

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JANUARY 7, 2016**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks, Vice-Chairman;
Doralyn Genova, Treasurer; Melvin Diffendaffer, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Brian Sheley; Angie Beebe

REGULAR MEETING

Chairman Peck called the January 7, 2016 Regular Meeting to order at 5:00 p.m. He noted that Director Burger has an excused absence from this meeting.

MINUTES OF THE DECEMBER 3, 2015 REGULAR MEETING

Director Genova moved to approve the December 3, 2015 Regular Meeting Minutes. Director Diffendaffer seconded, and the motion passed.

MINUTES OF THE DECEMBER 17, 2015 SPECIAL MEETING

Director Genova moved to approve the December 17, 2015 Special Meeting Minutes. Director Sparks 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 \$204,554.85 plus Benefits Checks of \$19,405.85 plus Supplemental Checks of \$615,650.06, for a total of \$839,610.76. The Board questioned the underutilization of the Year-to-date period budget for several Nonoperating expense categories. Manager Tooker explained that a number of larger expenditures will be realized in December upon the completion of scheduled projects. Director Diffendaffer seconded and the motion passed unanimously.

MANAGER'S REPORT

Manager Tooker highlighted water sales for November showed a slight increase over the 2014 numbers. The increase appears to be attributed to the mild weather conditions experienced in October and early November.

INFORMATIONAL REPORT

Manager Tooker discussed comments staff has received regarding the 2016 water rate increases that became effective January 1, 2016. He presented one written complaint that was received. The number of comments or complaints have been minimal.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda item. Director Diffendaffer seconded the motion which passed unanimously. The Express Agenda (*File 01/07/2016*) item is as follows:

FY 2016 Budget – The FY 2016 Budget was submitted to the Department of Local Affairs on December 22, 2015.

UNFINISHED BUSINESS

Project 2015-01 F ½ Waterline Upgrade – Assistant Manager Reinertsen reviewed the Final Cost Summary Staff Report (*1/7/16 File, 2016 Staff Reports*) with the Board. Final project costs were identified and construction is 100% complete, totaling \$221,995.03. Final Payment has been advertised and no payment contest notices were received. The Project is now considered final and complete. Director Diffendaffer moved to authorize Final Payment of the withheld retainage of \$13,992.87. Director Sparks seconded and the motion passed.

James M. Robb-Colorado River State Park – Manager Tooker presented and discussed a confidential Staff Report. The Board discussed receiving comments from adjacent property owners concerning the plans of the State Parks to allow limited hunting on their property that adjoins the District's. It was the consensus of the Board to schedule a meeting where Mr. Firmin of the Colorado State Parks could present information and also allow time for the adjacent property owners to provide comments to the Board. No Board action required at this time.

NEW BUSINESS

2016 Property Casualty and Liability Insurance Renewal – Manager Tooker reviewed the 2016 Property Casualty and Liability Insurance Renewal Staff Report (*1/7/16 File, 2016 Staff Reports*) and identified two main components that have affected the 2016 premium increase: 1) Addition of \$14,000,000 in new assets with the construction of the MF/UF Facility, and 2) The flood related claim losses the Special District Pool experienced from the east slope flooding issues from 2014/2015. Manager Tooker identified the premium is \$5,316.30 greater than the 2016 Budget value. Director Genova moved to approve a \$5,316.30 Budget Transfer from Contingency to Insurance to fund the 2016 Insurance expense. Director Sparks seconded and the motion passed unanimously.

Director Genova moved to approve the 2016 Property Casualty and Liability Insurance Renewal with Colorado Special Districts Property and Liability Pool and authorize payment in the amount of \$76,028.30. Director Sparks seconded and the motion passed unanimously.

2016 Workers Compensation Insurance Renewal – Assistant Manager Reinertsen reviewed the 2016 Workers' Compensation Renewal Staff Report (*1/7/16 File, 2016 Staff Reports*) with the Board. Director Genova moved to approve the 2016 Workers Compensation Insurance with Colorado Special Districts Property and Liability Pool with the \$1,000 deductible and authorize payment in the amount of \$10,741.59. Director Diffendaffer seconded and the motion passed unanimously.

Resolution 2016-01 Designating Time, Location and Posting of Meetings – Director Diffendaffer moved to adopt Resolution 2016-01 (1/7/16 File, Resolutions), A Resolution Designating Time, Location and Posting of Meetings for 2016. Director Genova seconded and the motion passed unanimously. Resolution Text is as follows:

**RESOLUTION 2016-01
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 Recorders 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 7th day of January 2016.

Resolution 2016-02 Adopting Availability of Service Charge for 2016 – Manager Tooker presented a Staff Report (1/7/16 File, 2016 Staff Reports, Availability of Service) summarizing the 2015 average customer billing amounts used to calculate the 2016 Availability of Service Charge. Director Genova moved to adopt Resolution 2016-02 (Resolutions), A Resolution For the Availability of Service Charge for 2016 and set the In-District Availability of Service rate at \$15.93 per month and the Out-of-District Availability of Service rate at \$23.90 per month. Director Sparks seconded and the motion passed unanimously. Resolution Text is as follows:

**RESOLUTION 2016-02
RESOLUTION FOR THE AVAILABILITY OF SERVICE CHARGE FOR 2016**

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 2016 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 2015 the average water usage charge for a Clifton Water District In-District customer was \$31.85/month per unit; and

WHEREAS, in 2015 the average water usage charge for a Clifton Water District Out-of-District customer was \$49.29/month per unit.

NOW THEREFORE BE IT RESOLVED, that the Clifton Water District Board of Directors establish the In-District Availability of Service Charge for the 2016 Fiscal Year at 50% of the In-District average water bill in 2015, which equals \$15.93 per month per unit and the Out-of-District Availability of Service Charge for the 2016 Fiscal Year at 48% of the Out-of-District average water bill in 2015, which equals \$23.90/month per unit.

BE IT FURTHER RESOLVED, that this Resolution be adopted this 7th day of January 2016 and is effective January 7, 2016.

Emergency Rate Annual Review – The Board reviewed the Staff Report (1/7/16 File, 2016 Staff Reports, Water Rates) regarding the 2009 Resolution establishing an Emergency Rate, and the 2016 calculation of rates. Director Diffendaffer moved to adopt Exhibit A (Water Rates) to the 2009 Resolution Establishing an Emergency Rate, for the 2016 Emergency Rates. Director Genova seconded and the motion passed unanimously.

Director Diffendaffer then moved to place the Emergency Rate on hold until further Board action is taken. Director Genova seconded and the motion passed unanimously.

2016 District Election – Assistant Manager Reinertsen identified the terms of office for Directors Burger, Diffendaffer, and Sparks will expire in May, 2016. The election date is scheduled for May 3, 2016. Director Diffendaffer moved to appoint Assistant Manager David Reinertsen as the District's Designated Election Official. Director Sparks seconded and the motion passed unanimously.

Director Genova moved to adopt Resolution 2016-03 (Resolutions), the 2016 Clifton Water District Election Resolution, setting the election for May 3, 2016. Director Diffendaffer seconded and the motion passed. Resolution text is as follows:

RESOLUTION 2016-03
2016 CLIFTON WATER DISTRICT ELECTION RESOLUTION

WHEREAS, the term of office of Directors Burger, Diffendaffer, and Sparks shall expire after their successors are elected at the **regular** Special District election to be held on May 3, 2016 and take office; and

WHEREAS, in accordance with the provisions of the Special District Act ("Act") and the Uniform Election Code of 1992 ("Code"), the Election must be conducted to elect two Directors to serve for a term of **four** years and one Director to serve a term of **two** years; and

NOW, THEREFORE, be it resolved by the Board of Directors of the Clifton Water District in Mesa County, State of Colorado that:

1. The regular election of the eligible electors of District shall be held on May 3, 2016, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, two Directors will be elected to serve a **four**-year term and one Director will be elected to serve a **two**-year term.

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2. *David A. Reinertsen shall be appointed as the Designated Election Official on behalf of the District and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code, or other applicable laws. The Election shall be conducted in accordance with the Act, Code, and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, appoint the Board of Canvassers, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished. The appointed person shall be appointed by the board and swear or affirm an oath of office. This document will be submitted to the Board as an official part of the election record. Exhibit A*
 3. *One (1) walk-in voting place is established as set forth below:*
David A. Reinertsen, DEO
Clifton Water District Business Office
510 34 Road
Clifton, CO 81520
District Office Telephone Number (970) 434-7328
District Office Facsimile (970) 434-7338
dreinertsen@cliftonwaterdistrict.org
Office Hours: 8:00 AM to 5:00 PM, Monday through Friday – walk-in voting place will be open on Election Day between 7:00 am and 7:00 pm.
 4. *Applications for a mail-in ballot may be filed with the Designated Election Official at 510 34 Road, Clifton, CO 81520, not earlier than January 1, 2016, nor later than 5:00 P.M. on April 29, 2016.*
 5. *Self-Nomination and Acceptance petitions are available at the Designated Election Official's office located at the above address. All candidates must file a nomination petition with the Designated Election Official no later than 3:00 P.M. on **February 26, 2016**. A person who misses this deadline, but wishes to be a write-in candidate for office, shall file an affidavit of intent with the Designated Election Official no later than 5:00 P.M. on **February 29, 2016**.*
 6. *If the only matter before the electors is the election of persons to office, and if at the close of business on **March 2, 2016**, there are not more candidates than offices to be filled at the election, including candidates filing affidavits of intent to be a write-in, the Designated Election Official shall cancel the Election and by Resolution declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with the Code.*
 7. *Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, it being the Board's intention that the various provisions hereof are severable.*
 8. *Repealer. All acts, orders, and resolutions, or parts thereof, of the Board which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.*
 9. *Effective Date. The provisions of this Resolution shall take effect immediately.*

ADOPTED AND APPROVED this 7th day of January, 2016.

Distribution On-Call Status – Manager Tooker informed the Board that the District has had difficulty in the availability of Distribution Staff during emergency water leak repairs. Manager Tooker reported that he will be evaluating the implementation of increasing the number of Staff that are on-call from one employee to two so that the emergency needs of the District are adequately covered. No Board action requested or required at this time.

ADJOURNMENT

Chairman Peck moved to adjourn the meeting at 6:27 p.m. The motion passed unanimously.

ATTEST:



Dale Peck



Stan Sparks



Doralyn Genova

-Excused-

Robert K. Burger



Melvin Diffendaffer

RESOLUTION 2016-01
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 7th day of January 2016.

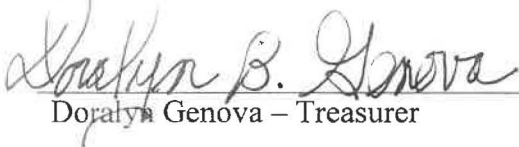
ATTEST:



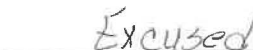
Dale Peck - Chairman



Stan Sparks - Vice Chairman



Dorothy Genova - Treasurer



Robert K. Burger - Secretary



Melvin Diffendaffer - Director

RESOLUTION 2016-02
RESOLUTION FOR THE AVAILABILITY OF SERVICE CHARGE FOR 2016

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 2016 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 2015 the average water usage charge for a Clifton Water District In-District customer was \$31.85/month per unit; and

WHEREAS, in 2015 the average water usage charge for a Clifton Water District Out-of-District customer was \$49.29/month per unit.

NOW THEREFORE BE IT RESOLVED, that the Clifton Water District Board of Directors establish the In-District Availability of Service Charge for the 2016 Fiscal Year at 50% of the In-District average water bill in 2015, which equals \$15.93 per month per unit and the Out-of-District Availability of Service Charge for the 2016 Fiscal Year at 48% of the Out-of-District average water bill in 2015, which equals \$23.90/month per unit.

BE IT FURTHER RESOLVED, that this Resolution be adopted this 7th day of January 2016 and is effective January 7, 2016.

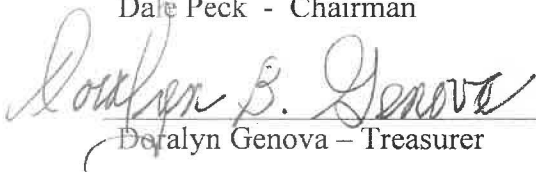
ATTEST:



Dale Peck - Chairman



Stan Sparks - Vice Chairman



Daralyn Genova - Treasurer

Excused

Robert K. Burger - Secretary



Melvin Diffendaffer - Director

RESOLUTION 2016-03
2016 CLIFTON WATER DISTRICT ELECTION RESOLUTION

WHEREAS, the term of office of Directors Burger, Sparks, and Diffendaffer shall expire after their successors are elected at the *regular* Special District election to be held on May 3, 2016 and take office; and

WHEREAS, in accordance with the provisions of the Special District Act ("Act") and the Uniform Election Code of 1992 ("Code), the Election must be conducted to elect two Directors to serve for a term of *four* years; and one Director to serve for a term of *two* years.

