promote Ben Hoffman to Water Treatment Plant Foreman. An advertisement will be placed for the open position of Water Treatment Plant Operator.

ADJOURNMENT

Director Genova moved to adjourn the meeting. Director Peck seconded and the motion passed. The April 7, 2011 Meeting was adjourned at 8:02 p.m.

ATTEST:

Excused

Robert Burger
Dorilyn B. Genova

Dorilyn Genova
Robert Norman

Robert Norman

Alan Hassler

Alan Hassler
Dale E Peck

Dale Peck

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, MAY 12, 2011**

BOARD MEMBERS PRESENT: Robert Burger, Chairman; Alan Hassler, Vice-Chairman;
Doralyn Genova, Secretary; Dale Peck, Treasurer;
Robert Norman, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; David Foster;
Kelly McLaughlin

REGULAR MEETING

Chairman Burger called the Regular Meeting to order at 5:00 P.M.

MINUTES OF THE APRIL 7, 2011 MEETING

Director Genova moved to approve the April 7, 2011 Minutes (*2011 Minutes*) with the correction to page 4 to note Director Hassler's return to the meeting between the Hidden Valley Water Company and the 2011 Flood Potential item, and the correction to page 1 that Director Genova made the motion to approve the Financials. Director Peck seconded and the motion passed. Director Burger abstained as he had not been present at the April 7, 2011 Meeting.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and approve Accounts Payable Regular Checks of \$87,900.24 plus HRA Disbursements of \$3,340.44 plus Benefits Checks of \$19,414.19 plus Supplemental Checks of \$123,053.23 for a total of \$233,708.10. Director Peck seconded the motion. The Board noted the 2003 Revenue Bond payment amount on the Statement of Cash Flow includes the February, 2011 and March, 2011 payments. The number of ACH and credit card payments received by the District were also discussed. The motion passed unanimously.

MANAGER'S REPORTS

Manager Tooker presented the Manager's Reports. There were no items of significant discussion. Assistant Manager Reinertsen summarized the Project Cost updates for Project 2008-02 MF/UF Pilot Testing and Project 2009-04 Colorado River Intake Modifications.

STAFF REPORTS

InfoSend Bill Print and Mailing – Staff presented a quarterly report (*2011 Staff Reports*) identifying the cost savings as a result of the utilization of InfoSend Bill Print and Mailing.

Water Billing Revenue Increase – Staff presented a report (2011 Staff Reports) identifying the Billed Revenue increase from February, 2011 through April, 2011 compared to the same time period of 2010 as a result of the Water Rates effective January 1, 2011.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda items as presented. Director Peck seconded and the motion passed unanimously. The Express Agenda items approved are as follows:

1. Project 2009-04 Colorado River Intake Structure – Contractor has completed installation of pipe work between the new pump well and control building. The concrete roof has been placed on the new controls building. As soon as design strength is reached for the new roof, placement of interior equipment and control components can commence. The contractor continues to show completion of the project by July 15, 2011 as per the original contract.
2. Project 2008-04 MF/UF Pilot Testing Program Additional Services – Burns & McDonnell Engineering Company has completed the draft report for the added evaluation scope. Staff is currently reviewing and commenting so any changes needed can be addressed prior to presentation to the Board at the June 2nd Regular Board Meeting.
3. CoWARN Bootcamp Workshop – Clifton Water District was the host site for the Colorado Department of Health and Environment's first live interactive workshop utilizing the State's CoWARN system. CoWARN is Colorado's Water/Wastewater Agency Response Network which is a part of the national WARN program. The national program was established after Hurricane Katrina to help address utility shortcomings identified in the aftermath of the hurricane event. This Workshop included a 'tabletop exercise' that involved a Colorado River flood at the Clifton Water and Wastewater facilities. There were 30 participants onsite with several participants responding with support over the live internet interactive website.
4. Springbrook Annual Conference – Dale Tooker, Kelly McLaughlin, David Foster and Angie Beebe attended the Springbrook software Annual Conference in Portland May 2 – 5, 2011. The timing of this year's annual users conference was especially useful as it immediately precedes the District's upgrade to Springbrook Version 7. Staff had the opportunity to review and receive preliminary training in all facets of Version 7. Two Springbrook staff members will provide on-site Version 7 training to District staff during the software migration May 16 – 20, 2011.

TOUR RIVER PUMP STATION PROJECT

The Board and staff went on a walking tour of the Colorado River Pump Station project, including the old pump house, the new pump well, and the new control building.

UNFINISHED BUSINESS

2011 Flood Potential – Assistant Manager Reinertsen reported that due to projected high runoff, District planning is underway for the preparation of flood mitigation and the implementation of designated action levels. He is also participating in county-wide flood planning meetings.

Manager Tooker reported that it appears the timeframe has passed for the purchase of flood insurance for structures, but he will discuss further with the District's carrier. Staff will work with Gould Construction to determine the contractor's coverage on the River Intake Structure project. His greater concern is that if significant flooding occurs the large intake line from the canal may be in jeopardy. To mitigate this threat Staff has assured the functionality of inter-connects with Ute Water and the City of Grand Junction. Off-site storage for critical District assets is available at the farm property.

Hidden Valley Water Company – Manager Tooker reported that legal counsel is reviewing the documents of authority regarding the Hidden Valley Water Company request for the District to acquire that water system. Staff have not finalized their evaluation of the infrastructure.

NEW BUSINESS

Water Treatment Plant On-Call Status – Manager Tooker identified that District Policy currently addresses on-call requirements and payment for Distribution staff but not for Treatment Plant staff. A Policy amendment needs drafted in order to allow the option for Plant On-call status. The Board concurred with the preparation of amendments for their review.

Water Share Rental Agreement – Manager Tooker reported that Clifton Sanitation District (CSD) has requested the opportunity to rent Grand Valley Irrigation Company shares from the District as occurred by Agreement in 2009. An updated Water Share Rental Agreement (*CSD Water Share Rental Agreement*) was presented to the Board that would allow District staff and CSD staff to agree on the rental of shares in 2011 and future years, without further Board action, unless or until the District determines that shares are not available to CSD. Director Genova moved to approve and authorize signature of the Water Share Rental Agreement between Clifton Water District and Clifton Sanitation, dated May 12, 2011, with the amendment to identify the Responsibility of the District as Item #2 in Terms and Conditions, with the number of shares identified by the District and the Headgate identified by CSD. Director Peck seconded and the motion passed unanimously.

Out of District Service Request DKMT LLC, 910 Coffman Road – Assistant Manager Reinertsen presented a Staff Report (*2011 Staff Reports, Out of District Service Requests*) and reviewed the request from DKMT LLC, represented by Mike Kelleher, for the inclusion of Tax Parcel ID #2967-033-00-239, aka 910 Coffman Road, within the District's Out-of-District Service Area. The applicant has proposed the purchase of (1) ¾" service tap to serve one business on the referenced 35 acre parcel. A development plan is being reviewed by Mesa County. The Board reviewed the Staff recommendation and requested an additional note that the extension of water service along Coffman Road is not currently within the District's planned Capital Improvement Projects. Director Norman further noted that the Mesa County Assessor website identifies Tax Parcel ID #2967-033-00-239 as a larger parcel. Assistant Manager Reinertsen will verify the parcel information. Director Peck moved to approve the Out-of-District Service Request with the conditions as identified and amended in the Staff Recommendation as follows:

Out-of-District water service for one (1) single ¾" service tap, for the 35 acre parcel known as 910 Coffman Road (as described below*) along with the following conditions:

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- 1) The service tap shall be installed within the Mesa County Coffman Road right-of-way;
 - 2) Mesa County Tax Parcel Number must be submitted for the parcel before the water service tap can be purchased;
 - 3) Water service will not be available until the existing 12" water main is extended south from the Mesa County Public Works Campus on Coffman Road;
 - This project is not identified within the District's current Major Capital Improvement Project.
 - The petitioner has the option to accelerate this process by installing the 12" main line at their cost in accordance with District Construction Policies;
 - 4) Fire flow or fire protection is not provided nor planned;
 - 5) Acknowledgement by the petitioner that the water supply for this development will be supplied from the District's distribution system via a non-looped main line;
 - 6) Any exterior landscaping maintained by the domestic water system shall be xeric-type plantings that minimize outdoor irrigation requirements.

* 910 Coffman Road, described as a portion of the SW1/4, SW1/4 of Section 3, and a portion of the NW1/4, NW1/4, NE1/4, SE1/4, NW1/4 of Section 10, T2S, R1E, of the Ute Meridian, Mesa County (+/- 35 acres).

Director Genova seconded and the motion passed unanimously.