NOW, THEREFORE, be it resolved by the Board of Directors of the Clifton Water District in Mesa County, State of Colorado that:

1. The regular election of the eligible electors of District shall be held on May 3, 2016, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, two Directors will be elected to serve a *four*-year term and one Director will be elected to serve a *two*-year term.
2. David A. Reinertsen shall be appointed as the Designated Election Official on behalf of the District and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code, or other applicable laws. The Election shall be conducted in accordance with the Act, Code, and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, appoint the Board of Canvassers, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished. The appointed person shall be appointed by the board and swear or affirm an oath of office. This document will be submitted to the Board as an official part of the election record. Exhibit A
3. One (1) walk-in voting place is established as set forth below:
David A. Reinertsen, DEO
Clifton Water District Business Office
510 34 Road
Clifton, CO 81520
District Office Telephone Number (970) 434-7328
District Office Facsimile (970) 434-7338
dreinertsen@cliftonwaterdistrict.org
Office Hours: 8:00 AM to 5:00 PM, Monday through Friday – walk-in voting place will be open on election day between 7:00 am and 7:00 pm.
4. Applications for mail-in ballots may be filed with the Designated Election Official at 510 34 Road, Clifton, CO 81520, not earlier than January 1, 2016, nor later than 5:00 P.M. on April 29, 2016.

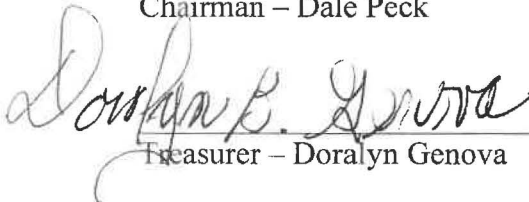
5. Self Nomination and Acceptance petitions are available at the Designated Election Official's office located at the above address. All candidates must file a nomination petition with the Designated Election Official no later than 3:00 P.M. on **February 26, 2016**. A person who misses this deadline, but wishes to be a write-in candidate for office, shall file an affidavit of intent with the Designated Election Official no later than 5:00 P.M. on **February 29, 2016**.
6. If the only matter before the electors is the election of persons to office, and if at the close of business on **March 1, 2016**, there are not more candidates than offices to be filled at the election, including candidates filing affidavits of intent to be a write-in, the Designated Election Official shall cancel the Election and by Resolution declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with the Code.
7. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, it being the Board's intention that the various provisions hereof are severable.
8. Repealer. All acts, orders, and resolutions, or parts thereof, of the Board which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.
9. Effective Date. The provisions of this Resolution shall take effect immediately.

ADOPTED AND APPROVED this 7th day of January, 2016.

ATTEST:


Chairman – Dale Peck


Vice Chairman – Stan Sparks


Treasurer – Doralyn Genova

Excused
Secretary – Robert K. Burger


Director – Melyin Diffendaffer

CERTIFICATE OF APPOINTMENT OF DESIGNATED ELECTION OFFICIAL

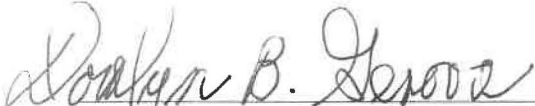
THIS IS TO CERTIFY, that we have this day appointed, and do hereby appoint David A. Reinertsen as Designated Election Official for the purposes of conducting our special district regular biennial election on May 3, 2016. The appointment includes the authority to act on behalf of the board of directors in planning and implementing the duties required in the success of an election. The Designated Election Official will, with integrity and transparency, and according to law, conduct an election for the Clifton Water District, County of Mesa, State of Colorado. The Designated Election Official has full power and authority to act in an official capacity prior to, during, and until the results of the May 3, 2016 regular biennial election results are certified, unless this appointment should be sooner extended or revoked by Resolution.

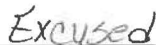
WITNESS our hand and seal this 7th day of January, 2016.

ATTEST:


Chairman – Dale Peck


Vice Chairman – Stan Sparks


Treasurer – Doralyn Genova


Secretary – Robert K. Burger


Director – Melvin Diffendaffer

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, February 4, 2016**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Brian Sheley; Karen Zimmerman

GUESTS: Peter Firmin, Colorado State Parks
Eight (8) Community Members

REGULAR MEETING

Chairman Peck called the February 4, 2016 Regular Meeting to order at 5:00 p.m. and opened the meeting with the introduction Board and Staff, and Mr. Peter Firmin of the State Division of Parks and Wildlife. Chairman Peck acknowledged the area residents present for the Public Forum and Discussion of the reservation only limited waterfowl hunting proposal. Mr. Firmin presented a PowerPoint plan of the proposal and then answered questions and provided clarification to those in attendance. The general consensus of those area residents in attendance was favorable to the proposal as long as the area is monitored and access controlled. Director Diffendaffer suggested that the District will provide decision updates to those present at the meeting. The attendees and Mr. Firmin exited the meeting at 5:55 pm.

Chairman Peck noted that Directors Burger and Genova had excused absences from this meeting.

MINUTES OF THE JANUARY 7, 2016 REGULAR MEETING

Director Diffendaffer moved to approve the January 7, 2016 Regular Meeting Minutes as submitted. Director Sparks seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Sparks moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$61,982.05. Director Diffendaffer seconded and the motion passed unanimously. Manager Tooker noted that due to unforeseen staffing issues, the Benefits Checks and Supplemental Checks would be generated at a later date for Board signatures and ratification at the regularly scheduled March 3rd Board Meeting.

MANAGER'S REPORTS

Manager Tooker reported final water sales for 2015 were down 1.6% from 2014 with treatment plant outflow values approximately 0.8% less in 2015. There were eight (8) new water taps sold in December, prior to implementation of the higher Plant Investment Fees, effective January 1, 2016. Manager Tooker also pointed out that the District overtime hours worked was about 300 hours less than what was utilized in 2014.

EXPRESS AGENDA

Director Diffendaffer moved to approve the Express Agenda item. Director Sparks seconded the motion which passed unanimously. The Express Agenda (*File 02/04/2016*) item is as follows:

Partnership of Safe Water – Director Award for 2015 – The District recently received the 2015 Director’s Award from the Partnership for Safe Water. This is the ninth 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.

UNFINISHED BUSINESS

2016 Property Casualty and Liability Insurance Renewal – Since Mr. Hamilton was unable to attend the meeting as scheduled, it was Board consensus to request a reschedule of his presentation at the March 3rd Regular Board Meeting.

James M. Robb – Colorado State Parks – One of the items identified by Mr. Firmin during the Public Forum was his desire to issue the original operating lease with the District for a three year term. Near the end of the initial three-year term, the conditions and operational record could be evaluated and modified as necessary for the next lease extension if warranted. Manager Tooker suggested establishing a property owner Ad Hoc committee, consisting of three area residents along with District staff to report to the Board as to any issues or concerns that may have developed over the initial lease term. The Board did not take final action on the proposal at this time, identifying the need to make final decision with as many Board members present as possible.

NEW BUSINESS

Out of District Service Request – Mesa County Tax Parcel 2967-133-00-218; Lot 4 Meserve Fruit Tracts, Whitewater – Assistant Manager Reinertsen presented a Staff Report (*File 02/04/2016, 2016 Staff Reports*) requesting Out-of-District water service for property known as Lot 4 Meserve Fruit Tracts, Whitewater, CO. Director Sparks moved to approve the Scott property, known as Lot 4 Merserve Fruit Tracts, Whitewater, CO, Tax Schedule ID #2967-133-00-218, to be provided water service as an Out-of-District account and that it would be served by no more than one (1) single residential service tap governed by all District policies. Director Diffendaffer seconded and the motion passed unanimously.

Director Sparks declared that he has had past business dealings with the variance requester below, but stated that he can render an unbiased decision regarding the request.

Policy #410 Variance Request – Mesa County Tax Parcel 2943-274-00-022; 3165 B½ Road – Assistant Manager Reinertsen presented a Staff Report (*File 02/04/2016, 2016 Staff Reports*) for a variance from the Multiple Unit Plant Investment Fee requirement identified within Policy #410 Plant Investment Fees. The requirements for the issued Conditional Use Permit by Mesa County identified compliance with Clifton Water District Multiple Unit Plant Investment Policy.

Director Sparks moved to deny the Variance Request but offer the following options: a) Petitioner can purchase a full individual service tap for the second unit at 2015 rates, or b) Petitioner can purchase the Multiple-Unit Plant Investment Fee at 2015 rates, since the Conditional Use Permit Process began in 2015. Director Diffendaffer seconded the motion which passed unanimously. The Board further stated that a separate request to the Board shall be made by the Petitioner if a time payment plan is requested to satisfy the amounts owing for the option selected.

ADJOURNMENT

Director Peck moved to adjourn the meeting at 7:00 p.m. The motion passed unanimously.

ATTEST:



Dale Peck



Stan Sparks

-Excused-

-Excused-

Doralyn Genova

Robert K. Burger



Melvin Diffendaffer

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, March 3, 2016**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Director; Robert Burger, Secretary

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Brian Sheley; Angie Beebe; Karen Zimmerman

GUESTS: Jaime Hamilton, Home Loan and Investment Company

REGULAR MEETING

Chairman Peck called the March 3, 2016 Regular Meeting to order at 5:00 p.m. Chairman Peck acknowledged Mr. Jaime Hamilton of Home Loan and Investment Company as a Guest. Mr. Hamilton presented a reimbursement check in the amount of \$2,903.30 from the Workers Compensation audit and the District's workplace safety program. Mr. Hamilton continued by discussing the Districts general liability insurance and that the 2016 premiums increase is primarily caused by the increase in assets associated with the new MF/UF project. He also explained to the Board the challenges of the Special Districts Insurance Pool in regards to flood claims from the Eastern Slope. Mr. Hamilton explained that the Districts effort to resolve customer damage situations has been positive in keeping claims limited. Mr. Hamilton exited the meeting at 5:25 pm.

Chairman Peck noted that Director Genova had excused absence from this meeting.

MINUTES OF THE FEBRUARY 4, 2016 REGULAR MEETING

Director Diffendaffer moved to approve the February 4, 2016 Regular Meeting Minutes as submitted. Director Sparks seconded. Director Burger abstained and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Sparks moved to accept the previous Board Meeting Financial Report and approve Benefit Checks of \$18,988.13 plus Supplemental Checks of \$6,644.92 for a total of \$25,633.05. Director Diffendaffer seconded and the motion passed unanimously. Manager Tooker noted that these checks were generated after the last Board Meeting due to unforeseen staffing issues.

Director Diffendaffer moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$96,107.65 plus Benefits Checks of \$19,196.99 plus Supplemental Checks of \$187,635.57, for a total of \$302,940.21. Director Sparks seconded and the motion passed unanimously.

MANAGER'S REPORTS

Manager Tooker reported that the Total Dissolved Solids (TDS) in the Colorado River has been greater than the previous year resulting in a 36% increase in NanoFiltration (NF) production. Manager Tooker also pointed out that the District overtime hours worked was mostly the Water Treatment Plant and Distribution hours.

EXPRESS AGENDA

Director Burger moved to approve the Express Agenda item. Director Diffendaffer seconded the motion which passed unanimously. The Express Agenda item is as follows:

1. Out of District Service Request – Mesa County Tax Parcel 2967-133-00-218; Lot 4 Meserve Fruit Tracts, Whitewater – The property owner, Mr. Tony Scott paid the Out-of-District Plant Investment Fees and the CDOT Utility Permit has approved. Mr. Scott's contractor is scheduled to install the new water service the Week of March 7, 2016.

UNFINISHED BUSINESS

2016 Property Casualty and Liability Insurance Renewal – Mr. Hamilton discussed insurance with the Board earlier in the meeting. No Board action was required.

Colorado State Parks – Chairman Peck explained that comments received from adjacent property owners was generally in favor of the District partnering with the State Parks and felt more comfortable with the area being patrolled. Manager Tooker stated the Board had previously been provided a Confidential proposed Lease Agreement with Legal Counsel's comments. Manager Tooker stated that if the District were to move forward, the Lease would need approved by the Board and recommended identifying the Conditions of Use previously discussed and postpone their approval for the Lease Agreement until he can negotiate the terms and conditions of the lease. Director Diffendaffer made a motion to direct Manager Tooker to negotiate the lease with the Colorado State Parks and define the Conditions of Use for presentation to the Board at a later meeting. Director Sparks seconded and the motion passed unanimously.

2016 District Election – Status Update – Assistant Manager Reinertsen stated that the May 3, 2016 Election has been cancelled and as provided by approved Resolution declares Mel Diffendaffer and Stan Sparks elected. Assistant Manager Reinertsen reported he received two Self-Nomination forms for the two four-year terms from Mel Diffendaffer and Stan Sparks. No nominations were received for the two-year term. Notice of cancellation will be published and posted in accordance with the Code. It was discussed that in June 2016 the Board will begin considerations for appointment for the two-year term.

NEW BUSINESS

Project 2008-02 MFUF – Substantial Completion – Manager Tooker presented a Memorandum and letter from Carollo Design Build Group (*File 03/03/2016, Project 2008-02 MF/UF*) requesting determination of Substantial Completion and approval of the release of Retainage in securities to a balance of \$30,000.00. The Board asked Staff for their recommendation and the overall performance of Carollo Design Build Group and PCL Construction. Manager Tooker reinforced

that the project has moved along efficiently with non-adversarial project administration and swift action to address problem and warranty items. This has contributed to Staff's decision to recommend releasing funds. Director Sparks made a motion to approve The Substantial Completion request and release Retainage in securities to a balance of \$30,000.00. Director Burger seconded and the motion passed unanimously.