Out of District Service Request Whitewater Development LLC, 840 Coffman Road - Assistant Manager Reinertsen presented a Staff Report (*2011 Staff Reports, Out-of-District Service Requests*) and reviewed the request from Whitewater Development LLC, represented by Steve Hejl, for the inclusion of one 56 acre parcel at 840 Coffman Road into the District's Out-of-District Service Area. The applicant has submitted a development plan to Mesa County for 14 total lots. Tax Parcel ID #'s are not yet assigned for the 14 lots to be served and the tap sizes have not been identified. The Board reviewed the proposal and the Staff Recommendation and requested the additional notation that extension of the existing line along Coffman Road is not within the District's Capital Improvement project. Director Peck moved to approve the Out-of-District Service Request with the conditions as identified and amended in the Staff Recommendation as follows:

Out-of-District water service for the 56.20 acre parcel (Whitewater Industrial Park West) known as 840 Coffman Road (as described below*) contingent upon meeting the following conditions:

- 1) Mesa County Tax Parcel Numbers must be submitted for each parcel within the 56.20 acre described site before any service tap can be purchased;
- 2) The number of service taps allowed for this 56.2 acre parcel shall be limited to 14 individual taps as identified in the development plan submitted to Mesa County, for more than 14 individual service taps, the owner will need to make formal request to the District prior to proceeding;
- 3) Service tap size and maximum water use projections shall be provided prior to final project design acceptance by the District. These water use projections shall include landscape demands;
- 4) Any exterior landscaping maintained by the domestic water system shall be xeric-type plantings that minimize outdoor irrigation requirements;

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- 5) Water service will not be available until the existing 12" water main is extended south from the Mesa County Public Works Campus on Coffman Road;
 - This project is not identified within the District's current Major Capital Improvement Project.
 - The petitioner has the option to accelerate this process by installing the 12" main line at their cost in accordance with District Construction Policies;
 - 6) Fire protection is not provided nor planned;
 - 7) Acknowledgement by the petitioner that the water supply for this development will be supplied from the District's distribution system via a non-looped main line.

* 840 Coffman Road, described as all that portion of the SW1/4, SW1/4 of Section 3, together with all that portion of the W1/2, NW1/4, and the NW1/4, SW1/4, of Section 10, T2S, R1E, of the Ute Meridian, Mesa County. +/-56.20 acres.

Front Office Security – Assistant Manager Reinertsen presented a Staff Report (2011 Staff Reports) regarding Front Office security concerns. These concerns are particularly related to increasing numbers of threatening actions from customers on the day Discontinuation of Service activities occur. Reinertsen reported on specific incidents occurring on May 2, 2011 and stated that for the May 10, 2011 Discontinuation of Service date the District lobby was locked and customers were directed to the drive-through window to make payments in order to provide the Front Office with increased security. Staff has obtained cost estimates for Front Office security upgrades, including options for bullet resistant glass, Kevlar panels, video monitoring, and improved entry and locking mechanisms. The Board stated that the lobby should not be closed for business and directed staff to obtain the services of a security officer on Discontinuation of Service days. Further, Staff should prioritize and identify funds sources for the security upgrades.

Cost Recapture Agreement Policy – Staff was directed to provide an update on a proposed Cost Recapture Agreement Policy at the next Regular Meeting.

Major Capital Improvements –Director Norman requested an update on the District's Major Capital Improvement Plan 2007 – 2012 at a future meeting.

ADJOURNMENT – Director Hassler moved to adjourn the meeting. Director Norman seconded and the motion passed unanimously. The meeting was adjourned at 7:45 p.m.

ATTEST:


Robert Burger


Alan Hassler


Doralyn Genova


Dale Peck


Robert Norman

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JUNE 2, 2011**

BOARD MEMBERS PRESENT: Robert Burger, Chairman; Alan Hassler, Vice-Chairman;
Doralyn Genova, Secretary; Dale Peck, Treasurer;
Robert Norman, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; David Foster;
Kelly McLaughlin

GUESTS: Andy Hundley, Anthony Beeson, Jason Shaefer and
Mark Lichtwardt of Burns and McDonnell Engineering

REGULAR MEETING

Chairman Burger called the Regular Meeting to order at 5:00 p.m. One item, Flood Insurance was added to the agenda under Unfinished Business.

PROJECT 2008-04 MF/UF PILOT TESTING PROGRAM

Burns and McDonnell Engineering staff presented information regarding the costs and infrastructure necessary to locate a Microfiltration/Ultrafiltration (MF/UF) Membrane facility in a new building. This information had been requested by the Board following the October 26, 2010 presentation by Burns and McDonnell Engineering regarding options to retrofit the existing building with a MF/UF system. Tonight's presentation included a summary of the MF/UF Pilot Testing program, building retrofit costs, new building costs and site location, inflationary factors for operations and the recommendation from Burns and McDonnell for the District to proceed with a submerged MF/UF system located in a new building in a phased project.

Burns and McDonnell Engineering staff members left the meeting at 7:05 p.m.

MINUTES OF THE MAY 12, 2011 MEETING

Director Genova moved to approve the May 12, 2011 Regular Meeting Minutes (*2011 Minutes*) with changes on Page 4 Paragraph # 3 and Page 5 Paragraph #5 to correct these two recommendations to state "Water service will not be available until the existing 12" water main is extended south from the Mesa County Public Works Campus on Coffman Road". Director Norman seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$44,699.52 plus HRA Disbursements of \$2,335.85 plus Benefits Checks of \$19,616.90 plus Supplemental Checks of \$72,551.84 for a total of \$ 139,204.11. Director Peck seconded and the motion passed unanimously.

Accountant Foster left the meeting at 7:15 p.m.

MANAGER'S REPORTS

Manager Tooker presented the Manager's Report. The Board asked why four staff members attended the Springbrook Annual Conference in Portland. Manager Tooker stated that this year's conference was especially timely as it occurred immediately before the major software migration from Springbrook Version 6 to Version 7, and key staff members obtained important training to facilitate the on-site conversation.

STAFF REPORTS

2011 Flood Status – Manager Tooker reported that the District's emergency action plan is in place including the completion of berms around the property, 1500 sandbags prepared and staffing of a 24 hour per day river watch. The river is currently within 1 – 1.5 feet of bankfill and predicted to rise further. Staff are also prepared to take further emergency actions as necessary to protect District facilities and operations.

EXPRESS AGENDA

Director Hassler moved to accept the Express Agenda items as presented. Director Genova seconded and the motion passed unanimously. The Express Agenda items approved are as follows:

1. 2011 Children's Water Festival – The 2011 Children's Water Festival was held on May 16 and 17 at Mesa State College for the 18th consecutive year. Over 2,000 5th graders participated from area schools. There were 68 different presentation stations this year with over 350 volunteers. District staff participated in two different classroom presentations and one exhibit hall activity.
2. Front Office Security – As directed at the May Board Meeting, staff secured the services of Foremost Security to provide front office foyer security on those business days where customer water disconnections are scheduled. There are no additional incidents to report. Staff continues to obtain cost estimates for the various security structural improvements to the customer service area that have been previously identified to the Board. Final cost presentations will be provided at the July 7th Regular Board Meeting.

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3. Water Share Rental Agreement – Staff amended the text in the Water Share Rental Agreement between Clifton Water District and Clifton Sanitation District in Section II, Item 2 – Responsibility of District and Item 3 – Responsibility of CSD, as directed by the Board at the May 12, 2011 Meeting. The document will be presented for Board signature.

UNFINISHED BUSINESS

Hidden Valley Water Company – Manager Tooker reported there is no new information regarding the evaluation of the Hidden Valley Water Company's request for the District to take over their water system.

Project 2009 – 04 Colorado River Intake Structure – Assistant Manager Reinertsen met with Gould Construction regarding the possible effects of flooding on the project. The contractor is taking preventive actions to protect the project and has requested an extended performance schedule with a completion date of September 1, 2011. Director Peck moved to accept the extension for completion of the Colorado River Intake Structure project from July 15, 2011 to September 1, 2011, at no cost to the District. Director Hassler seconded and the motion passed unanimously.

2008 – 04 MF/UF Pilot Testing Program – The Board will schedule further discussion to occur at the July 7, 2011 Regular Meeting regarding the MF/UF Project information provided by Burns and McDonnell Engineering.

Flood Insurance – Manager Tooker presented a Staff Report (*2011 Staff Reports*) summarizing the additional flood insurance coverage and premium options that were provided to the Board in emergency phone calls made on May 26 and May 27, 2011. Director Genova moved to approve a Budget Transfer from Contingency to Property and Liability Insurance in the amount of \$2,000. Director Peck seconded and the motion passed unanimously. Director Genova moved to ratify the emergency telephone poll to secure an additional \$3,000,000 in Flood Insurance at an annual premium cost of \$2,781.00. Director Hassler seconded and the motion passed unanimously. Manager Tooker noted that the annual premium cost is pro-rated through the end of the year, therefore, the \$2,000 Budget Transfer will pay for the pro-rated flood insurance premium and the additional coverage of the River Pump Station Modification Facility.

NEW BUSINESS

Designate CSD Pool Representatives – Assistant Manager Reinertsen requested the designation of Colorado Special District's Property and Liability Pool Representatives for 2011. By consensus the Board designated Dale Peck and David Reinertsen as the representatives.

Request for Refund from Customer Glenn Morrison – The Board reviewed a Staff Report (*2011 Staff Reports*) summarizing a request for a refund from Glenn Morrison for Tax Parcel ID #2943-

154-000-76 because the District has charged for two water units and the customer states there have not been two water units connected for at least 22 years. An inspection of the property indicates there is currently one unit on the property. The Board affirmed the customer's responsibility to inform the District of account discrepancies. The Board agreed to reduce the number of units billed on this property to one effective in May of 2011. It is the District's practice to back-bill or refund an account for 12 months and this customer had the opportunity to inform the District of the error a year ago when the Bills began to print with the number of units being served, therefore, no refund will be allowed.

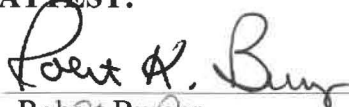
PERSONNEL

Manager Tooker reported that a new Water Treatment Plant Supervisor and a new Water Treatment Plant Operator have been hired. Their first day of employment is June 20, 2011.