Project 2016-01 – F ½ Road Main Line Upgrade/Replacement Project - Assistant Manager Reinertsen requested authorization from the Board to proceed with bid package and construction for this project. Director Burger made a motion to authorize Assistant Manager Reinertsen to proceed with the bid package for Project 2016-01. Director Diffendaffer seconded and the motion passed unanimously.

Project 2016-02 - 34 Road Main Line Upgrade/Replacement Project - Assistant Manager Reinertsen requested authorization from the Board to proceed with bid package and construction for this project. Director Burger made a motion to authorize Assistant Manager Reinertsen to proceed with the bid package for Project 2016-02. Director Sparks seconded and the motion passed unanimously.

Shoshone Common Interest Agreement (CIA) – Manager Tooker handed out an informational packet pertaining to the efforts of the Shoshone Common Interest Agreement and the funding breakdown for the effort. This effort has been on-going involving the Western Slope and developing a plan involving the operation/ownership of the Shoshone Power Plant and preserving the water rights on the Colorado River. The Colorado River Water Conservation District has taken the lead to identify a consultant and meetings are now underway. The District's \$6,000 portion of the funding has been completed. Chairman Peck will be attending a future scoping meeting. Directors Diffendaffer and Sparks expressed an interest in attending as well.

ADJOURNMENT

Director Peck moved to adjourn the meeting at 6:30 p.m. The motion passed unanimously.

ATTEST:



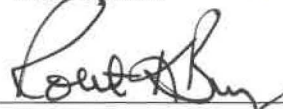
Dale Peck

~~-Excused-~~

Doralyn Genova



Stan Sparks



Robert K. Burger



Melvin Diffendaffer

**RESOLUTION 2016-04
CANCELLATION OF ELECTION
DECLARATION DEEMING CANDIDATES ELECTED
§1-13.5,513, 1-11-103(3),C.R.S.**

Clifton Water District, Mesa County, Colorado

WHEREAS, the Designated Election Official of the District has been duly authorized by the Board of Directors to cancel and declare candidates elected at the close of business on the sixty-third day before the election to be conducted on May 3, 2016,

AND WHEREAS, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates,

NOW THEREFORE, pursuant to 1-13.5-513 & 1-11-103(3), C.R.S., the Designated Election Official **HEREBY CANCELS** the regular election to be conducted on May 3, 2016.

THE ELECTION IS CANCELED BY FORMAL RESOLUTION AND THE FOLLOWING CANDIDATES ARE DECLARED ELECTED FOR THE FOLLOWING TERMS OF OFFICE:

Melvin Diffendaffer
544 33 ¾ Road
Clifton, CO 81520
(Four year term May 2016 - May 2020)

Stan D. Sparks
672 North Saddle Rock Drive
Grand Junction, CO 81504
(Four year term May 2016 - May 2020)

Signed by: David E. Peck-
Chairman, Board of Directors of the District

| | |
|-----------------------------------|--------------------------------|
| Contact Person for the District: | David A. Reinertsen |
| Telephone Number of the District: | (970) 434-7328 |
| Address of the District: | 510 34 Road, Clifton, CO 81520 |

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, April 7, 2016**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Director; Robert Burger, Secretary; Doralyn Genova, Treasurer

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Brian Sheley; Angie Beebe; Karen Zimmerman

GUESTS: Nate Kever – Dufford, Waldeck, Milburn & Krohn, LLP

REGULAR MEETING

Chairman Peck called the April 7, 2016 Regular Meeting to order at 5:05 p.m.
Chairman Peck

MINUTES OF THE March 3, 2016 REGULAR MEETING

Director Sparks moved to approve the March 3, 2016 Regular Meeting Minutes as submitted. Director Diffendaffer seconded. Director Genova abstained 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 \$104,838.73 plus Benefits Checks of \$19,217.31 plus Supplemental Checks of \$3,049.22 for a total of \$127,105.26. Director Diffendaffer seconded and the motion passed unanimously.

MANAGER'S REPORTS

On Page 4, Attorney's Fees, the Board questioned the \$812.50 Attorney's Fees for the Colorado State Parks and inquired if this expense could be paid by the State. Reporting on another issue, Assistant Manager Reinertsen stated that Walmart has reimbursed the District for their Attorney Fees and that this project is complete.

INFORMATIONAL REPORTS

2015 Year End Health Reimbursement Arrangement (HRA) Status Report – (File 04/07/16, 2016 Informational Reports) Manager Tooker presented the Utilization Report for the 2015 HRA Plan Year. Manager Tooker reported that the 2015 HRA budget item had a 39% underutilization representing a savings of \$104,606 savings. The HRA has been effective in reducing the District's Health Insurance Premium expense and has provided an extremely positive employee

benefit. Manager Tooker further identified that over the past five years, the District has observed a cost savings of over \$549,893 in benefit costs.

Customer Payment Methods – (File 04/07/16, 2016 Informational Reports) Manager Tooker presented an Informational Report on the trending of customer payment methods over the last five years. Manager Tooker explained the process of payment methods, cost of each method and the decrease in workload for Staff to process payments. The Board questioned what efficiencies had been observed with the decreased work load. Manager Tooker referred to the data showing a 3 year reduction of discontinuation of service as a result of Customer Service Representatives contacting customers by telephone. Additionally, this reduces Distribution Staff from having after hour callouts.

EXPRESS AGENDA

Director Burger moved to approve the Express Agenda item. Director Genova seconded the motion which passed unanimously. The Express Agenda items are as follows:

1. Generator Project – On March 3, 2016 Carollo Engineering, Cummins, EC Electric performed successful start-up and power generation tests. Emergency power from the Generators is now available.
2. Children’s Water Festival Participation – The 2016 Festival is scheduled for May 16 – 17, 2016 from 9:30 am – 2:00 pm each day at Colorado Mesa University. Distribution Supervisor Mark Dalley is serving on the Water Festival Committee for this important community outreach event. District Staff has presented classroom sessions in the past and has been asked to do so this year as well. If any Board Member would like to participate, there are opportunities for assisting at the DRIP booth or feel free to just stop by CMU on either day and enjoy the fun learning. There is a VIP Luncheon for Board Members; as soon as invitations are received they will be distributed.
3. Project 2016-01 – F ½ Road Main Line Upgrade/Replacement Project – Austin Civil Group has been selected as the Design Engineer for this project. Design efforts are underway with a preliminary design to be presented for Staff review by April 1, 2016, with the final design documents due by April 15, 2016.
4. Project 2016-02 – 34 Road Main Line Upgrade/Replacement Project – Rolland Consulting Engineers has been selected as the Design Engineer for this project. Design efforts are underway with a preliminary design to be presented for Staff review by April 8, 2016, with the final design documents due by April 22, 2016.
5. 2015 FY Audit – Chadwick, Steinkirchner, Davis & Co., were onsite February 29, 2016 through March 2, 2016 to perform the 2015 FY Audit.

UNFINISHED BUSINESS

Colorado State Parks – Manager Tooker explained that he did not receive the Lease Agreement revisions in time to present at the Board Meeting. The Board suggested that Staff negotiate the \$812.50 attorney fees be reimbursed in the lease from Colorado State Parks. Manager Tooker stated he will negotiate this amount with Colorado State Parks.

2016 District Election – Resolution 2016-04 – Assistant Manager Reinertsen presented a Resolution to Cancel the 2016 Election due to there being only two candidates for the Four-year term as of the deadline for candidacy. Stan Sparks and Mel Diffendaffer were deemed elected. Director Burger moved to adopt the Resolution for Cancellation of Election and Declaration Deeming Candidates Elected. Director Sparks seconded and the motion passed unanimously. Chairman Peck signed the Resolution. The Resolution text is inserted below:

**RESOLUTION 2016-04
CANCELLATION OF ELECTION
DECLARATION DEEMING CANDIDATES ELECTED**

Clifton Water District, Mesa County, Colorado

WHEREAS, the Designated Election Official of the District has been duly authorized by the Board of Directors to cancel and declare candidates elected at the close of business on the sixty-third day before the election to be conducted on May 3, 2016,

AND WHEREAS, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates,

*NOW THEREFORE, pursuant to 1-13.5-513 & 1-11-103(3), C.R.S., the Designated Election Official **HEREBY CANCELS** the regular election to be conducted on May 3, 2016.*

THE ELECTION IS CANCELED BY FORMAL RESOLUTION AND THE FOLLOWING CANDIDATES ARE DECLARED ELECTED FOR THE FOLLOWING TERMS OF OFFICE:

*Melvin Diffendaffer
544 33 ¾ Road
Clifton, CO 81520
(Four year term May 2016 - May 2020)*

*Stan D. Sparks
672 North Saddle Rock Drive
Grand Junction, CO 81504
(Four year term May 2016 - May 2020)*

Signed by: _____
Chairman, Board of Directors of the District

*Contact Person for the District: David A. Reinertsen
Telephone Number of the District: (970) 434-7328
Address of the District: 501 34 Road, Clifton, CO 81520*

NEW BUSINESS

Project 2008-02 MFUF – Substantial Completion – Manager Tooker provided an update of the Project stating new punch list items still remain to be corrected. There are also warranty items that are being addressed that do not affect Final Completion. No Board action needed.

Scheduling of Open House for MF/UF Project – Manager Tooker suggested June 3, 2016 to hold a Dedication Ceremony. Board agreed with this date. Board suggested having VIP Ceremonies and then a Public Open House. The Board requested to send invitations to past Board Members.

Employee Wellness Incentive – Manager Tooker reviewed the Employee Wellness Award Staff Report. Over the past five years, the District has realized a cost savings in excess of \$549,893 (*File 04-07-2016, 2016 Staff Reports*). Director Peck moved to approve the Employee Wellness Award as outlined in the Staff Report and recommended by Manager Tooker. The Board confirmed that the Wellness Incentive is not an HRA expense, is a taxable event, and is for current active employees. Director Sparks seconded the motion which passed unanimously.

Prescott Request for Time Payment Plan for Multiple Unit Plant Investment Fees - Assistant Manager, Reinertsen presented a Staff Report for consideration of Mr. Prescott's time payment plan for Multiple Unit Plant Investment Fees (*File 04/07/2016, Staff Reports 2016*). The Board mentioned the interest rate was too low at 1.2% and there was no late charge that would be assessed. The Board discussed other options for Mr. Prescott to pay these fees. Director Diffendaffer made a motion to generate an agreement with a 21% interest rate and an 18 month repayment plan. Director Sparks seconded the motion. Director Burger made a motion to establish a \$10.00 late fee charge in the agreement. Director Genova seconded the motion, which passed unanimously.

Project 2016-03 – Highway 50 Crossing – Assistant Manager, Reinertsen presented a Staff Report requesting to secure the services of an engineering design firm to complete final design plans for submittal to the United States Bureau of Land Management (*File 04/07/2016, Staff Reports 2016*). Assistant Manager, Reinertsen stated due to workload the District needs to seek an alternative Engineering Firm. Director Genova moved to direct Staff to proceed with securing the services of a new Engineering Firm for this project. Director Burger seconded the motion, which passed unanimously.

ADJOURNMENT

Director Genova moved to adjourn the Public meeting at 6:25 p.m. Director Burger seconded and the motion passed unanimously.

Staff members Sheley, and Beebe exited the meeting at 6:25 pm.

EXECUTIVE SESSION

At 6:50 pm, Director Genova moved to go into Executive Session, as per C.R.S. 24-6-402 (4)(e) for the purposes of Negotiations and per C.R.S. 24-6-402 (4)(f) Personnel Matters. Director Burger seconded and the motion passed unanimously. Directors Peck, Genova, Burger, Sparks, and Diffendaffer were present, along with Manager Dale Tooker, Assistant Manager Dave Reinertsen, HR Coordinator Karen Zimmerman and Guest Nate Kever. Nate Kever exited the meeting at 6:50 p.m.

The Board adjourned the Executive Session at 7:32 p.m.

Director Genova made a motion to move forward with a Succession Plan developed by Manager Tooker. Director Burger seconded, and the motion passed unanimously.

ADJOURNMENT

Director Burger moved to adjourn the meeting at 7:34 p.m. Director Genova seconded and the motion passed unanimously.

ATTEST:



Dale Peck



Stan Sparks



Doralyn Genova



Robert K. Burger



Melvin Diffendaffer

NOTICE TO CANDIDATES OF ELECTION TO OFFICE – CANCELLED ELECTION

1-13.5-513(6), C.R.S.

March 11, 2016

Mr. Melvin Diffendaffer
544 33 ³/₄ Road
Clifton, CO 81520

Re: Notice of Election to office of Director of the Clifton Water District.

Dear Mr. Diffendaffer:

As required by CRS 1-13.5-513(6), I am notifying you of your election to the office of Director of the Clifton Water District (the District). In the District's regular election scheduled for May 3, 2016, for which you submitted a Self-Nomination and Acceptance form for a four year term, you were elected to the office of director of the District board by acclamation.

Each director, within 30 days after his/her election to office, shall appear before an officer authorized to administer oaths and take an oath that he or she will faithfully perform the duties of his or her office as required by law, CRS 32-1-901(1). The current board of directors has made arrangements for all newly elected officials to appear and be sworn in on May 5, 2016 at 5:00 p.m. The swearing-in will be held publicly at the Clifton Water District Business Office, located at 510 34 Road, Clifton, CO. If you are not able to appear at this time, please contact David A. Reinertsen, DEO, at (970) 434-7328 to make alternate arrangements.