ADJOURNMENT

Director Peck moved to adjourn the meeting. Director Norman seconded and the motion passed unanimously. The meeting was adjourned at 8:05 a.m.

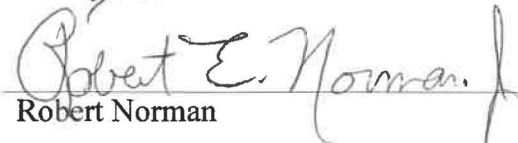
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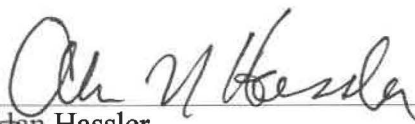
Robert Burger



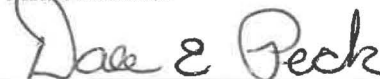
Doralyn Genova



Robert Norman



Alan Hassler



Dale Peck

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JULY 7, 2011**

BOARD MEMBERS PRESENT: Robert Burger, Chairman; Alan Hassler, Vice-Chairman;
Doralyn Genova, Secretary; Dale Peck, Treasurer;
Robert Norman, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; David Foster;
Kelly McLaughlin

GUEST: Dan Brown

REGULAR MEETING

Chairman Burger called the Regular Meeting to order at 5:00 p.m. Guest Dan Brown was introduced. Two additional Staff Reports were added to the agenda: Front Office Security Update and Customer Refunds.

MINUTES OF THE JUNE 2, 2011 REGULAR MEETING

Director Genova moved to approve the June 2, 2011 Regular Meeting Minutes as submitted. Director Peck seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$84,663.41 plus HRA Disbursements of \$4,999.40 plus Benefits Checks of \$19,380.70 plus Supplemental Checks of \$17,527.05 for a total of \$126,570.56. Director Hassler second the motion. Accountant Foster presented revised Profit and Loss Statements from January – April, 2011, and a revised Statement of Cash Flow for April, 2011. The Board recognized there were some inaccuracies in these Statements and Accountant Foster will prepare corrected reports. The motion passed unanimously.

MANAGER'S REPORTS

Manager Tooker presented the Manager's Reports. Of particular note was the number of overtime hours in May, 2011 that were attributed to flood preparation and the Springbrook software migration.

STAFF REPORTS

2011 Flood Preparation Actions – Assistant Manager Reinertsen presented a Staff Report (7/7/11 File, 2011 Staff Reports) summarizing the specific property and planning actions taken to prepare for the projected flooding in late May and early June, 2011. Multiple agencies provided assistance to the District. Direct and indirect costs for the preparation were at a total estimated cost of \$55,872.00. Damage to District property was avoided despite the 34,000 cfs maximum flow in the Colorado River. Staff also gained valuable knowledge for future flood hazard preparations.

Colorado River Cooperative Agreement and Water Quality Meeting – Manager Tooker reported that he, Assistant Manager Reinertsen and Board Chairman Bob Burger attended meetings on June 22, 2011 regarding the Colorado River Cooperative Agreement and Colorado River Water Quality issues. The District is not a signator on the Agreement. Manager Tooker believes the District may need to provide comments on the negative effects of reduced water flows on water treatment requirements.

Front Office Security – Assistant Manager Reinertsen provided a Staff Report (7/7/11 File, 2011 Staff Reports) updating the estimated costs to install structural security upgrades to the Front Office customer service work stations and the lobby. The temporary solution to obtain a lobby security guard for the weekly Discontinuation of Service days has been at a cost of \$1,650.00 for the six weeks of service to date. Staff recommended proceeding with the installation of bullet resistant glass windows for the customer service work stations. The installation offers the additional benefit of balancing the heating and cooling system in the lobby.

Customer Refunds - Assistant Manager Reinertsen presented a Staff Report (7/7/11 File, 2011 Staff Reports) summarizing large refund amounts for two customers that were recently identified as having been overbilled for the past four years because a 1” head was installed on a ¾” meter. He also discussed proactive measures being taken to identify and correct other similar situations.

EXPRESS AGENDA

Director Hassler moved to approve the Express Agenda items as presented. Director Genova seconded and the motion passed unanimously. The approved items are as follows:

1. Annual Water Quality Report – The District’s 2010 Annual Water Quality Report was mailed to all District customers on June 29, 2011. Consecutive systems were either hand delivered copies or mailed copies, depending on the size of the system. Consecutive systems are those such as Hidden Valley Water Company and Midland Village. A copy of the Report is included in the Board packet.
2. Project 2009-04 Colorado River Intake Structure – The electrical subcontractor has continued electrical component installation in the new control building during the project “on-hold” status during the Colorado River flood observations in June. The temporary flood control berms have been removed and the Contractor is scheduled to remobilize the full crew the week of July 5th.

UNFINISHED BUSINESS

New Construction Recapture Agreement Policy – Manager Tooker reported that a Policy Committee meeting was held on June 22, 2011 with Chairman Burger and Assistant Manager Reinertsen in attendance. Policy #310 – New Construction (7/7/11 File) with the Committee's proposed revisions regarding Cost Recapture Agreements was presented to the Board for review. Of important note was that a Cost Recapture share amount includes a maximum amount and would not be increased if the Plant Investment Fees increase during the duration of the Agreement. Action on this agenda item will be scheduled on the August 4, 2011 Meeting.

Hidden Valley Water Company – Manager Tooker presented a Power Point summary of the condition of the Hidden Valley Water Company, and Staff Reports itemizing the System Evaluation and the Return on Investment (7/7/11 File, 2011 Staff Reports). Staff calculated the estimated cost to upgrade the existing system to District standards at \$125,000.00. The expenditures would be 1) replacement of all service connections; 2) remove existing storage tanks and pump station in conjunction with relocating District 100,000 gallon storage tank; and 3) infrastructure improvements including a new connection under Highway 50. These costs are not a currently planned capital project but Staff consider them to be feasible within the goal to address District infrastructure issues within that geographic area. Staff recommends that the customers within the Hidden Valley Water Company continue to be charged their current water rates. The District's Return on Investment would be five – eight years, depending on the percentage of the rate being allocated solely to repayment. The Board stated the importance of protecting the interests of all District customers and directed Staff to obtain a legal opinion regarding the District's authority to acquire the Hidden Valley Water Company.

Project 2008-04 MF/UF Pilot Testing Program – Manager Tooker recommended that the District obtain a professional analysis of funding options for the construction of a building to house a Microfiltration/Ultrafiltration system based on Burns and McDonnell Engineering's proposal at the Board's June 2, 2011 Regular Meeting. He presented resume information from financial consultant Joe Drew, who has previously performed similar services for the Board. A simple cost analysis could be prepared for Board consideration at the August 4, 2011 Meeting. Director Genova moved to acquire the services of Joe Drew, at a cost of no more than \$2,000.00, to prepare an analysis of options to fund the projected costs of the MF/UF Project. Director Norman seconded and the motion passed unanimously.

NEW BUSINESS

2010 Audit – Manager Tooker distributed the draft 2010 Audit prepared by Mary Brenes, CPA, including the Management's Discussion and Analysis. Chairman Burger reported that Ms Brenes had contacted him with concerns that the Board had not been properly informed regarding the District's financial status and he distributed a spreadsheet, prepared by Ms Brenes, summarizing Accrual Basis and Budget Basis District Revenues, Expenses and Net Income/Loss from 2004 through 2010. Manager Tooker stated that his discussions with Ms Brenes concerned the clarification and reporting of, Depreciation Expense within the Management's Discussion

the manner in which Depreciation Expense was explained and stated her disapproval. Manager Tooker explained that the District does not budget for or include depreciation or replacement costs in the existing rate structure. Therefore, no revenue is collected for that specific purpose and as a result, when depreciation is reported in the Audit it has resulted in a Net Loss in FY 2008, 2009 and 2010. The Board discussed the District's rate structure and the relationship to depreciation expenses. Chairman Burger acknowledged that the financial statements are reviewed by the Board and that the Board has recognized the Net Loss throughout 2010. The Board also discussed, that this situation was one of the contributing factors of approving a Water Rate Increase that went into effect in February 2011 to offset the decreasing revenues affecting the District's net income. Ms Brenes will be scheduled to present the 2010 Audit and answer the Board's questions at a future meeting. The 2010 Audit will be submitted to the State Auditor's Office.

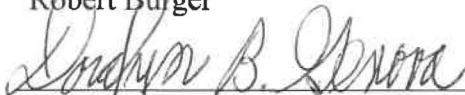
ADJOURNMENT

The July 7, 2011 Meeting was adjourned at 7:30 p.m.

ATTEST:



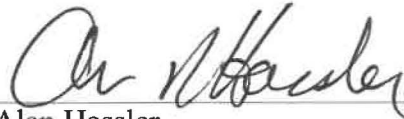
Robert Burger



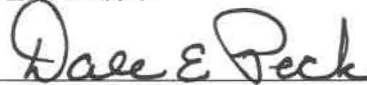
Doralyn Genova



Robert Norman



Alan Hassler



Dale Peck

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, AUGUST 4, 2011**

BOARD MEMBERS PRESENT: Robert Burger, Chairman; Alan Hassler, Vice-Chairman;
Doralyn Genova, Secretary; Dale Peck, Treasurer;
Robert Norman, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; David Foster;
Kelly McLaughlin; Terry Sykes

GUESTS: Joe Drew via phone at 6:05 p.m.