Sincerely,

David A. Reinertsen
Designated Election Official for the Clifton Water District

NOTICE TO CANDIDATES OF ELECTION TO OFFICE – CANCELLED ELECTION

1-13.5-513(6), C.R.S.

March 11, 2016

Mr. Stan D. Sparks
672 North Saddle Rock Drive
Grand Junction, CO 81504

Re: Notice of Election to office of Director of the Clifton Water District.

Dear Mr. Sparks:

As required by CRS 1-13.5-513(6), I am notifying you of your election to the office of Director of the Clifton Water District (the District). In the District's regular election scheduled for May 3, 2016, for which you submitted a Self-Nomination and Acceptance form for a four year term, you were elected to the office of director of the District board by acclamation.

Each director, within 30 days after his/her election to office, shall appear before an officer authorized to administer oaths and take an oath that he or she will faithfully perform the duties of his or her office as required by law, CRS 32-1-901(1). The current board of directors has made arrangements for all newly elected officials to appear and be sworn in on May 5, 2016 at 5:00 p.m. The swearing-in will be held publicly at the Clifton Water District Business Office, located at 510 34 Road, Clifton, CO. If you are not able to appear at this time, please contact David A. Reinertsen, DEO, at (970) 434-7328 to make alternate arrangements.

Sincerely,

David A. Reinertsen
Designated Election Official for the Clifton Water District

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, May 5, 2016**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Director; Doralyn Genova, Treasurer

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Angie Beebe; Karen Zimmerman

GUESTS: Mike Nelson, CPA for Chadwick, Steinkirchner, Davis & Co., P.C.

REGULAR MEETING

Chairman Peck called the May 5, 2016 Regular Meeting to order at 5:00 p.m. It was noted that Director Burger had an excused absence.

MINUTES OF THE April 7, 2016 REGULAR MEETING

Director Genova moved to approve the April 7, 2016 Regular Meeting Minutes as submitted. Director Diffendaffer seconded and the motion passed unanimously.

2015 AUDIT

Mike Nelson of Chadwick, Steinkirchner, Davis & Co., P.C. reviewed the 2015 Audited Financial Statements with the Board. Mr. Nelson explained the influence of the MFUF Project and the Drinking Water Revolving Fund loan used to finance the MFUF Project. Mr. Nelson reported the District's financial position is very good with an Asset to Debt Ratio of 5.0 which is excellent. Mr. Nelson also identified the efforts of the District to fund depreciation and replacement expense with steady and sequential rate increases which has been effective in improving the District's financial picture. Mike Nelson exited the meeting at 5:32 pm after giving audit report.

OATH OF OFFICE

Chairman Peck administered the Oath of Office and installed Stan Sparks and Melvin Diffendaffer to the Board of Directors for a four year term. Directors Sparks and Diffendaffer signed the Oath of Office.

BOARD REORGANIZATION

Director Genova moved to retain Dale Peck as the Chairman, Stan Sparks as Vice Chairman and Doralyn Genova as the Treasurer, and to appoint Melvin Diffendaffer as Secretary. Director Sparks 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 \$109,525.82 plus Benefits Checks of \$18,807.91 plus Supplemental Checks of \$4,236.31 for a total of \$132,570.04. Director Diffendaffer seconded and the motion passed unanimously.

MANAGER'S REPORTS

Manager Tooker presented the Manager's Reports for March 2016.

INFORMATIONAL REPORTS

Dedication Ceremony for MF/UF Project – Staff reviewed the schedule for the Dedication Ceremony to be held Friday, June 3, 2016. Ceremonies will begin at 12 noon for invited guests and then the District will host tours for District Customers and the public from 3:00 pm to 5:00pm. The Board suggested that Manager Tooker prepare a Project Fact Sheet for the Board and Staff to have during Ceremony to assist in answering questions from guests.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda items. Director Sparks seconded the motion which passed unanimously. The Express Agenda items are as follows:

1. Project 2016-01 – F ½ Road Main Line Upgrade/Replacement Project – Austin Civil Group has completed the open trench water line upgrade design. Staff is currently evaluating the option to directionally bore the new water line in place to minimize impacts to local traffic, avoid possible backfill issues, and to reduce asphalt road reconstruction efforts and costs.
2. Project 2016-02 – 34 Road Main Line Upgrade/Replacement Project – Rolland Consulting Engineers has completed field work and soil borings and are working on the final construction design for this waterline upgrade/replacement project.
3. Project 2016-03 – Highway 50 Crossing – Assistant Manager Reinertsen reported that the project scope for design services has been sent out to three local engineering firms and proposals are due Monday, June 9, 2016.

UNFINISHED BUSINESS

Colorado State Parks – Staff has been working with the State Parks on revisions to the Parking Area Lease. One important revision is the inclusion of an Exhibit or language that identifies the “Special Conditions” the Board had requested pertaining to the use of the State’s property for hunting. The “Special Conditions” information has not been completed which has prevented Staff from presenting the Lease to the Board. Staff will present the Lease to the Board when it becomes available.

Prescott Request for Time Payment Plan for Multiple Unit Plant Investment Fees – Staff presented the Board with a revised Time Payment Agreement (*File 05/05/2016, 2016 Agreements and Prescott Agreement*) containing the details identified by the Board at the April 7, 2016 Board Meeting. The Agreement includes a 21% interest rate, \$10 Late Fee and an 18

month term. Staff indicated that Mr. Prescott accepted the terms and will move forward with signing the Agreement. Director Peck signed the Agreement as President and Director Diffendaffer as Secretary.

NEW BUSINESS

FY 2015 Audit – The Board received a copy of the final audit and a presentation by Mike Nelson, CPA regarding the District's FY 2015 audits earlier in the evening (*File 05/05/2016, 2015 Audit*). Director Genova moved to accept, approve and distribute to the proper authorities the District's FY 2016 Financial Audit as submitted. Director Sparks seconded the motion which passed unanimously.

FlexMagic Security Breach – Staff summarized the Staff Report concerning the security breach and closing of FlexMagic, the District's Third Party Administrator for the HRA and Section 125 Flex Plan. Staff requested Board approval to moving to a new Third Party Administrator, 24Hour Flex for the remainder of 2016. Staff explained that 24Hour Flex has a different process in administering claims and the distribution of funds that require the use of a District bank account to process reimbursements to employees.

Manager Tooker requested Board approval of the 24Hour Flex Agreement to restore the District's HRA and Section 125 Flex Plan for the remainder of 2016. Director Diffendaffer moved to approve the 24Hour Flex Third Party Administrator Agreement and restore the HRA and Section 125 Flex Plan for 2016. Director Genova seconded the motion which passed unanimously.

Manger Tooker also requested Board approval to establish a separate and specific bank account at ANB Bank to process the HRA reimbursements. Director Diffendaffer moved to establish a new bank account at ANB Bank for the single purpose of providing HRA reimbursements. Director Genova seconded the motion which passed unanimously.

Manager Tooker explained that because of the security breach at FlexMagic, it was possible that employee's personal information may have been compromised. Manager Tooker worked with Home Loan Insurance Company and purchased Identity Theft Protection coverage for a 12 month period.

Open Board Position – The Board discussed the open two-year term Board position and possible candidates. The Board will direct any interested candidates to Manager Tooker for further information and explanation. The Board identified that the Board position will need to be filled by the August 4, 2016 Board Meeting.

ADJOURNMENT

The meeting was adjourned at 6:25 p.m.

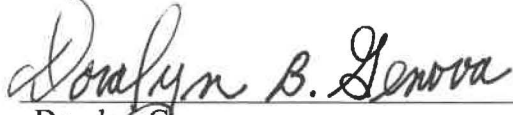
ATTEST:



Dale Peck



Stan Sparks



Doralyn Genova



Melvin Diffendaffer

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JUNE 2, 2016**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Director; Doralyn Genova, Treasurer

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Angie Beebe

REGULAR MEETING

Chairman Peck called the June 2, 2016 Regular Meeting to order at 5:06 p.m.

MINUTES OF THE MAY 5, 2016 REGULAR MEETING

Director Genova moved to approve the May 5, 2016 Regular Meeting Minutes as submitted. Director Sparks 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 \$117,365.56, plus Special Check of \$1,475.00, plus Benefits Checks of \$14,321.16, plus Special Payroll Check of \$184.70, plus Supplemental Checks of \$29,361.56 for a total of \$162,707.98. Director Diffendaffer seconded and the motion passed unanimously.

MANAGER'S REPORTS

Manager Tooker presented the Manager's Reports for April 2016. He highlighted the sale of new taps year to date as well as near term sales projections with the recently completed infrastructure in several new subdivisions.

INFORMATIONAL REPORTS

Dedication Ceremony for MF/UF Project – Manager Tooker reviewed the schedule for the Dedication Ceremony to be held Friday, June 3, 2016. He distributed a MF/UF Fact Sheet to all Board Members for review in preparation for questions from guest and the press. The dedication ceremony starts at 12:00 pm for invited guests, with the general public invited for the open house from 3:00 pm to 5:00 pm.

Section 12 - Sick Leave/Disability Leave - 1 Year Review – Manger Tooker presented the Board with the one-year review of the Comp Time and Sick Leave Policy amendments implemented in May 2015. The 12-month data indicates that the revisions have been effective in curtailing the misuse of Sick Leave and an overall reduction of Sick Leave utilization.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda items. Director Sparks seconded the motion which passed unanimously. The Express Agenda items are as follows:

1. Prescott Request for Time Payment Plan for Multiple Unit Plant Investment Fees – Staff met with Mr. Prescott to sign the agreement on May 17, 2016. The document has been recorded and the first payment is due with the Prescott's June 2016 water bill.
2. Project 2016-01 – F ½ Road Main Line Upgrade/Replacement Project – As a result of numerous conflicts within the roadway, Staff and engineers performed and completed an evaluation of viable options for the installation the new water line. It was determined that the most viable option is to revise the open cut trench design to a location outside the paved roadway to minimize traffic and customer disruptions during construction.
3. Project 2016-02 – 34 Road Main Line Upgrade/Replacement Project – The preliminary design has been reviewed and comments made. The engineer will have the final design completed and delivered by June 10, 2016. The bid process will then commence with contractor selection recommendation for Board action at the August 4 Regular Board Meeting.
4. Booshway/Midlands Village Main Line Connection – Staff is soliciting construction proposals from three contractors to install approximately 450 feet of new 10" waterline to connect previously installed 10" waterlines in the Dove Creek Subdivision and the last constructed phase of the Midlands Village manufactured housing development. This work will start about the 2nd week of June.
5. Health Reimbursement Arrangement (HRA) Third Party Administrator (TPA) – Staff completed the necessary documents to transition from FlexMagic to 24 Hour Flex. 24 Hour Flex is working diligently to complete the conversion in a timely manner to restore the functionality of the District's HRA.

UNFINISHED BUSINESS

Colorado State Parks – Manager Tooker reported that he has a meeting scheduled with Mr. Pete Firmin on Thursday, June 9, 2016 to discuss the "Special Conditions" of the submitted Parking Area Lease. Staff will present the Lease to the Board for consideration when it becomes available.

Project 2016-03 Highway 50 Crossing – Staff presented a Staff Report pertaining to the engineering design proposals for completion of the waterline design for the Highway 50 Crossing. The US Bureau of Land Management has indicated that they need the final engineering design to review prior to granting final approval for the requested waterline right-of-way across their managed lands. Staff recommended award of the design project to Tetra Tech and requested Board authorization for Manager Tooker to sign the Tetra Tech Design Agreement. Director Genova moved to select Tetra Tech for completion of the final design for Project 2016-03, Highway 50 Crossing and to authorize Manager Tooker to sign the Design Agreement on behalf of the District. Director Diffendaffer seconded and the motion passed unanimously.

Open Board Position – Manager Tooker reported that two individuals have expressed interest in the open Board position. The Board requested that they be invited to attend the next Regular Board Meeting (July 7, 2016) for an informal interview by the Board.

NEW BUSINESS

Project MF/UF 2008-02 – HVAC/Heating System – Manager Tooker presented a Staff Report that identified the status of needed enhancements to the HVAC/Heating System of the MF/UF process area of the water treatment plant. Carollo Engineering has completed the design for the needed enhancements. Director Genova moved to have Staff proceed with soliciting quotes to purchase and install the HVAC/Heating system as designed by Carollo Engineering. Director Sparks seconded the motion which passed unanimously.

Project 2016-04 Effluent Pipe Manifold South – Manager Tooker identified the next phase of the Effluent Manifold Project. Director Genova moved to authorize Staff to secure the required engineering services and to move forward with soliciting bids for completion of Project 2016-04, Effluent Pipe Manifold South. Director Diffendaffer seconded the motion which passed unanimously.

ADJOURNMENT

The meeting was adjourned at 6:12 p.m. by the Chairman.


ATTEST:



Dale Peck



Stan Sparks



Doralyn Genova



Melvin Diffendaffer

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JULY 7, 2016**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Secretary; Doralyn Genova, Treasurer

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Angie Beebe; Brian Sheley

GUEST PRESENT: Edward 'Dan' McElley, Director Vacancy Candidate

REGULAR MEETING

Chairman Peck called the July 7, 2016 Regular Meeting to order at 5:07 p.m.

Chairman Peck recognized the attendance of the Guest, District customer Mr. Edward 'Dan' McElley, who has expressed an interest in filling the vacancy on the District's Board of Directors.

MINUTES OF THE JUNE 2, 2016 REGULAR MEETING

Director Genova moved to approve the June 2, 2016 Regular Meeting Minutes as submitted. Director Diffendaffer 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 \$224,610.40, plus Supplemental Checks of \$14,201.99, plus Special Check of \$2,352.00, plus Benefits Checks of \$15,808.23, for a total of \$256,972.62. Director Diffendaffer seconded and the motion passed unanimously.

Staff requested Board clarification on the monthly reporting of HRA expenditures now that the new third party firm, 24 Hour Flex, disburses qualified reimbursement directly to the employees' designated institution. It was Board consensus to report the monthly HRA reimbursement as an identified total expenditure on the Board Meeting Agenda Accounts Payable entry.

MANAGER'S REPORTS

Manager Tooker presented the Manager's Report for May 2016. He highlighted the sale of new taps year to date, monthly and year to date overtime hours used (currently tracking at 15% less than 2015 year to date totals), and overall project costs represented on the report cost tracking sheet for Project 2008-02 MF/UF Membrane Design/Build Project.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda items. Director Diffendaffer seconded the motion which passed unanimously. The Express Agenda items are as follows:

1. Project 2016-01 – F ½ Road Main Line Upgrade/Replacement Project – The final alignment for the new 6” water line has been established. The final design documents and engineer’s estimate of quantities and probable costs are due Friday, July 8. Once received, an informational meeting will be held with City of Grand Junction Public Works, Mesa County Road and Bridge, and District 51 representatives to discuss the project and identify and specific construction requirements that will be incorporated into the final bid documents.
2. Project 2016-02 – 34 Road Main Line Upgrade/Replacement Project – During final design edits a conflict was identified in the 34 & F Road intersection. Changes have been made and the final design documents and engineer’s estimate of quantities and probable costs are due Friday, July 8. Bid documents will be generated with construction bid advertising scheduled to commence in mid-July.
3. Project 2016-03 – Highway 50 Crossing – The project design engineer, Tetra Tech, has completed the final design and engineer’s estimate of material quantities and probable costs. The final design drawings will be delivered to Project Realty Specialist (US Bureau of Land Management) the week of July 4 for final internal reviews. Staff will begin a concurrent design review process with the Colorado Department of Transportation that week as well.

UNFINISHED BUSINESS

Colorado State Parks Lease Agreement – Manager Tooker presented the parking area lease Agreement for Board approval. The parking area lease is officially identified as, State of Colorado acting by and through the Department of Natural Resources, for the use and Benefit of the Division of Parks and Wildlife and the Parks and Wildlife Commission Real Property Lease. Manager Tooker reviewed the Lease pointing out the conditions that the Board had requested to be included in the agreement including: one-year renewable term, waterfowl and weekend only hunting, limited number of blinds and occupants, area patrolled, proper signage, provide sanitary facilities and commitment to keep free of trash. Director Genova moved to approve the Real Property Lease with the State of Colorado and authorized Manager Tooker to sign. Director Diffendaffer seconded the motion. The Board discussed and reviewed the conditions of the Lease and the motion to approve the Lease was passed unanimously.

Booshway/Midlands Village Main Line Connection – Staff presented an update regarding this waterline project. Staff is in the process of securing a waterline easement with the property owner of Midlands Village Manufactured Housing Park. Information only, no Board action required at this time.

Open Board Position – Chairman Peck asked Mr. McElley if he still had interest in filling the current vacancy on the District’s Board of Directors. Mr. McElley stated that he would like to serve in that position. Director Genova moved to appoint Mr. Edward ‘Dan’ McElley to the vacant Board position until the next regularly scheduled District election to be held in May 2018. Director Sparks seconded the motion which passed unanimously. The Oath of Office will be administered at the start of the August 4, 2016, Regular Board Meeting.

NEW BUSINESS

Project MF/UF 2008-02 – Final Completion Request – Manager Tooker presented a Memorandum identifying that Carollo Design Build Group had requested consideration of Final Completion of Project 2008-02 MF/UF. Manager Tooker reported Carollo Design Build Group has satisfactorily completed Project 2008-02 MF/UF and recommended Board approval by Resolution 2016-05. Director Genova moved to approve Resolution 2016-05 of the Clifton Water District Board of Directors Acting by and through its Water Activity Enterprise Accepting Water Project 2008-02 MF/UF Improvements as Constructed and further identifying the conditions set forth in the Resolution and authorizing Staff to advertise for Final Contractor Settlement in compliance with C.R.S. 38-26-107(1). Director Diffendaffer seconded the motion which passed unanimously.

Text of Resolution 2016-05:

RESOLUTION 2016-05
RESOLUTION
OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE
ACCEPTING WATER PROJECT 2008-02 MFUF IMPROVEMENTS AS
CONSTRUCTED

***WHEREAS**, the Clifton Water District, Acting by and Through Its Water Activity Enterprise (“District”), in the County of Mesa and the State of Colorado (“State”), is a political subdivision duly organized and existing pursuant to the constitution and laws of the State, in particular Title 32 of the Colorado Revised Statutes; and*

***WHEREAS**, the Board of Directors of the District is the governing body of the District and have been duly elected and qualified; and*

***WHEREAS**, on June 5, 2014, after appropriate bidding procedures were followed, the Board of Directors approved the Final Design/Build and Construction Contract (“Contract”) with Carollo Design Build Group (“CDBG”) for the construction of Project 2008-02 MF/UF as described in the Contract; and*

***WHEREAS**, Carollo Design Build Group (CDBG) has performed the design and construction pursuant to the Contract; and:*

***WHEREAS**, CDBG has officially requested Final Completion and Final Payment; and*

***WHEREAS**, CDBG design engineer has submitted certification stating Project 2008-02 MF/UF has been constructed consistent with the design documents; and*

***WHEREAS**, Project 2008-02 MFUF construction and installation of improvements is deemed complete and the District desires to accept Project 2008-02 MFUF improvements subject to the conditions set forth herein.*

***NOW THEREFORE BE IT RESOLVED** that the Clifton Water District Board of Directors resolve as follows:*

1. ***ACCEPTANCE OF PROJECT 2008-02 MFUF.** The District hereby accepts Project 2008-02 MFUF as complete for ownership, operation and maintenance subject to the following conditions:
 - a. *Satisfactory completion of any punchlist items provided by the District or Engineer to the Contract.*
 - b. *Satisfactory proving an affidavit of all CDBG obligations to subcontractors, laborers, materialmen, suppliers, or other third parties in connection with the project, have been paid or otherwise satisfied.**

- c. Subject to the warranty periods set forth in the Contract, satisfactory addressing items that CDBG has an obligation to repair and/or replace any defective work or materials, all as set forth in the Contract.
2. **FINAL PAYMENT AND SETTLEMENT UNDER CONTRACT.** The District's acceptance of Project 2008-02 MFUF shall not waive in any way the District's rights or obligations to enforce the payment or penalties due under the Contract and shall not be deemed to be a waiver of any supplemental conditions or requirements of CDGB after the date of this acceptance. Any surviving provisions set forth in the Contract shall continue to be in full force and effect. Further, the District shall issue final payment to CDBG in accordance with Colorado law, after proper publication and provided there are no verified statements of claim received by the District prior to such date. Further, Final Payment shall remain subject to negotiations between the District and CDBG pursuant to and with regards to change orders, liquidated damages and other rights, obligations and penalties of the District pursuant to the Contract.

Board Members Recognition, Alan Hassler and Bob Burger – Director Diffendaffer moved to Recognize the service of former Board Member Alan N. Hassler through Resolution 2016-06 Resolution in Honor of Alan N. Hassler (*File 7/7/2016, Resolutions*). Chairman Peck read the Resolution aloud. Director Genova seconded the motion which passed unanimously. Chairman Peck signed the Resolution.

Text of Resolution 2016-06:

Resolution in Honor of Alan N. Hassler

WHEREAS, Alan Hassler served as a member of the Clifton Water District Board of Directors from September 4, 2008 to July 2, 2015; and

WHEREAS, Alan Hassler provided respected administrative and governmental insight and guidance that was valuable during the planning, design, bidding and construction of the District's Microfiltration/Ultrafiltration Water Treatment Project; and

WHEREAS, Alan Hassler's service as the Board's President and Chairman was instrumental in the preparation of the annual budget, reviews of engineering and construction contractual agreements, evaluation of Cost-of-Service Analysis and Scenario Testing for establishing effective water rates; and

WHEREAS, Alan Hassler's extensive knowledge and understanding of the operation and management of local, county, and state governmental entities helped to guide District decisions and development of District policies in accordance with Title 32 Special District rules and regulations; and

NOW THEREFORE BE IT RESOLVED that the Clifton Water District and Board of Directors express their gratitude for Alan Hassler's commitment;

BE IT FURTHER RESOLVED that this Resolution is presented to Alan Hassler in appreciation of his dedication and service to the Clifton Water District.

Director Genova then moved to Recognize the service of former Board Member Robert K. Burger through Resolution 2016-07 Resolution in Honor of Robert K. Burger (*File 7/7/2016,*

Resolutions). Chairman Peck read the Resolution aloud. Director Diffendaffer seconded the motion which passed unanimously. Chairman Peck signed the Resolution.

Text of Resolution 2016-07:

Resolution in Honor of Robert K. Burger

WHEREAS, *Robert Burger served as a member of the Clifton Water District Board of Directors from June 7, 2007 to May 5, 2016; and*

WHEREAS, *Robert Burger provided respected financial insight and guidance that was valuable during the planning, design, financing, bidding and construction of the District's Microfiltration/Ultrafiltration Water Treatment Project; and*

WHEREAS, *Robert Burger's financial leadership was instrumental in the preparation of the annual budget, the evaluation and eventual early retirement of the 1996 Revenue Bond, the evaluation of Cost-of-Service Analysis in establishing effective water rates to not only fund operational expense but to also fund the District's capital depreciation replacement plan; and*

WHEREAS, *Robert Burger's ideas and principles were incorporated into the decisions and policies of the Water District; and*

NOW THEREFORE BE IT RESOLVED *that the Clifton Water District and Board of Directors express their gratitude for Robert Burger's commitment;*

BE IT FURTHER RESOLVED *that this Resolution is presented to Robert Burger in appreciation of his dedication and service to the Clifton Water District.*

It was the consensus of the Board to extend invitations to both Alan Hassler and Bob Burger to attend a future Board Meeting so that formal presentation of the resolutions and District service recognitions can be made.

EXECUTIVE SESSION

At 6:30 p.m. Staff members Beebe and Sheley exited the meeting.

At 6:37 p.m., Director Genova moved to go into Executive Session, as per C.R.S. 24-6-402 (4)(f) for the purposes of discussing personnel matters. Director Sparks seconded and the motion passed unanimously. Directors Peck, Diffendaffer, Genova, and Sparks were present along with Manager Tooker and Assistant Manager Reinertsen.

The Board adjourned the Executive Session at 7:13 p.m.

It was the consensus of the Board for Manager Tooker to proceed with implementing the District's succession plan as discussed.

ADJOURNMENT

The meeting was adjourned at 7:15 p.m. by the Chairman.

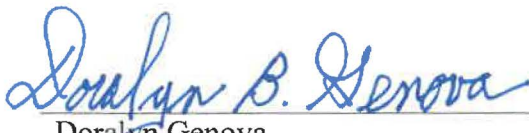
ATTEST:



Dale Peck



Stan Sparks



Doralyn Genova



Melvin Diffendaffer

RESOLUTION 2016-05

RESOLUTION

**OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE
ACCEPTING WATER PROJECT 2008-02 MFUF IMPROVEMENTS AS
CONSTRUCTED**

WHEREAS, the Clifton Water District, Acting by and Through Its Water Activity Enterprise (“District”), in the County of Mesa and the State of Colorado (“State”), is a political subdivision duly organized and existing pursuant to the constitution and laws of the State, in particular Title 32 of the Colorado Revised Statutes; and

WHEREAS, the Board of Directors of the District is the governing body of the District and have been duly elected and qualified; and

WHEREAS, on June 5, 2014, after appropriate bidding procedures were followed, the Board of Directors approved the Final Design/Build and Construction Contract (“Contract”) with Carollo Design Build Group (“CDBG”) for the construction of Project 2008-02 MF/UF as described in the Contract; and

WHEREAS, Carollo Design Build Group (CDBG) has performed the design and construction pursuant to the Contract; and:

WHEREAS, CDBG has officially requested Final Completion and Final Payment; and

WHEREAS, CDBG design engineer has submitted certification stating Project 2008-02 MF/UF has been constructed consistent with the design documents; and

WHEREAS, Project 2008-02 MFUF construction and installation of improvements is deemed complete and the District desires to accept Project 2008-02 MFUF improvements subject to the conditions set forth herein.

NOW THEREFORE BE IT RESOLVED that the Clifton Water District Board of Directors resolve as follows:

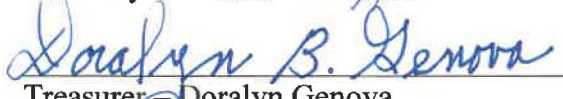
1. ACCEPTANCE OF PROJECT 2008-02 MFUF. The District hereby accepts Project 2008-02 MFUF as complete for ownership, operation and maintenance subject to the following conditions:
 - a. Satisfactory completion of any punchlist items provided by the District or Engineer to the Contract.
 - b. Satisfactory proving an affidavit of all CDBG obligations to subcontractors, laborers, materialmen, suppliers, or other third parties in connection with the project, have been paid or otherwise satisfied.
 - c. Subject to the warranty periods set forth in the Contract, satisfactory addressing items that CDBG has an obligation to repair and/or replace any defective work or materials, all as set forth in the Contract.