REGULAR MEETING

Chairman Burger called the Regular Meeting to order at 5:00 p.m. The District's new Plant Supervisor, Terry Sykes, was introduced. One additional item was added to the agenda under New Business: Staff Report Regarding Wes Harlan Tap Relocation Request. Mary Brenes, CPA, had been scheduled to review the 2010 Audit at this meeting but had to cancel. Brenes will be re-scheduled for the September meeting.

MINUTES OF THE JUNE 2, 2011 REGULAR MEETING

Director Genova moved to approve the July 7, 2011 Regular Meeting Minutes (*2011 Minutes*) with the correction of one typographical error on page 1 and with additional information regarding the preparation of new reports during the Financial Report and Accounts Payable section on page 1. Director Norman seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and approve Accounts Payable Regular Checks of \$136,373.74 plus HRA Disbursements of \$4,047.10 plus Benefits Checks of \$19,300.48 plus Supplemental Checks of \$62,320.42 for a total of \$222,041.74. Director Peck seconded the motion. Accountant Foster distributed revised Profit and Loss Statements and Cash Flow Statements for January, 2011 through June, 2011. The previously distributed Profit and Loss and Cash Flow Statements included a repetitive spreadsheet calculation error that has been corrected on the revised documents. He also noted that the District's Reserves at the end of each month are now shown on the Balance Sheet. The motion passed unanimously.

David Foster left the meeting at 5:20 p.m.

MANAGER'S REPORTS

Manager Tooker reviewed the Manager's Reports. It was noted that water sales are down this year. Assistant Manager Reinertsen presented the Construction Reports. The Credit Card Report was not included in the packet and will be copied to the Board at the September meeting.

STAFF REPORTS

Overview of City of Grand Junction Water Agreement – Manager Tooker presented the Board with a Staff Report (8/4/11 File, 2011 Staff Reports) summarizing the 1977, 1981, 1990 and 1998 Water Exchange Agreements between the District and the City of Grand Junction. The City is entitled to request up to 4.5 million gallons of water per day in exchange for their financial participation in the construction of the District's water treatment plant and distribution improvements in 1977. Copies of the August 10, 1990 and the August 8, 1998 Agreements were provided to the Board.

2011 Customer Service and Billing Mid-Year Data Summary – A Staff Report (8/4/11 File, 2011 Staff Reports) was reviewed by the Board itemizing InfoSend Bill Print and Mail costs, Billed Revenue 2011 versus 2010, and Discontinuation of Service, Property Transfers, Taps Sold and Availability of Service data for 2011.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda as submitted. Director Hassler seconded and the motion passed unanimously. The Express Agenda item is as follows:

1. Project 2009-04 Colorado River Intake Structure – The required electrical service upgrade for the project has been completed. Work has progressed with the installation of pump well components as well as control building components. Electrical subcontractor continues electrical component installation. Contractor has assured staff that the project will be complete as per the revised completion schedule of September 1, 2011.

UNFINISHED BUSINESS

2010 Audit – Manager Tooker reported that the 2010 Audit was submitted to the State Auditor's Office as required by Statute prior to July 31, 2011. This submittal had been approved by Board via a telephone poll after the July 7, 2011 Regular Meeting. Director Genova moved to ratify submittal of the 2010 Audit to the State Auditor's Office. Director Peck seconded and the motion passed unanimously.

The Board reviewed the 2010 Audit (2010 Audit File) and two letters prepared by Mary Brenes, CPA in accordance with the Governmental Accounting Standards Board. The Board will prepare a list of questions they would like addressed by Brenes at the September, 2011 Meeting.

Funding Options for the MF/UF Project – Financial consultant, Joe Drew, was present via speakerphone to discuss his Preliminary Report on Potential Project Financing Cost and Alternatives for the Construction of the Microfiltration/Ultrafiltration Project (8/4/11 File, MF/UF Project File). The Report summarized the District's current Debt and Net Revenue, two proposed financing options, the costs of the options, and the rate increases that would be necessary to recover the debt. Finance Option #1 is Open Market Financing. Finance Option #2 is a debt issuance through Colorado Water Resources and Power Development Authority. Following review of the options the Board noted the need to develop a rate increase strategy to prepare for the MF/UF Project in addition to the District's operational and capital improvement needs.

New Construction Recapture Agreement Policy – Assistant Manager Reinertsen presented Policy #310 – New Construction as revised to define Cost Share and Recapture Agreements. The Board had received the proposal for consideration at the July 7, 2011 Meeting. The Board requested the deletion of language in Paragraph 1, regarding more than one tap must be requested to qualify for the Agreement. The amended language reads "It applies only when the customer or developer needs to install water lines not currently in place to serve the new taps." Director Peck moved to accept the amendments to Policy #310 – New Construction as presented and amended in Paragraph 1. Director Norman seconded and the motion passed unanimously.

Hidden Valley Water Company – Manager Tooker presented a Staff Report (8/4/11 File, 2011 Staff Reports) regarding the District's statutory authority and suggested process to acquire the Hidden Valley Water Company's service area. A copy of Colorado Revised Statutes regarding the General Powers of Special Districts was also provided. The Board directed Staff to notify the Hidden Valley Water Company representatives that they need to initiate the process to identify and secure all necessary easements that would need transferred to the District. Additionally, Hidden Valley Water Company property owners should be notified that the District has an interest in taking over water service with the conditions that the property owners request this action; the property owners understand the existing system does not conform to District standards, and there is a cost to do so; and, the property owners understand that the anticipated monthly water rates could remain as they are or may increase more than the current rates depending on the costs to upgrade the system. The property owners need to submit a petition acknowledging these items for Board review and consideration at the September, 2011 Regular Meeting.

NEW BUSINESS

Designate Person to Prepare 2012 Budget – Director Genova moved to appoint Manager Dale Tooker to prepare the District's 2012 Budget. Director Norman seconded and the motion passed unanimously.

Policy #420 – Unintentional Water Use – Manager Tooker reported that Policy #420 Unintentional Water Use is used to review customer requests for billing adjustments following a leak on the customer side of the water meter. He submitted proposed amendments to update

Policy #420 Unintentional Water Use to align with current rates and practices. A Policy Committee meeting will be scheduled to review the proposed Policy changes for review and provide recommendations to the Board.

SDA Annual Conference, Breckenridge, September 14 – 16, 2011 – Directors Peck and Norman expressed interest in attending the Special District Association’s Annual Conference. Assistant Manager Reinertsen has the opportunity to attend as a representative of another agency and requested authorization to attend although Manager Tooker will be out of the office during that week. The Board agreed with Assistant Manager Reinertsen’s attendance at the SDA Annual Conference.

Wes Harlan Tap Relocation – Assistant Manager Reinertsen presented a Staff Report (8/4/11 File, 2011 Staff Reports) and request from Wes Harlan, 3438 Front Street, for the relocation of a water meter from its historical location to directly in front of his house. The history of the water meter installation and a map of the location were reviewed. By consensus, the Board directed Staff to send Mr. Harlan a letter stating the water service and meter pit can be relocated at the property owner’s cost of approximately \$10,000 for work and permitting, or Mr. Harlan can pursue prescriptive and/or negotiated easement options for the location of the existing water service line as it currently exists.

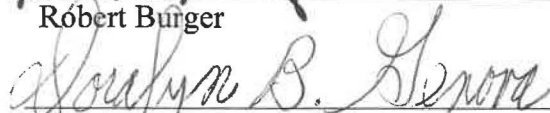
ADJOURNMENT

Director Genova moved to adjourn the meeting. Director Hassler seconded and the motion passed unanimously. The meeting adjourned at 8:35 p.m.

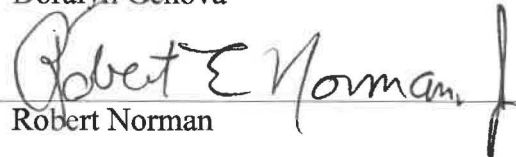
ATTEST:


Robert Burger


Alan Hassler


Doralyn Genova


Dale Peck


Robert Norman

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, SEPTEMBER 8, 2011**

BOARD MEMBERS PRESENT: Robert Burger, Chairman; Alan Hassler, Vice-Chairman;
Dale Peck, Treasurer; Robert Norman, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; David Foster;
Kelly McLaughlin; Terry Sykes

GUESTS: Mary Brenes, CPA

REGULAR MEETING

Chairman Burger called the Regular Meeting to order at 5:00 p.m. Director Genova was excused.

GUESTS

Mary Brenes, CPA was present and provided a detailed review of the District's 2010 Audit. She noted that there was one non-material variance stated in her Letter to Management. This variance, regarding payments to retiring employees, was for notation only and not considered a problem. No exceptions were stated in the Letter to Management. Brenes compared the Cash Basis and the Accrual Basis report differences regarding depreciation, assets and Capital contributions. Budget to Actual numbers were summarized. Brenes reported the information used to reconcile the end-of-year bank statement, her methods to do test counts of inventory, and the review of Accounts Payable. She found no issues with the District's internal controls. Brenes stated the District has not been considering depreciation amounts when calculating water rates, although utilities governed by the Public Utilities Commission are required to do so.

Mary Brenes left the meeting at 5:55 p.m.

MINUTES OF THE AUGUST 4, 2011 REGULAR MEETING

Director Hassler moved to approve the August 4, 2011 Regular Meeting Minutes (*9/8/11 File, 2011 Minutes*) as submitted. Director Norman seconded and the motion passed.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Hassler moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$142,735.09 plus HRA Disbursements of \$ 3,604.48 plus Benefits Checks of \$19,650.86 plus Supplemental Checks of \$200,276.28 for a total of \$366,266.71. Accountant Foster reviewed his Notes to Financial Statements and the Statement of Cash Flow. Errors were noted on the Transaction Types Report and will be corrected. The motion passed.