2. FINAL PAYMENT AND SETTLEMENT UNDER CONTRACT. The District's acceptance of Project 2008-02 MFUF shall not waive in any way the District's rights or obligations to enforce the payment or penalties due under the Contract and shall not be deemed to be a waiver of any supplemental conditions or requirements of CDGB after the date of this acceptance. Any surviving provisions set forth in the Contract shall continue to be in full force and effect. Further, the District shall issue final payment to CDBG in accordance with Colorado law, after proper publication and provided there are no verified statements of claim received by the District prior to such date. Further, Final Payment shall remain subject to negotiations between the District and CDBG pursuant to and with regards to change orders, liquidated damages and other rights, obligations and penalties of the District pursuant to the Contract.

ADOPTED AND APPROVED the 7th day of July, 2016

ATTEST:


Secretary – Melvin Diffendaffer


Treasurer – Doralyn Genova


Chairman – Dale Peck


Vice Chairman – Stan Sparks

Director – Vacant



RESOLUTION IN HONOR OF ROBERT K. BURGER

WHEREAS, Robert Burger served as a member of the Clifton Water District Board of Directors from June 7, 2007 to May 5, 2016; and

WHEREAS, Robert Burger provided respected financial insight and guidance that was valuable during the planning, design, financing, bidding and construction of the District's Microfiltration/Ultrafiltration Water Treatment Project; and

WHEREAS, Robert Burger's financial leadership was instrumental in the preparation of the annual budget, the evaluation and eventual early retirement of the 1996 Revenue Bond, the evaluation of Cost-of-Service Analysis in establishing effective water rates to not only fund operational expense but to also fund the District's capital depreciation replacement plan; and

WHEREAS, Robert Burger's ideas and principles were incorporated into the decisions and policies of the Water District; and

NOW THEREFORE BE IT RESOLVED that the Clifton Water District and Board of Directors express their gratitude for Robert Burger's commitment;

BE IT FURTHER RESOLVED that this Resolution is presented to Robert Burger in appreciation of his dedication and service to the Clifton Water District.

ATTEST:



Dale Peck
Chairman Board of Directors
Clifton Water District



RESOLUTION IN HONOR OF ALAN N. HASSLER

WHEREAS, Alan Hassler served as a member of the Clifton Water District Board of Directors from September 4, 2008 to July 2, 2015; and

WHEREAS, Alan Hassler provided respected administrative and governmental insight and guidance that was valuable during the planning, design, bidding and construction of the District's Microfiltration/Ultrafiltration Water Treatment Project; and

WHEREAS, Alan Hassler's service as the Board's President and Chairman was instrumental in the preparation of the annual budget, reviews of engineering and construction contractual agreements, evaluation of Cost-of-Service Analysis and Scenario Testing for establishing effective water rates; and

WHEREAS, Alan Hassler's extensive knowledge and understanding of the operation and management of local, county, and state governmental entities helped to guide District decisions and development of District policies in accordance with Title 32 Special District rules and regulations; and

NOW THEREFORE BE IT RESOLVED that the Clifton Water District and Board of Directors express their gratitude for Alan Hassler's commitment;

BE IT FURTHER RESOLVED that this Resolution is presented to Alan Hassler in appreciation of his dedication and service to the Clifton Water District.

ATTEST:

Dale Peck
Chairman Board of Directors
Clifton Water District

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, AUGUST 4, 2016**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Secretary; Doralyn Genova, Treasurer

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Angie Beebe; Brian Sheley

GUEST PRESENT: Edward 'Dan' McElley, Director Vacancy Candidate; Bret Guillory, Pending New District Employee

REGULAR MEETING

Chairman Peck called the August 4, 2016 Regular Meeting to order at 5:00 p.m.

MINUTES OF THE JULY 7, 2016 REGULAR MEETING

Chairman Peck tabled discussion and approval of the July 7, 2016 Regular Meeting Minutes until the next Regular Board meeting in September.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and approve Accounts Payable Regular Checks of \$124,839.41, plus Supplemental Checks of \$26,297.82, plus Benefits Checks of \$16,873.91, plus HRA Disbursements of \$9,308.26, for a total of \$177,319.40. Manager Tooker identified and clarified the HRA Disbursement amount shown as requested by the Board at the June 2016 Regular Board Meeting. Director Diffendaffer seconded and the motion passed unanimously.

OATH OF OFFICE

Chairman Peck administered the Oath of Office and installed Edward 'Dan' McElley to the Board of Directors for a two year term (until the next Regular Board election cycle in May 2018). Director McElley signed the Oath of Office.

BOARD REORGANIZATION

Chairman Peck reviewed the current officer and committee assignments. After discussion, Director Sparks moved to maintain the current slate of officers, Dale Peck as Chairman, Stan Sparks as Vice Chairman, Doralyn Genova as Treasurer, Melvin Diffendaffer as Secretary, and Dan McElley as Director. Director Genova seconded and the motion passed unanimously.

Director Genova moved to assign Board Members to the following committees:

| | |
|----------------------|-----------------------------------|
| Budget | Dale Peck / Melvin Diffendaffer |
| Construction | Dale Peck / Stan Sparks |
| Personnel | Dale Peck / Dan McElley |
| Policy and Standards | Doralyn Genova / Stan Sparks |
| Water Rights | Melvin Diffendaffer / Dan McElley |

Director McElley seconded and the motion passed unanimously.

MANAGER'S REPORTS

Manager Tooker reviewed the various components of the Manager's Report for new Director McElley's benefit. Manager Tooker highlighted the water quality report explaining the monthly observed changes as well as July information with July 2015 reported data.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda items. Director Diffendaffer seconded the motion which passed unanimously. The Express Agenda items are as follows:

SDA Annual Conference – This year's SDA Annual Conference is being held in Keystone, Colorado. The SDA University is Wednesday, September 21 with the remainder of the Conference on Thursday, September 22 and Friday, September 23. A preliminary conference agenda is included in the Board Packet. Please notify David Reinertsen by August 10, 2016 if you wish to attend the Conference, and which nights you would like lodging reservations.

DRIP Booth at the Mesa County Fair – A total of six District Staff members provided coverage for a number of time slots at the DRIP Booth at the Mesa County Fair from Tuesday, July 12 through Saturday, July 16, 2016. The DRIP presence at the Mesa County Fair was an effort to continue the public awareness campaign and to provide the valuable community service of free chilled water to Fair attendees.

UNFINISHED BUSINESS

Project MFUF 2008-02 – Final Payment – Manager Tooker reviewed his Memo to the Board regarding Project 2008-02 MFUF-Final Completion. He stated that the District received no payment response requests resulting from the Final Payment advertising in the Daily Sentinel on July 19, 24, and 26, 2016. Director Genova moved that subject to C.R.S. 38-26-107(1), the Board accepts the Final Completion, Final Settlement request by the Carollo Design Build Group and authorizes Payment of \$15,000 for Contract Pay Application #24 and release of the remaining \$30,000 held in contract retainage subject to the conditions set forth in Resolution 2016-05 dated July 7, 2016. Director Sparks seconded and the motion carried unanimously.

Project 2016-01 – F ½ Road Main Line Upgrade/Replacement Project – Assistant Manager Reinertsen presented the Staff Report to the Board. Director Genova moved to re-authorize Staff to proceed with development and issuance of the Construction Bid Documents for Project 2016-01, F ½ Road Main Line Upgrade/Replacement Project. Director Diffendaffer seconded and the motion carried unanimously.

Project 2016-02 – 34 Road Main Line Upgrade/Replacement Project – Assistant Manager Reinertsen presented the Staff Report to the Board. Director Genova moved to re-authorize Staff to proceed with development and issuance of the Construction Bid Documents for Project 2016-02, 34 Road Main Line Upgrade/Replacement Project. Director Diffendaffer seconded and the motion carried unanimously.

NEW BUSINESS

Designate Person to Prepare 2017 Budget – By statute the Board must appoint an individual to prepare the 2017 Budget. Director Diffendaffer moved to designate Manager Tooker as the person to prepare the 2017 District Budget. Director Sparks seconded the motion which passed unanimously.

Designate Colorado Special District's Property & Liability Pool Representative – Director Diffendaffer moved to designate Chairman Peck as the District's representative at the Colorado Special District's Property and Liability Pool Annual Meeting to be held in conjunction with the Colorado Special District's 2016 Annual Conference with Director Sparks assigned in the alternate role. Director Genova seconded and the motion passed unanimously.

Project MF/UF 2008-02 Honors – Manager Tooker reviewed the recent awards the District and the District's Design/Build firm, Carollo Design Build Group, have received for the MF/UF Project. Director Genova moved to authorize Board Chairman Peck and Manager Tooker to represent the District at the Design Build Institute of America (DBIA) National Design Build Project/Team Award ceremony to be held in Las Vegas, NV on November 3, 2016. Director Sparks seconded and the motion passed unanimously.

Director Diffendaffer then moved to reschedule the regular Board Meeting for November to Thursday, November 10, 2016. Director Genova seconded and the motion passed unanimously.

Strategic Planning Report and Major Capital Improvement Plan – Manager Tooker reviewed his Memo to the Board regarding the need to update the District's Strategic Plan and Major Capital Improvement Plan. He identified that the recently hired Assistant Manager of Transmission and Distribution, Bret Guillory will be involved with the development of these plans. The presentation was information only at this time. As the update process is developed, more information will be presented to the Board at future Board Meetings.

Mesa County 32 and E Road Intersection Improvement Project – The Mesa County Public Works Department has begun construction on the improvements to the intersection of 32 and E Roads. Their contractor, United Companies, provided a cost proposal to the District to install the new 6” waterline as shown on the waterline design developed by Olsson and Associates. Director Genova moved to authorize Staff to sign the necessary agreements to complete the work as proposed by United Companies. Director Diffendaffer seconded which passed unanimously.

ADJOURNMENT

The meeting was adjourned at 6:35 p.m. by the Chairman.


ATTEST:



Dale Peck



Stan Sparks



Doralyn Genova



Melvin Diffendaffer



Dan McElley

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, SEPTEMBER 1, 2016**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Secretary; Doralyn Genova, Treasurer; Edward Dan McElley

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Angie Beebe; Brian Sheley

REGULAR MEETING

Chairman Peck called the September 1, 2016 Regular Meeting to order at 5:03 p.m.

MINUTES OF THE JULY 7, 2016 REGULAR MEETING

Director Genova moved to approve the July 7, 2016 Regular Meeting Minutes as submitted. Director Diffendaffer seconded and the motion passed unanimously.

MINUTES OF THE AUGUST 4, 2016 REGULAR MEETING

Director Genova moved to approve the August 4, 2016 Regular Meeting Minutes as submitted. Director Sparks 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 \$127,239.95, plus Supplemental Checks of \$12,234.39, plus Benefits Checks of \$15,741.56, plus HRA Disbursements of \$4,746.75, for a total of \$159,962.65. Manager Tooker reviewed the data shown on page two of the Financial Notes regarding the District's Cash Balance History graph. He identified the impact of the collection of the System Investment Fee on the District capital reserves. Chairman Peck questioned whether or not the operational cost of electrical usage for the new MF/UF facility can be evaluated. Manager Tooker stated that the cost analysis of the electrical use impact will be presented during future Budget 2017 discussions. Director Diffendaffer seconded and the motion passed unanimously.

MANAGER'S REPORT

Chairman Peck inquired about the July Confined Space Training that included all Distribution and Water Treatment personnel. Assistant Manager Reinertsen clarified that the training held was classroom format and was conducted onsite by a qualified instructor from Safety Inc. The class was held on two days to accommodate all staff while maintaining Service Work Order support and water treatment operations on both training days.

INFORMATIONAL REPORT

Manager Tooker reviewed the customer request for a refund of the multiple unit Plant Investment Fees paid on 534 Shane Street, Grand Junction, CO. The owner had paid the multiple unit fee for a garage he was planning to build that was to have a full bathroom. The fees were paid on July 11, 2016. Due to financial issues, the owner decided to not proceed with the project as originally intended, therefore, since the account had not been activated, the refund request was granted.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda items. Director McElley seconded the motion which passed unanimously. The Express Agenda items are as follows:

1. SDA Annual Conference – Keystone, CO – Reservations have been secured for Board Members Peck, Sparks, Diffendaffer, and McElley. Room check in for those attending the SDA University on Wednesday, September 21, is Tuesday afternoon/evening, September 20. If anyone has questions or needs assistance regarding check in please contact Assistant Manager Reinertsen.
2. Project 2016-01 – F ½ Road Main Line Upgrade/Replacement Project – Staff continues bid package development and advertising.
3. Project 2016-02 – 34 Road Main Line Upgrade/Replacement Project – Staff continues bid package development and advertising.
4. Project 2016-03 – Highway 50 Crossing – Assistant Manager Reinertsen contacted the Project Coordinator for the US Bureau of Land Management (BLM) for this project on August 25th and was told that final approvals to proceed will be issued by the end of August. Once the approvals are received from the BLM the final approvals and permits can be issued by the Colorado Department of Transportation (CDOT). Upon receipt of the CDOT permit Staff will issue the Project Bid documents with contract award recommendations being presented to the Board at the October 6, 2016, Regular Board Meeting.