David Foster left the meeting at 6:20 p.m.

MANAGER'S REPORTS

Manager Tooker presented the monthly Manager's Reports. A corrected Page 1 regarding water sales and water quality was submitted to the Board. Assistant Manager Reinertsen summarized the Project Costs Summary and further stated that Project 2009-04 Colorado River Intake Structure is nearing completion with a cost savings of approximately \$80,000, to be shared between the District and the contractor as per the Project Agreement.

STAFF REPORTS

SILLS Program - Assistant Manager Reinertsen presented a summary of the Simple Improvements at the Local Level (SILLS) Program (9/8/11 File, 2011 Staff Reports) that was implemented by the District in 2005. The purpose of the program includes the improvement of communication between supervisors and staff and to facilitate increased employee "ownership" of District direction. A summary of approved SILLS was provided. Board members were encouraged to attend the all-employee quarterly luncheon when SILLS are recognized.

Project 2009-04 Colorado River Intake Structure – The site tour of the nearly completed Colorado River Intake Structure and Pump Station was postponed from tonight's meeting to the October 6, 2011 Board Meeting. Assistant Manager Reinertsen reported that substantial completion was achieved by the September 1, 2011 revised deadline, and testing of the pumps was conducted on that day. The system performed properly. There is a list of 15 items remaining for the contractor to complete.

EXPRESS AGENDA

Director Hassler moved to approve the Express Agenda as submitted. Director Norman seconded and the motion passed. The Express Agenda items were approved as follows:

1. SDA Annual Conference and Annual Membership Meeting - Directors Peck and Norman are signed up to attend the SDA Annual Conference being held in Breckenridge from September 14 -16, 2011. Assistant Manager Reinertsen will also attend. Information regarding the SDA Annual Membership Meeting is included in the packet. If Director Peck or Director Norman will be unavailable to attend the Annual Membership a Proxy will need to be completed.
2. Hidden Valley Water Company – A request was made to Hidden Valley Water Company's attorney to identify and provide easements for the water lines. No activity has taken place in the preparation of the questionnaire to the property owners.

Manager Tooker also advised the Board of regional water-related meetings, the annual Colorado River Water Conservation District State of the River and the Colorado Water Conservation Board quarterly meeting, to be held in the Grand Junction area next week. Staff and Board members were invited to attend both of these meetings.

UNFINISHED BUSINESS

2010 Audit – The 2010 Audit (2010 Audit) was covered earlier in the meeting with Mary Brenes, CPA.

Policy #420 – Unintentional Water Use – Manager Tooker reported that the Policy Committee met and reviewed the proposed amendments to Policy #420 – Unintentional Water Use regarding customer requests for adjustments to their bill following a leak. The revised Policy was reviewed. Director Norman moved to adopt Policy #420 (10)– Unintentional Water Use (9/8/11 File, Operations Policy) with the clarification in Paragraph 10.2 that the leak must be repaired within ten days of notification and with the Policy effective with requests received beginning on September 9, 2011. Director Peck seconded and the motion passed. Policy #420, Paragraph 10 – Unintentional Water Use text as amended follows:

10. UNINTENTIONAL WATER USE AND WATER METER TESTING

10.1 The District is responsible for the service line from the main to and including the meter. All water use from the meter to the customer is the responsibility of the customer.

10.2 Once a leak is detected on the customer side of the meter it is the customer's responsibility to notify the District immediately and repair the leak within ten days. The District will read the meter as soon as possible after receiving notice of the leak.

10.3 A Leak Adjustment will be considered for leaks that are limited to the primary service line from the meter to the entrance of the foundation or perimeter of the dwelling unit and shall exclude any secondary or irrigation connections.

10.3.1 The customer must contact the District within 45 calendar days of detection of a leak to request a Leak Adjustment.

10.3.2 The Customer shall complete a Leak Adjustment Request Form and submit the form (including all receipts from the repair) to the District within 30 calendar days of the notification of the leak.

10.3.3 Calculation of the Leak Adjustment

10.3.3.1 The water bill from the month that the leak was detected and successfully repaired LESS the Average of the previous three (3) month's water bill plus 10 times the minimum monthly charge.

10.3.3.2 Leak Adjustments will not be considered if; the leak was willfully caused by the customer, if the leak was within the inside perimeter of the dwelling, as a result of a secondary or irrigation connection, or any other condition that is not the primary service line as defined.

10.3.3.3 A Leak Adjustment will not be considered if the suspected leak is not repaired within 10 calendar days of the notice.

10.3.3.4 The District will consider one (1) Leak Adjustment per property per 12 month period.

10.3.3.5 Leak Adjustments shall be considered on Residential Single Use Services only

10.4 Should the customer feel that the charges made are due to a faulty meter, the meter will be tested under the following condition: that the meter is removed in the presence of the customer or his representative and taken to the water meter test bench with the meter being in the possession of the customer at all times. The meter will be tested in the customers presence, and, if shown to be accurate (within 3.0%), there will be a charge in accordance with paragraph 12.12 of this Policy. If the meter is shown to be inaccurate, an appropriate adjustment will be made on the water bill as determined by the District.

Palisade Wastewater Treatment Project – Manager Tooker reported that the State permit was approved for the on-site facility revisions at the Palisade Wastewater Treatment Facility. The

District had commented that approval of this project would have a negative impact on water quality and increase the District's treatment requirements. Staff will contact the Colorado Department of Health to determine when the permit was issued and the length of the comment period regarding the permit decision.

MF/UF Project Financing – Manager Tooker stated the MF/UF Project Financing costs will be discussed in the Budget Committee.

2012 Budget – Staff has begun preparation of the 2012 Budget and will schedule a Budget Committee meeting in September, 2011.

NEW BUSINESS

2012 Water Rates and Plant Investment Fees - It was reported at the August 4, 2011 Board Meeting that the District's existing debt service amount will increase in November of 2011 to a level requiring a rate increase per customer. Existing debt service, depreciation and options for MF/UF Project financing will be calculated for the Cost of Service Analysis and proposed 2012 Water Rates. Manager Tooker distributed a document titled "Future Value Calculation" (9/8/11 File) for preliminary Board review.

PERSONNEL

Manager Tooker reported that Water Treatment Plant Lead Operator Hoffman has accepted a position with Ute Water Conservancy District, the third District employee to accept a position with Ute Water in three-and-one-half years. Recruitment efforts are underway to find his replacement. The need for succession planning and cross training were discussed. Manager Tooker is also gathering suggestions to improve employee retention.

ADJOURNMENT

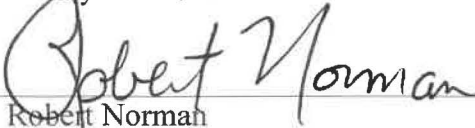
Director Norman moved to adjourn the meeting. Director Peck seconded and the motion passed. The September 8, 2011 Meeting was adjourned at 8:10 p.m.

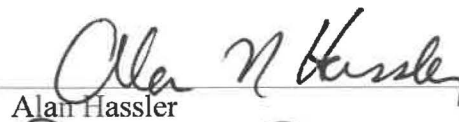
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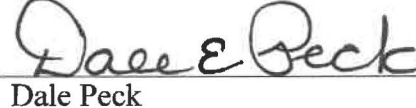

Robert Burger

Excused

Dorilyn Genova


Robert Norman


Alan Hassler


Dale Peck

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, OCTOBER 6, 2011**

BOARD MEMBERS PRESENT: Alan Hassler, Vice-Chairman; Doralyn Genova, Secretary;
Dale Peck, Treasurer; Robert Norman, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; David Foster;
Kelly McLaughlin

REGULAR MEETING

Vice-Chairman Hassler called the Regular Meeting to order at 5:05 p.m. Director Burger was excused. One item was added to the agenda under New Business, Customer Request for Additional Leak Adjustment.

MINUTES OF THE SEPTEMBER 8, 2011 REGULAR MEETING

Director Peck moved to approve the September 8, 2011 Regular Meeting Minutes *(2011 Minutes)* with the correction in the header removing Director Genova's name as being present at that meeting. Director Norman seconded and the motion passed.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept Financial Reports and Approve Accounts Payable *(10/6/11 File)* Regular Checks of \$90,765.64 plus HRA Disbursements of \$10,912.40 plus Benefits Checks of \$20,168.45 plus Supplemental Checks of \$17,255.09 for a total of \$ 139,101.58. Manager Tooker noted that the Cash Flow Report showed an Operating Revenue gain and a Non-Operating Revenue gain, which has been unusual in the past year. Director Norman commented that water sales for 2011 year-to-date are within the lowest three years of the current ten year period. Director Hassler commented about the increasing costs of traffic control and asphalt replacement. The motion passed.

David Foster left the meeting at 5:20 p.m.

SITE TOUR

The onsite tour of the Colorado River Pump Station was postponed to the November 3, 2011 meeting due to inclement weather.

MANAGER'S REPORTS

Manager Tooker presented the monthly Manager's Reports *(10/6/11 File)*. There were 28 taps sold through August compared with 24 through August of 2010. Water production, sales, water

quality, overtime, and staff training information were reviewed. Attorneys fees paid were attributed to the Colorado River Basin proposal the District is cost-sharing in the payment of. The monthly credit card report included costs associated with the recruitment of a Water Treatment Plant Operator. Assistant Manager Reinertsen reported the MF/UF Pilot Testing Program Project is 100% complete.

STAFF REPORTS

Revenue Increase 2010 Versus 2011 – Staff presented a Staff Report (2012 Staff Reports) summarizing of the Revenue increase in 2011 compared to 2010, as the result of the 2011 Rate Increase. Through September the increase is \$262,787.05.

Burns and McDonnell Membrane Training Summary - Assistant Manager Reinertsen presented a Staff report (2012 Staff Reports) on Nanofiltration/Reverse Osmosis Membrane on-site operations training presented by Burns and McDonnell Engineering to six District staff members on September 14, 2011. In addition to the training provided, Burns and McDonnell staff identified system optimization improvements the District could complete to further enhance energy use, pump and filter life cycle cost efficiencies.

EXPRESS AGENDA

Director Norman requested discussion regarding the Palisade Wastewater Treatment Plant, item #1 on the Express Agenda. He reported that he spoke with a Fish and Wildlife Service staff member and found that they have limited review ability regarding the Palisade proposal. Director Norman stated that the Colorado Water Quality Control Permit comment period is currently open.

Director Genova moved to approve Express Agenda items #2 and #3. Director Peck seconded the motion passed. Items were approved as follows:

2. Hidden Valley Water Company
3. Regional Water Conservation Plan

UNFINISHED BUSINESS

SDA Annual Conference Report – Directors Norman and Peck and Assistant Manager Reinertsen provided summaries of workshops they attended at the Special District Association (SDA) Annual Conference held in Breckenridge September 14-16, 2011.

Draft 2012 Budget - A Draft of the 2012 Budget (10/6/11 File) was presented to the Board as per Statutory requirements. Manager Tooker reported that the Budget Committee has held two meetings to date for review of the Draft. The Operational Revenue included in the current Draft 2012 Budget is based on the District's 2011 Water Rates and Budgeted Revenue. Manager Tooker discussed the Operational Expenditures with the most significant changes between the 2011 Budget and the Draft 2012 Budget. A significant change includes the increased 2003 Revenue Bond payment amount. During review of the budgeted Expenditures, there was

discussion regarding the need to balance between accurately budgeting for anticipated costs and calculating the rate structure accordingly, without overinflating the numbers and potentially putting unspent money into Reserves, versus not budgeting for unidentified but likely items, keeping the rate structure lower and withdrawing funds from the Contingency as necessary. One focus of that discussion was the budgeted amount for Transmission and Distribution Repair and Maintenance. The current Draft 2012 Budget, which includes the Bond payment increase but does not consider any changes to wages and benefits or Water Rate Revenue, projects an operating loss of \$216,000. Additional Budget Committee meetings will be scheduled for further review of the FY 2012 Budget.

Set 2012 Budget Hearing Date – Director Genova moved to set the 2012 Budget Public Hearing for Thursday, December 1, 2011 at 5:00 p.m. Director Peck seconded and the motion passed.

2012 Water Rates - Manager Tooker presented a 2012 Revenue Requirements document (10/6/11 File) itemizing the 2012 monthly cost increase per customer, allocated to either Base Rate or Consumption Rate, for the Revenue Bond, Depreciation Expense and Wages and Benefits. It was the consensus of the Board to propose a \$2.19/month Flat Rate increase per unit to cover the Revenue Bond. It was also the consensus of the Board to propose a .58/1,000 gallons Consumption Rate increase for Depreciation Expense Recovery and a Wage Increase. The Draft 2012 Budgeted Revenue will be revised for further review by the Budget Committee.

Policy #420 (8) – Right of Exclusive Control – Assistant Manager Reinertsen presented proposed revisions to Policy # 420, Paragraph 8 – Right of Exclusive Control (10/6/11 File) to correct text that was incomplete and confusing. Director Genova moved to adopt the proposed Revisions to Policy #420, Paragraph 8 – Right of Exclusive Control as presented. Director Norman seconded and the motion passed. The revised Policy text is as follows:

8. RIGHT OF EXCLUSIVE CONTROL

8.1 *All water service delivered by Clifton Water District must be supplied through water mains, valves, and other property of the District. Such property shall not be altered, adjusted, or tampered with in any way without prior approval from the District. Any tampering with, or alteration of any aspect of the District's distribution system under the exclusive control of the District will result in monetary penalties, up to \$1,000 per incident. Each incident will be considered as a separate event and penalties applied accordingly. It will be at the District's sole discretion to determine any additional costs to repair damages that may have been caused from the unauthorized manipulation of the system.*

8.1.1 *District customers - Penalty will be assessed and included in their monthly water bill.*

8.1.2 *All others - Penalty will be assessed by invoice to the unauthorized user and payment is due within 30 days. Individuals assessed the penalty will be held liable for payment of the penalty according to Mesa County, Colorado, laws in effect at that time.*

8.2 *The District has the right of exclusive control and supervision of all construction and maintenance of the water system.*

NEW BUSINESS

2011 Audit Services – Manager Tooker reported that the District has not advertised for Audit Services since 2003 and the services have been performed by Mary Brenes, CPA. He asked for Board direction to either proceed with Brenes for the 2011 Audit or to advertise a Request for Proposals. Director Genova moved to direct Staff to advertise a Request for Proposals for the 2011 Audit. Director Peck seconded and the motion passed.

Health Reform Act – Manager Tooker reported that FlexMagic, Inc., the District’s Health Reimbursement Arrangement (HRA) administrator, has advised the District that provisions of the new Health Reform Act may require changes to the HRA program. More information will be provided to the Board at the November 3, 2011 Meeting.

Major Capital Improvements Plan – Manager Tooker stated that he recently prepared some revisions to the District’s Major Capital Improvements Plan as part of work on a statewide Water Infrastructure Survey. The Board will be provided details at an upcoming Board meeting, particularly relative to the 2012 Budget.

Water Acquisition Plan – Manager Tooker reported that Water Acquisition is one element of annual budgeting and Water Acquisition Planning will be discussed at an upcoming Board meeting.

Customer Request for Additional Leak Adjustment – Manager Tooker presented a Staff Report (2011 Staff Reports) and request from the customer at 3463 Front Street for an additional credit to their account due to a leak within the service line that occurred in August. The customer was allowed a credit based on one month of billing as per standard practice and the customer requests a credit for the portion of the leak that occurred during a second month of billing. Director Norman moved to allow an additional credit of \$88.65 to the customer at 3463 Front Street for the second billing month of the leak. Director Peck seconded and the motion passed.

ADJOURNMENT

Director Genova moved to adjourn the meeting. Director Norman seconded and the motion passed. The meeting was adjourned at 8:25 p.m.

ATTEST:

Excused

Robert Burger
Doralyn B. Genova

Doralyn Genova
Robert Norman

Robert Norman

Alan Hassler

Alan Hassler
Dale E. Peck

Dale Peck

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, NOVEMBER 3, 2011**

BOARD MEMBERS PRESENT: Robert Burger, Chairman; Alan Hassler, Vice-Chairman; Dale Peck, Treasurer; Doralyn Genova, Secretary; Robert Norman, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; David Foster; Kelly McLaughlin; Terry Sykes; Angie Beebe

REGULAR MEETING

Chairman Burger called the Regular Meeting to order at 5:00 p.m. One additional item was added to the agenda under New Business, Holiday Ham or Turkey.

MINUTES OF THE OCTOBER 6, 2011 REGULAR MEETING

Director Genova moved to approve the Minutes of the October 6, 2011 Meeting (*2011 Minutes*) with the correction to a typographical error on page 3 regarding Policy 8.1.1 Right of Exclusive Control. Director Hassler seconded and the motion passed. Director Burger abstained as he had not been present at the October 6, 2011 Board Meeting.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$90,765.64 plus HRA Disbursements of \$10,912.40 plus Benefits Checks of \$20,168.45 plus Supplemental Checks of \$17,255.09 for a total of \$ 139,101.58. Director Peck seconded. Accountant Foster noted there was one voided check. Board members requested and received further information regarding specific Accounts Payable checks and Billed Revenue on the Statement of Cash Flow. The motion passed unanimously.

David Foster left the meeting at 5:10 P.M.

COLORADO RIVER INTAKE STRUCTURE AND PUMP STATION

Board Members, Manager Tooker, Assistant Manager Reinertsen and Plant Supervisor Sykes went on a site tour of the Colorado River Intake Structure and Pump Station that is now complete and fully operational.

Terry Sykes left the meeting at 6:00 p.m.

MANAGER'S REPORTS

Manager Tooker presented the Monthly Manager's Reports. One item of note was that the number of taps sold year-to-date are 34 compared to 25 for the same period of time last year.

STAFF REPORTS

There were no Staff Reports for this Agenda Item.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda items as presented. Director Peck seconded and the motion passed unanimously. The approved Express Agenda items are as follows:

1. Major Capital Improvements Plan – Work on the updated Major Capital Improvement Plan has started with the FY2012 Non-Operating Budget discussions. Based on the results of the final approved 2012 Budget in December, the approved 2012 projects and budget will serve as the new baseline for developing the overall updated Plan.
2. Water Acquisition Plan – Staff plans to begin work on the Board requested Water Acquisition Plan once the FY2012 Budget cycle is completed. Progress updates will be provided at future Board Meetings.