UNFINISHED BUSINESS

2017 FY Budget – Manager Tooker identified the various components of the initial draft of the District's 2017 Budget. These items are for Board review only at this time, and will be refined as the Budget Committee meets to develop and finalize the 2017 Budget.

NEW BUSINESS


Request For River Bank Assistance From Adjacent Property Owners – Manager Tooker reviewed a request he received from Mike McGuire (property owner at 532 34 Road) for the District to assist upstream property owners in their efforts to stabilize the north bank of the

Colorado River. The information was presented to the Board for information purposes only. No Board action suggested or requested at this time.

ADJOURNMENT

The meeting was adjourned at 5:44 p.m. by the Chairman.

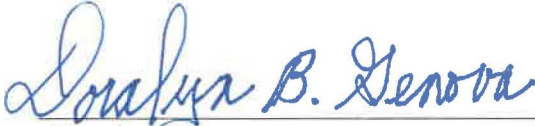
ATTEST:




Dale Peck



Stan Sparks



Doralyn Genova



Melvin Diffendaffer



Dan McElley

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, OCTOBER 6, 2016**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Secretary; Doralyn Genova, Treasurer; Edward Dan McElley

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Angie Beebe; Brian Sheley

REGULAR MEETING

Chairman Peck called the October 6, 2016 Regular Meeting to order at 5:02 p.m.

MINUTES OF THE SEPTEMBER 1, 2016 REGULAR MEETING

Director Diffendaffer moved to approve the September 1, 2016 Regular Meeting Minutes as submitted. Director Genova 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 \$164,022.34, plus Supplemental Checks of \$5,795.86, plus Benefits Checks of \$15,660.11, plus HRA Disbursements of \$5,694.89, for a total of \$191,173.20. Angie Beebe pointed out the abbreviated Accounts Payable Regular Check Register that lists the total amount of each check, instead of the total amount and also the amount of each invoice line item. It was the consensus of the Board to use this abbreviated Check Register starting at the next Board Meeting. Manager Tooker explained that the source documents showing payment details will continue to be available at the Board table should questions arise regarding specific invoice payments. Director Diffendaffer seconded and the motion passed unanimously.

MANAGER'S REPORT

Manager Tooker stated there were no irregularities to be pointed out in the August 2016 Manager's Report. He stated there were subtle differences in Water Quality from 2015 to 2016 that are influenced by precipitation and stream flow from the up-river reservoir releases.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda items. Director Diffendaffer seconded the motion which passed unanimously. The Express Agenda item is as follows:

1. Project 2016-03 – Highway 50 Crossing – Staff received the final, approved Right-of-Way easements from the Bureau of Land Management on Tuesday, September 27, 2016. Bid Document preparation is underway with Bid Advertising to commence the second week of October.

UNFINISHED BUSINESS

FY 2017 Budget – Manager Tooker reviewed water sales history and identified the various components of rate increase scenarios. He stated Staff had evaluated and determined that 2014 represented a more accurate customer annual water usage and more realistic point of comparison for 2017 projections. Previously Budget projections have been made based upon 2010 customer usage. It was Board consensus to use 2014 Customer usage as the baseline to project the 2017 Water Sales Revenue. The Board discussed the preliminary 2017 Revenue requirements and whether or not a Water Rate increase should be considered. Manager Tooker reviewed proposed budget items that showed the greatest percentage increase over the 2016 Budget values. The Board discussed the cost and continuation of infrastructure replacement and repair projects and the impact to the 2017 Budget. The Budget Committee will continue to refine the Budget for final presentation.

Project 2016-01 F ½ Road Main Line Upgrade/Replacement Project – Assistant Manager Reinertsen reviewed the Staff Report regarding bid opening and results for Project 2016-01, with the Board (*File 10-06-16, 2016 Staff Reports*). Two general contractors submitted bids. The Engineer's estimate for the project was \$199,220. Bids amounts ranged from \$231,595.50 to \$247,386.00. Director Diffendaffer moved to direct Staff to reallocate designated project funds within the Upgrade and Replacement category of the General Construction Line Upgrade Budget item in the amount of \$265,000. Director Sparks seconded the motion which passed unanimously.

Director Sparks moved to award the construction contract to Dirtworks Construction, LLC in the amount of \$231,595.50 and authorized Staff to proceed with preparing construction agreement documents for final signatures as required. Director McElley seconded the motion which passed unanimously.

Project 2016-02 34 Road Main Line Upgrade/Replacement Project – Assistant Manager Reinertsen reviewed the Staff Report regarding bid opening and results for Project 2016-02, with the Board (*File 10-06-16, 2016 Staff Reports*). Seven general contractors submitted bids. The Engineer's estimate for the project was \$248,340.00. Bids presented ranged from \$142,192.50 to \$249,593.75. Director Genova moved to direct Staff to reallocate designated project funds within the Upgrade and Replacement category of the General Construction Line Upgrade Budget item in the amount of \$180,000. Director Sparks seconded the motion which passed unanimously.

Director Genova moved to award the construction contract to Eagles Nest Contracting, LLC in the amount of \$142,192.50 and authorized Staff to proceed with preparing construction agreement documents for final signatures as required. Director McElley seconded the motion which passed unanimously.

Request For River Bank Assistance From Adjacent Property Owners – Manager Tooker reported that he, Assistant Manager Reinertsen and Board members Peck and Diffendaffer accompanied a group of the concerned property owners and representatives from the US Army Corp of Engineers, Soil Conservation Service, and Colorado State Parks on a walking tour of the north river bank of the Colorado River, upstream of the area of erosion concern. The various agency representatives identified some options that may be available for the property owners to consider.

Information only, no Board action suggested or required. Staff will update the Board with any new developments regarding this issue.

NEW BUSINESS

SDA Conference Debrief – The 2016 Colorado Special District Association’s Annual Conference was held in Keystone, Colorado from September 20th through September 23rd. Directors Peck, Diffendaffer, and Sparks were in attendance and stated the Conference was excellent, presentations were well attended and provided highlights and information obtained from the conference to the Board.

Authorized Banking Signatures – Director Genova moved to approve the ANB Bank Corporate Authorizations and Resolution of Authority authorizing the following Board and Staff as authorized signers and Agents for the District and to sign the ANB Bank signature cards; Chairman – Dale E. Peck, Vice Chairman – Stanley Don Sparks, Treasurer - Doralyn Genova, Secretary – Melvin Lee Diffendaffer, Director – Edward D. McElley – Director, Dale Tooker – Manager. Director Diffendaffer seconded the motion which passed unanimously.

EXECUTIVE SESSION

At 7:00 p.m. Staff members Tooker, Reinertsen, Beebe and Sheley exited the meeting.

At 7:05 p.m., Director Peck moved to go into Executive Session, as per C.R.S. 24-6-402 (4)(f) for the purposes of discussing personnel matters. Director Genova seconded and the motion passed unanimously. Directors Peck, Diffendaffer, Genova, McElley, and Sparks were present.

The Board adjourned the Executive Session at 7:40 p.m.

ADJOURNMENT

The meeting was adjourned at 7:40 p.m. by the Chairman.

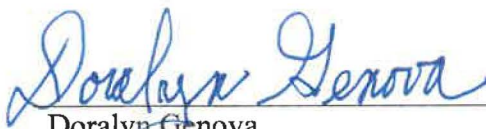
ATTEST:



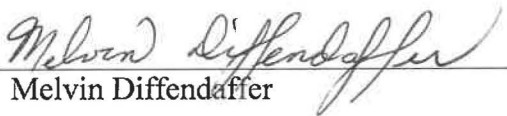
Dale Peck



Stan Sparks



Doralyn Genova



Melvin Diffendaffer



Dan McElley

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, NOVEMBER 10, 2016**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Secretary; Doralyn Genova, Treasurer; Edward Dan McElley, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Bret Guillory; Angie Beebe; Brian Sheley

REGULAR MEETING

Chairman Peck called the November 10, 2016 Regular Meeting to order at 5:00 p.m.

MINUTES OF THE OCTOBER 6, 2016 REGULAR MEETING

Director Genova moved to approve the October 6, 2016 Regular Meeting Minutes as submitted. Director Diffendaffer 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 \$132,593.66, plus Supplemental Checks of \$7,366.30, plus Benefits Checks of \$14,522.95, plus HRA Disbursements of \$6,102.71, for a total of \$160,585.62. Manager Tooker identified the voided check (#33821) that was mentioned in the Notes section of the Financial Package. Director Diffendaffer seconded and the motion passed unanimously.

MANAGER'S REPORT

Manager Tooker stated there were no irregularities to be pointed out in the September 2016 Manager's Report. He did identify that the water production trends are continuing to track slightly behind 2015 production levels.

EXPRESS AGENDA

Director Genova moved to approve the single Express Agenda item. Director Diffendaffer seconded the motion which passed unanimously. The Express Agenda item is as follows:

Project 2016-03 – Highway 50 Crossing – Staff received the final, approved Right-of-Way easements from the Bureau of Land Management on Tuesday, September 27, 2016. Bid Advertising started on Thursday, November 3, 2016. The mandatory Pre-Bid Contractors Tour will be held on Wednesday, November 16 with contactor bids due on Tuesday, November 29, 2016 at 4 pm. Staff bid recommendation will be made at the December 1, 2016 Board of Directors Meeting.

UNFINISHED BUSINESS

FY 2017 Budget – Manager Tooker presented and reviewed the latest draft of the 2017 District Budget, focusing on the Non-Operational portion. The Board reviewed the listed Non-Operational construction projects and concurred with Staff recommendations.

Manager Tooker identified the statutory requirement of the Board to set the Budget Hearing for the 2017 Budget. Director Diffendaffer moved to set the Budget Hearing regarding the District's FY2017 Budget for Thursday, December 1, 2016 at 5:00 p.m. and have Staff secure the necessary postings and advertisement. Director Genova seconded and the motion passed. The Budget Committee will continue to refine the Budget for final presentation.

Manager Tooker identified the 2017 plan year premium cost increase provided by Rocky Mountain Health Insurance for Staff health insurance. The original premium increase for the plan year commencing January 1, 2017, was 28%. The carrier offered an option to change the plan year starting December 1, 2016 with an overall premium increase at 6.5%. Manager Tooker recommended Board approval to change the health insurance plan year to December 1, 2016 so that final budget numbers for the health insurance benefit could be included in the final 2017 Budget documents. Director Genova moved to change the 2017 Health Insurance Policy Plan renewal date to December 1, 2016. Director Diffendaffer seconded and the motion passed unanimously.

Project 2016-01 F ½ Road Main Line Upgrade/Replacement Project – Assistant Manager Reinertsen reviewed the Staff Report (*File 11-10-16, 2016 Staff Reports*) regarding Project status. The contractor, Dirtworks Construction, LLC is on track to complete the project ahead of the contract completion date (December 19, 2016). Assistant Manager Guillory identified several project change orders issued to adjust new water line alignments and connections to the existing distribution system. Information only, no Board action required.

Project 2016-02 34 Road Main Line Upgrade/Replacement Project – Assistant Manager Reinertsen reviewed the Staff Report (*File 11-10-16, 2016 Staff Reports*) regarding Project status. The contractor, Eagles Nest Contracting, LLC, has experienced several construction progress delays due to additional unidentified utilities in the intersection of F and 34 Roads. Assistant Manager Guillory clarified several of the change orders issued to address the conflicts with high pressure gas lines and additional telephone cables. The contractor will request additional contract time once the additional work in the intersection is complete. Information only, no Board action required.

NEW BUSINESS

Holiday Turkey or Ham – Director Sparks moved to continue the District's long-standing tradition of providing each employee and Board member with their choice of a turkey or a ham for their choice at the Thanksgiving holiday or the Christmas holiday. Director Genova seconded and the motion passed.

EXECUTIVE SESSION

At 6:10 p.m. Staff members Tooker, Reinertsen, Guillory, Beebe and Sheley exited the meeting.

At 6:15 p.m., Director McElley moved to go into Executive Session, as per C.R.S. 24-6-402 (4)(f) for the purposes of discussing personnel matters. Director Diffendaffer seconded and the motion passed unanimously. Directors Peck, Diffendaffer, Genova, McElley, and Sparks were present.


Manager Tooker entered the Executive Session at 6:40 p.m.
The Board adjourned the Executive Session at 6:55 p.m.

Manager's Evaluation -- The Managers evaluation was completed and it was Board consensus to increase Manager Tooker's annual salary by 3.0%.

ADJOURNMENT

The meeting was adjourned at 6:56 p.m. by the Chairman.