UNFINISHED BUSINESS

2012 Budget – Manager Tooker presented a Staff Report (*2011 Staff Reports, 2012 Budget*) and Draft Budget Worksheet (*2012 Budget*) with revisions as reviewed and recommended by the Budget Committee following their meetings held on October 14, 2011 and October 28, 2011. Manager Tooker reported that much work has been done to actualize Operating Expenses according to specific identified needs, resulting in a decrease of \$280,353 in Operating Expenses and a reduction of \$123,200 in Non Operating Expenses in the 2012 Budget. It was noted that by not allocating additional funds for any unplanned needs, any necessary non-budgeted expenditures would require a transfer from Contingency. The 2003 Water and Power Authority Revenue Bond payment increases \$296,836 over the 2011 repayment schedule. Director Norman noted that the Non-Operating Budget shows a \$1,007,140 loss that will need to be funded from Reserves or Excess Revenues. The Board recognizes that the efforts to more accurately project budget amounts may generate discrepancies between actual and budget amounts that will require adjustments. Two capital construction projects are planned for 2012. Manager Tooker reported that funds have not been allocated for the previously discussion acquisition of the Hidden Valley Water Company because he has been informed by a Hidden Valley Water Company representative that they plan to retain and operate it themselves.

Angie Beebe left the meeting at 6:30 p.m.

2012 Water Rates – Manager Tooker presented a Water Rate Recommendation Memo and Revenue Scenario Summary (2011 Memos, 11/3/11 File, Budget 2012) including the Revenue anticipated from each, and the Budget Committee’s recommendation. The primary objectives of the Budget Committee’s review were to actualize the Budget to reduce unnecessary expenses and proceed to determine the most effective Water Rate increase to fund the increased Bond Payment, fund increased employee costs, and begin to recover Depreciation Expense. After review of the Budget and the Water Rate increase options, the Board stated concern that the recommended Base Rate increase of \$14.00 per unit, as recommended by the Budget Committee, was not sufficient to cover depreciation. Director Genova moved to increase the Base Rate to \$14.50, Tier 1 to \$2.25/1,000 gallons, Tier 2 to \$2.60/1,000 gallons and Tier 3 to \$3.50/1,000 gallons effective with billing beginning on January 1, 2012. Out of District rates will continue to be 150%. Director Peck seconded and the motion passed unanimously.

Budget Transfer – General & Administrative, Printing – Assistant Manager Reinertsen presented a Staff Report (2011 Staff Reports) and request to transfer funding from Contingency to General and Administrative Printing Expense due to an error in the amount included in this budgeted line item for 2011 (\$9,000 instead of \$19,000). Director Genova moved to approve the requested transfer of \$10,000 from Contingency to General and Administrative Printing Expense to ensure sufficient funds to complete FY2011 activities. Director Peck seconded and the motion passed unanimously.

Budget Transfer – CASWTP Construction Expense, Project 2009-04 Colorado River Intake Pump Station Modification – Assistant Manager Reinertsen presented a Revised Staff Report (2011 Staff Reports and 2009-04 Project File) requesting a transfer of funds from Contingency to the CASWTP Construction Expense line item. This project spanned two budget years and \$447,888.21 budgeted in 2010 but unspent on the project by the end of the year was spent to reserves. Actual project spending in 2011 is projected to be \$207,375 over the 2011 project budget. Director Genova moved to authorize the transfer of \$207,500 from Contingency to the CASWTP Construction Expenses 2011 Budget Line Item. Director Norman seconded and the motion passed unanimously.

Project 2009-04 Colorado River Intake Structure, Final Payment – Assistant Manager Reinertsen presented two different Staff Reports (2011 Staff Reports and Project File) regarding the outcome of the Project Cost Savings Program and the Final Project Cost Summary. The Project Cost Savings Program resulted in a total savings of \$76,397.44 of which \$30,558.98 was the Gould Construction, Inc share as per the Contract documents. The remaining \$45,838.46 in savings was utilized for other direct District expenditures in support of the project. Director Genova moved to authorize payment of \$30,558.98 to Gould Construction, Inc. as their share of the Project Cost Savings Program. Director Hassler seconded and the motion passed unanimously.

After review and discussion of the final Project Cost Summary, Staff recommended release of 50% of the total retainage withheld, \$42,049.09, to the Contractor and Board authorization to begin the advertising process to make final payment to Gould Construction, Inc. of the remaining \$42,049.09 in retained funds. Director Hassler moved to release \$42,049.09 of the retained

funds to the contractor, Gould Construction, Inc. from the District's Water Activity Enterprise Fund, at this time. Director Genova seconded and the motion passed unanimously. Director Hassler further moved to authorize staff to begin the process to make final payment to Gould Construction, Inc. at the December 1, 2011 Regular Board Meeting. Director Genova seconded and the motion passed unanimously.

Health Reimbursement Arrangement (HRA) – Manager Tooker reported that he has worked with the District's Health Reimbursement Arrangement administrator, FlexMagic, to develop two separate plans, one for full time employees and one for part-time employees, that will comply with new Health Care Legislation. Additional discussion of HRA benefits will be scheduled at an upcoming Personnel Committee meeting.

NEW BUSINESS

American National Bank Checking Account – Manager Tooker advised the Board that following a recent issue with the financial institution utilized for the District's Payroll Account, he has secured a new account with American National Bank. After discussion, it was the consensus of the Board to open a new payroll account with American National Bank. The Board provided copies of their driver's licenses and signed the Corporate Authorization Resolution to initiate the new Payroll Account at American National Bank.

Holiday Ham or Turkey – Director Genova moved to continue the District's tradition of providing one ham or one turkey to District Staff and Board Members, for either Thanksgiving or Christmas. Director Peck seconded and the motion passed unanimously.

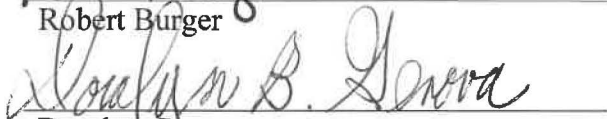
Colorado River Water Users Association Annual Conference – Manager Tooker provided the Board with the conference program for the Colorado River Water Users Association Annual Conference to be held in Las Vegas, Nevada December 14 – 16, 2011.

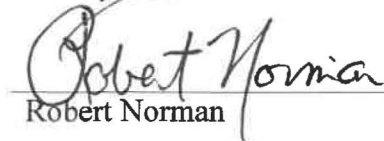
ADJOURNMENT

Director Genova moved to adjourn the November 3, 2011 Regular Meeting. Director Hassler seconded and the motion passed unanimously. The meeting was adjourned at 7:55 p.m.

ATTEST:


Robert Burger


Doralyn Genova


Robert Norman


Alan Hassler


Dale Peck

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, DECEMBER 1, 2011**

BOARD MEMBERS PRESENT: Robert Burger, Chairman; Alan Hassler, Vice-Chairman; Dale Peck, Treasurer; Doralyn Genova, Secretary; Robert Norman, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; David Foster; Kelly McLaughlin; Terry Sykes;

PUBLIC HEARING

Chairman Burger called to order the Public Hearing regarding the 2012 Budget at 5:00 p.m. The Public Hearing Notice (*Legal Notices*) was advertised in the Grand Junction Daily Sentinel on November 20, 2011 and November 27, 2011. No members of the public were present and Manager Tooker reported that no comments had been received. Director Genova moved to close the Public Hearing. Director Peck seconded and the motion passed. The Public Hearing was closed at 5:00 p.m.

REGULAR MEETING

Chairman Burger called to order the Regular Meeting of December 1, 2011 at 5:02 p.m. Director Norman had not yet arrived at the meeting. One additional item was added to Agenda under Unfinished Business: Budget Transfer – Labor/Overtime and one additional item was added to the Agenda under New Business: Budget Transfer – Purchase of GVICO Water Shares.

MINUTES OF THE NOVEMBER 3, 2011 REGULAR MEETING

Director Hassler moved to approve the November 3, 2011 Regular Meeting Minutes (*2011 Minutes*) with one typographical correction on page 4 in the Holiday Ham or Turkey agenda item. Director Genova seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Hassler moved to Accept the Financial Report and Approve Accounts Payable Regular Checks of \$91,372.76 plus HRA Disbursements of \$5,957.56 plus Benefits Checks of \$18,295.12 plus Supplemental Checks of \$14,765.93 for a total of \$130,391.37. Director Genova seconded. Accountant Foster noted that the Statement of Cash Flow showed a positive balance for the month of October, 2011. The motion passed.

Director Norman arrived at the meeting at 5:08 p.m.

David Foster left the meeting at 5:10 p.m.

MANAGER'S REPORTS

Manager Tooker presented the Manager's Reports. There were no items of significant discussion.

MINUTES OF THE NOVEMBER 3, 2011 REGULAR MEETING

Director Norman had not been present when the November 3, 2011 Minutes had been approved at the beginning of the Meeting and requested one item of clarification. Director Hassler moved to amend the November 3, 2011 Minutes by adding the following phrase within the 2012 Budget item on page 2 "The Board recognizes that the efforts to more accurately project budget amounts may generate discrepancies between actual and budget amounts that will require adjustments." Director Genova seconded and the motion passed unanimously.