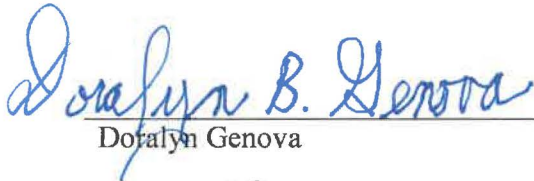
ATTEST:



Dale Peck



Stan Sparks



Dorelyn Genova



Melvin Diffendaffer



Dan McElley

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, DECEMBER 1, 2016**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Secretary; Doralyn Genova, Treasurer; Edward Dan McElley, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Bret Guillory; Angie Beebe; Brian Sheley

PUBLIC HEARING

Chairman Peck called to order the Public Hearing at 5:00 p.m. regarding the District's Proposed FY2017 Budget, in accordance with C.R.S. 29-1-106 *Et.Seq.* The Notice of Public Hearing (12/1/16 File, 2017 Budget File, Daily Sentinel Legal Notices file) was confirmed as published in the Grand Junction Daily Sentinel in accordance with C.R.S. 29-1-106(3)(a). Manager Tooker reported that no comments have been received regarding the Proposed Budget from members of the public. No members of the public were present. Chairman Peck closed the Public Hearing at 5:01 p.m.

REGULAR MEETING

Chairman Peck called the December 1, 2016 Regular Meeting to order at 5:01 p.m.

MINUTES OF THE NOVEMBER 10, 2016 REGULAR MEETING

Director Genova moved to approve the November 10, 2016 Regular Meeting Minutes as submitted. Director McElley 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 \$171,726.41, plus Supplemental Checks of \$92,771.97, plus Benefits Checks of \$18,077.25, plus HRA Disbursements of \$8,885.63, for a total of \$291,461.26. Chairman Peck led a discussion on the underspent Non-Operating 2016 budgeted funds. Manager Tooker identified that several Non-Operational pipeline upgrade projects are currently underway with fund expenditures anticipated for approval and payment at the next Board Meeting. Accounting Technician Beebe identified to the Board that as of October 31, 2016, the District has over \$10 million in Cash Reserves. Director Sparks seconded and the motion passed unanimously.

MANAGER'S REPORT

Manager Tooker identified the numerical value differences between monthly treatment plant production rates and metered water sales. The Board and Staff reviewed and discussed the outstanding Pending Item action list.

INFORMATIONAL REPORT

Manager Tooker presented copies of the recent presentation made by Mr. Jacob Kuijper, the Executive Director of CCOERA, the District's retirement plan administrator. The presentation provided an overview of the services provided by CCOERA and the current account values and participant activity of the District's staff members.

EXPRESS AGENDA

Director Genova made a motion to move the Project 2016-02 – 34 Road main Line Upgrade/Replacement Project to Unfinished Business and approve the remaining Express Agenda item. Director Diffendaffer seconded the motion which passed unanimously. The Express Agenda item is as follows:

Project 2016-01 – F ½ Road Main Line Upgrade/Replacement Project – All new 6" PVC main line has been installed and put into service. The contractor is working this week to connect services to the new 6" line. Work on this project is expected to be complete by the week of December 12, 2016.

UNFINISHED BUSINESS

2017 Plant Investment Fee – Manager Tooker reviewed the Plant Investment Fee Structure Memo (*File 12-01-16*) and recommended the continued incremental increase that was approved by the Board in December 2016. An increase of the Plant Investment Fee for the standard 3/4" x 5/8" water service to \$6,000 was recommended. Director Sparks moved to increase the Plant Investment Fee for the standard 3/4" x 5/8" water service \$500 to a total of \$6,000, effective January 1, 2017. Director Genova seconded the motion which passed unanimously.

Adoption of 2017 FY District Budget – Manager Tooker distributed copies of the Final 2017 Budget documents. Manager Tooker clarified the changes made to the Non-Operating portion reflecting changes discussed by the Board at the last Board Meeting. Chairman Peck identified those areas in the 2017 Budget where critical activities are addressed for completion.

Director McElley moved to approve the 2017 Budget and adopt the Appropriation Resolution (*Resolutions, 2017 Budget, 12/01/16 File*) of the Clifton Water District Board of Directors Acting By and Through Its Water Activity Enterprise For the 2017 Budget Year; and further resolve that there is appropriated from funds of the District Acting By and Through its Water Activity Enterprise, Sixteen Million Eight Hundred Ninety Six Thousand One Hundred and Eighty Four Dollars (\$16,896,184) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2017 or thereafter. Director Sparks seconded and the motion passed unanimously.

Resolution Text inserted as follows:

**APPROPRIATION RESOLUTION OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE FOR THE
2017 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 2017 Budget Year.

WHEREAS, the Directors have adopted the annual Budget for 2017 in accordance with the Local Government Budget Law, on the 1st day of December, 2016, and;

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

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

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

| | |
|-----------------------------|--------------|
| ESTIMATED BEGINNING BALANCE | \$10,084,451 |
|-----------------------------|--------------|

ESTIMATED EXPENDITURES

| | |
|---------------------------------|--------------------|
| Operating Expenses | |
| Source of Supply | \$30,911 |
| Water Treatment | \$887,083 |
| Transmission & Distribution | \$582,482 |
| General & Administrative | \$395,213 |
| Labor Expenses | \$2,236,491 |
| <i>Total Operating Expenses</i> | <i>\$4,132,180</i> |

| | |
|-------------------------------------|---------------------|
| Non-Operating Expenses | |
| Capital Expenses | \$2,804,740 |
| Bond Principal & Interest | \$1,050,618 |
| Emergency Fund | \$346,846 |
| Reserve Fund | \$436,000 |
| Contingency | \$8,125,800 |
| <i>Total Non-Operating Expenses</i> | <i>\$12,764,004</i> |

| | |
|-------------------------------------|---------------------|
| TOTAL ESTIMATED EXPENDITURES | \$16,896,184 |
|-------------------------------------|---------------------|

ESTIMATED REVENUES

| | |
|--------------------------------|--------------------|
| Operating Revenue | |
| Sale of Water | \$5,624,045 |
| System Fees | \$417,180 |
| Sanitation District | \$37,620 |
| Penalty and Fees | \$100,380 |
| Turn Fees | \$90,840 |
| <i>Total Operating Revenue</i> | <i>\$6,270,065</i> |

| | |
|--------------------------|-----------|
| Non-Operating Revenue | |
| Plant Investment Fees | \$385,000 |
| Main Line Extension Fees | \$8,000 |
| Disposal of Assets | \$5,000 |
| Availability of Service | \$49,700 |
| Interest | \$71,000 |
| Bond/Grant Proceeds | \$0 |
| Property Taxes | \$0 |

| | |
|------------------------------------|---------------------|
| Lease Income | \$10,368 |
| Construction Reimbursements | \$0 |
| Tap Installation | \$1,600 |
| Miscellaneous | \$11,000 |
| <i>Total Non-Operating Revenue</i> | <i>\$541,668</i> |
| TOTAL ESTIMATED REVENUE | \$6,811,733 |
| Estimated From Reserves | \$10,084,451 |
| TOTAL FUNDS AVAILABLE | \$16,896,184 |
| ESTIMATED ENDING BALANCE | (\$0) |

IT IS FURTHER RESOLVED, that there is appropriated from the funds of the District Acting By and Through its Water Activity Enterprise, Sixteen Million Eight Hundred Ninety Six Thousand One Hundred and Eighty Four Dollars (\$16,896,184) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2017 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, 2016. 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.

Director Diffendaffer then moved to direct Staff to process the 2017 Budget documents to the appropriate reporting entities. Director Genova seconded and the motion passed unanimously.

Project 2016-03 – Highway 50 Crossing Bid Selection and Approval – Assistant Manager Guillory reviewed the Staff Report (*File 12-01-16, 2016 Staff Reports*) concerning the results of the Public Bid Opening held on November 30, 2016. A total of five bids were received. The low responsive bid was submitted by MA Concrete Construction, Inc. for \$311,060.00. Prior to awarding the construction contract, Staff requested the Board transfer funds in the amount of \$110,000 from contingency to the Non-Operational General Construction Line Upgrades budget line item.

Director Diffendaffer moved to transfer \$110,000 from the 2016 Contingency Budget Line Item to the Non-Operational General Construction Line Upgrades. Director Genova seconded the motion, which passed unanimously.

Director Genova moved to award the construction contract to MA Concrete Construction, Inc. in the amount of \$311,060.00 and authorized Staff to proceed with preparing construction agreement documents for final signatures as required. Director Sparks seconded the motion which passed unanimously.

Project 2016-02 – 34 Road Main Line Upgrade/Replacement Project – Assistant Manager Guillory provided a project status update which identified several pending contract change orders due to existing utility conflicts and added asphalt paving removal and replacement. Director Genova moved to direct Staff to reallocate \$52,400 for this project within the Non-Operating General Construction Line Upgrade 2016 Budget line item. Director McElley seconded and the motion passed unanimously.

NEW BUSINESS

24Hr Flex–Third Party Administration of HRA Evaluation and 2017 Agreement – Manager Tooker reviewed the Staff Report (*File 12-01-16, 2016 Staff Reports*) with the Board. Staff recommended continuation with 24Hr Flex as the District’s Third Party Administrator for the 2017 Health Reimbursement Arrangement and Section 125 program. Director Genova moved to authorize the Manager to sign the Third Party Agreement for 2017. Director McElley seconded the motion which passed unanimously.

Board Meeting Posting Location – Due to the recent closure of the Mesa County Clerk’s Clifton Branch Office, one of the District’s required Public Notice posting sites is no longer available. Director Peck moved to establish the US Post Office’s Clifton Branch location as the replacement Public Notice posting location. Director McElley seconded and the motion passed unanimously.

ADJOURNMENT

The meeting was adjourned at 6:32 p.m. by the Chairman.

ATTEST:



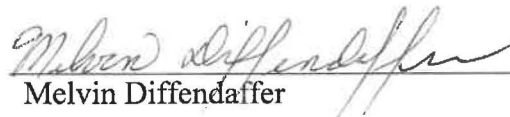
Dale Peck



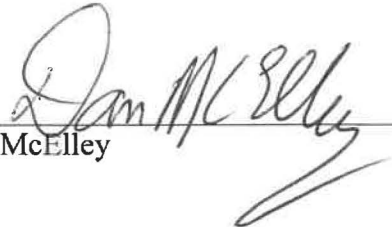
Stan Sparks



Doralyn Genova



Melvin Diffendaffer



Dan McElley

**APPROPRIATION RESOLUTION OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE FOR THE
2017 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 2017 Budget Year.

WHEREAS, the Directors have adopted the annual Budget for 2017 in accordance with the Local Government Budget Law, on the 1st day of December, 2016, and;

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

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

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

| | |
|-----------------------------|--------------|
| ESTIMATED BEGINNING BALANCE | \$10,084,451 |
|-----------------------------|--------------|

ESTIMATED EXPENDITURES

Operating Expenses

| | |
|---------------------------------|--------------------|
| Source of Supply | \$30,911 |
| Water Treatment | \$887,083 |
| Transmission & Distribution | \$582,482 |
| General & Administrative | \$395,213 |
| Labor Expenses | \$2,236,491 |
| <i>Total Operating Expenses</i> | <i>\$4,132,180</i> |

Non-Operating Expenses

| | |
|-------------------------------------|---------------------|
| Capital Expenses | \$2,804,740 |
| Bond Principal & Interest | \$1,050,618 |
| Emergency Fund | \$346,846 |
| Reserve Fund | \$436,000 |
| Contingency | \$8,125,800 |
| <i>Total Non-Operating Expenses</i> | <i>\$12,764,004</i> |

| | |
|-------------------------------------|---------------------|
| TOTAL ESTIMATED EXPENDITURES | \$16,896,184 |
|-------------------------------------|---------------------|

ESTIMATED REVENUES

Operating Revenue

| | |
|--------------------------------|--------------------|
| Sale of Water | \$5,624,045 |
| System Fees | \$417,180 |
| Sanitation District | \$37,620 |
| Penalty and Fees | \$100,380 |
| Turn Fees | \$90,840 |
| <i>Total Operating Revenue</i> | <i>\$6,270,065</i> |

Non-Operating Revenue

| | |
|------------------------------------|------------------|
| Plant Investment Fees | \$385,000 |
| Main Line Extension Fees | \$8,000 |
| Disposal of Assets | \$5,000 |
| Availability of Service | \$49,700 |
| Interest | \$71,000 |
| Bond/Grant Proceeds | \$0 |
| Property Taxes | \$0 |
| Lease Income | \$10,368 |
| Construction Reimbursements | \$0 |
| Tap Installation | \$1,600 |
| Miscellaneous | \$11,000 |
| <i>Total Non-Operating Revenue</i> | <i>\$541,668</i> |

| | |
|--------------------------------|--------------------|
| TOTAL ESTIMATED REVENUE | \$6,811,733 |
|--------------------------------|--------------------|

| | |
|--------------------------------|---------------------|
| Estimated From Reserves | \$10,084,451 |
|--------------------------------|---------------------|

| | |
|------------------------------|---------------------|
| TOTAL FUNDS AVAILABLE | \$16,896,184 |
|------------------------------|---------------------|

| | |
|---------------------------------|--------------|
| ESTIMATED ENDING BALANCE | (\$0) |
|---------------------------------|--------------|

IT IS FURTHER RESOLVED, that there is appropriated from the funds of the District Acting By and Through its Water Activity Enterprise, Sixteen Million Eight Hundred Ninety Six Thousand One Hundred and Eighty Four Dollars (\$16,896,184) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2017 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, 2016. 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, 2016

By: Dale E. Peck
Dale Peck, Board Chairman

ATTEST: Doralyn B. Genova
Doralyn Genova, Treasurer