STAFF REPORTS

There were no Staff Reports.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda Items as presented. Director Norman seconded and the motion passed unanimously. The approved items are as follows:

1. Mesa County 2012 Capital Improvement Plan Projects List – On November 8, 2011, staff attended the annual Mesa County Capital Improvement Plan Project presentation for planned 2012 activities. The District's Proposed 2012 Budget includes funding for District support on the identified planned projects within the District's service area. Staff sent a letter to the Mesa County Public Works Department stating that any other projects pursued by the County in 2012 that were not identified at the Planning Meeting will not be funded by the District. Affected District infrastructure would need to be addressed through County funding mechanisms. A copy of the letter is included in the Board Packet.
2. Partnership for Safe Water 2011 Director's Award – The District recently received the 2011 Director's Award from the Partnership for Safe Water. This is the fifth consecutive year the District has received this award. The award recognizes the efforts of the Treatment Plant to maintain the highest water quality standards possible.
3. Xcel Energy's Energy Efficiency (EE) Program – Staff is reviewing information received from Xcel Energy concerning energy audits and engineering assistance rebates as they apply to the River Pump Station Modifications and Water Treatment Plant's utility bill.

UNFINISHED BUSINESS

2012 Budget – The 2012 Budget Worksheet and the Budget Explanation (12/1/11 File; 2012 Budget) dated November 30, 2011, were reviewed with the Board. Manager Tooker stated that projected revenue from the 2012 Water Rate Increase adopted by the Board at the November 3, 2011 Meeting is now included in the Budget. The only other substantive changes in the Budget since November 3 are the recommendations of the Personnel Committee regarding wages and benefits. The Board reviewed and concurred with the Personnel Committee’s recommendations. Total Operating Expenses for 2012 have decreased 6% from 2011. The Non Operating Budget shows a one million dollar deficit that will require the use of Reserves. Manager Tooker stated that some of the Non Operating projects planned for 2012 can be postponed if Non Operating Revenues do not meet the Budget projections. Director Hassler moved to adopt the Clifton Water District 2012 Budget, as presented, and to make the appropriate filings to the State and the issuance of notices to customers. Director Genova seconded and the motion passed unanimously. Director Genova moved to adopt the Appropriation Resolution of the Clifton Water District Board of Directors Acting By and Through Its Water Activity Enterprise for the 2012 Budget Year, and to appropriate Nine Million Four Hundred Fifty Eight Thousand and Thirty Two Dollars (\$9,458,032). Director Peck seconded and the motion passed unanimously. Resolution Text inserted below:

***APPROPRIATION RESOLUTION OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE FOR THE
2012 BUDGET YEAR***

A resolution appropriating sums of money to the various accounts, in the amounts and for the purposes as set forth below, for the Clifton Water District Acting By and Through its Water Activity Enterprise, Mesa County, Colorado, for the 2012 Budget Year.

WHEREAS, the Directors have adopted the annual Budget for 2012 in accordance with the Local Government Budget Law, on the 1st day of December, 2011, and;

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

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

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

	\$4,925,805
<i>ESTIMATED BEGINNING BALANCE</i>	
<u>ESTIMATED EXPENDITURES</u>	
<i>Operating Expenses</i>	
<i>Source of Supply</i>	\$25,220
<i>Water Treatment</i>	\$840,396
<i>Transmission & Distribution</i>	\$607,850
<i>General & Administrative</i>	\$276,245
<i>Labor Expenses</i>	\$1,701,739
<i>Total Operating Expenses</i>	\$3,451,450
<i>Nonoperating Expenses</i>	
<i>Capital Expenses</i>	\$1,384,380
<i>Bond Principal & Interest</i>	\$556,186
<i>Emergency Fund</i>	\$241,792
<i>Reserve Fund</i>	\$862,862
<i>Contingency</i>	\$2,961,362
<i>Total Nonoperating Expenses</i>	\$6,006,582
<i>TOTAL ESTIMATED EXPENDITURES</i>	\$9,458,032
<u>ESTIMATED REVENUES</u>	
<i>Operating Revenue</i>	
<i>Sale of Water</i>	\$3,962,467
<i>Sanitation District</i>	\$34,320
<i>Penalty and Fees</i>	\$59,200
<i>Turn Fees</i>	\$99,000
<i>Total Operating Revenue</i>	\$4,154,987
<i>Nonoperating Revenue</i>	
<i>Plant Investment Fees</i>	\$200,000
<i>Main Line Extension Fees</i>	\$4,000
<i>Disposal of Assets</i>	\$3,000
<i>Availability of Service</i>	\$40,000
<i>Interest</i>	\$117,000
<i>Bond/Grant Proceeds</i>	\$0
<i>Property Taxes</i>	\$0
<i>Lease Income</i>	\$8,640
<i>Construction Reimbursements</i>	\$0
<i>Tap Installation</i>	\$1,600
<i>Miscellaneous</i>	\$3,000
<i>Total Nonoperating Revenue</i>	\$377,240
<i>TOTAL ESTIMATED REVENUE</i>	\$4,532,227
<i>Estimated From Reserves</i>	\$4,925,805
<i>TOTAL FUNDS AVAILABLE</i>	\$9,458,032
<i>ESTIMATED ENDING BALANCE</i>	\$0

IT IS FURTHER RESOLVED, that there is appropriated from the funds of the District Acting By and Through its Water Activity Enterprise, Nine Million Four Hundred Fifty Eight Thousand and Thirty Two Dollars (\$9,458,032) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2012 or thereafter.

I hereby certify the forgoing is a true copy of a Resolution adopted by the Board of Directors of the Clifton Water District Acting By and Through its Water Activity Enterprise at the Regular Board of Directors Meeting held on December 1, 2011. Said Budget was displayed for inspection and notice of said display for inspection was duly published in accordance with C.R.S. § 29-1-106.

Dated December 1, 2011

Project 2009-04 Colorado River Intake Structure – Final Payment - Assistant Manager Reinertsen reported that the Notice of Contractor's Settlement (*Legal Notices*) regarding project 2009-04 Colorado River Intake Structure was published in The Daily Sentinel on November 20, 21 and 22, 2011. No comments or claims were received. Director Peck moved to approve the release of Final Payment to Gould Construction for Project 2009-04 Colorado River Intake Structure. Director Genova seconded and the motion passed unanimously.

Regional Water Conservation Plan Update – Manager Tooker referenced the letter in the Board Packet (*12/1/11 File, Regional Water Conservation Plan*) from the Colorado Water Conservation Board stating conditional approval of the Draft Grand Valley Regional Water Conservation Plan. Approval of the plan is an important prerequisite to the District receiving any funding from the Colorado Water Resources and Power Development Authority. The Board acknowledged the Draft Grand Valley Regional Water Conservation Plan as conditionally approved by the Colorado Water Conservation Board.

Budget Transfer – Distribution/Vehicle Expense – Assistant Manager Reinertsen presented a Staff Report (*12/1/11 File, 2011 Staff Reports*) and request to transfer funds from Contingency to Distribution – Vehicle Expense. This Budget item will be over expended by the end of the year due to unanticipated vehicle expenditures necessary for the Spring flood preparation in 2011. Director Genova moved to transfer \$2,000 from Contingency to Distribution – Vehicle Expense to cover the remaining FY2011 expense items. Director Hassler seconded and the motion passed unanimously.

Budget Transfer – Labor Expense/Overtime – Manager Tooker reported that the Labor/Overtime Budget line item will also be overspent for FY2011 due to the Spring flood preparation activities earlier in the year, and he requested a transfer of \$5,000 from Contingency. Director Hassler moved to transfer \$5,000 from Contingency to Labor Expense/Overtime to fund this line item for the remainder of the year. Director Genova seconded and the motion passed unanimously.

NEW BUSINESS

Grand Valley Irrigation Company Annual Shareholders Meeting and GVICO Auction – Manager Tooker reported that the Grand Valley Irrigation Company Annual Shareholders Meeting is December 3, 2011 and requested proxy voting authority. He stated that the GVICO annual assessments are not increasing for 2012. Director Hassler moved to designate Dale Tooker as the District’s representative to vote on matters of business at the Grand Valley Irrigation Company Annual Shareholders Meeting. Director Genova seconded and the motion passed unanimously. Manager Tooker further reported that the GVICO Auction is scheduled for December 8, 2011. The District has already expended its FY2011 Water Shares Acquisition funds. He requested the transfer of additional funds in the event that additional shares become available at the auction or through individual sellers before the end of the fiscal year.

Budget Transfer – Water Shares Acquisition – Director Genova moved to approve the transfer of up to \$3,500 from Contingency to Water Shares Acquisition. Director Norman seconded the motion for discussion. Director Norman stated a District Water Acquisition Plan should be in place to guide Board decisions regarding purchases of water shares. The motion passed 4 – 1. Burger – yes, Hassler – yes, Genova – yes, Peck – yes. Norman – no.

EXECUTIVE SESSION

Manager’s Evaluation – Manager Tooker and the Board were not yet prepared to proceed with the Manager’s Evaluation at this time and the agenda item was postponed to the January 5, 2012 Meeting.

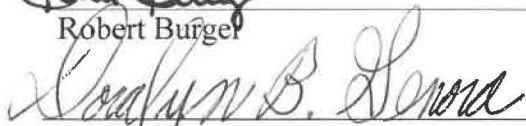
ADJOURNMENT

Director Peck moved to adjourn the meeting. Director Norman seconded and the motion passed unanimously. The meeting was adjourned at 6:40 p.m.

ATTEST:




Robert Burger



Doralyn Genova



Robert Norman



Alan Hassler



Dale Peck

**APPROPRIATION RESOLUTION OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE FOR THE
2012 BUDGET YEAR**

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

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

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Dated December 1, 2011

By: Robert K. Burger
Robert K. Burger, Chairman

ATTEST: Dale E. Peck
Dale Peck, Treasurer

