

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JANUARY 4, 2007**

BOARD MEMBERS PRESENT: John Ballagh, Chairman; Doralyn Genova, Vice-Chairman;
Paul Teal, Secretary; Randy Cook, Treasurer;
Brian Woods, Assistant Secretary - *Excused Absence*

STAFF MEMBERS PRESENT: Dale Tooker, David Reinertsen, Laure Watkins

REGULAR MEETING

Chairman Ballagh called the regular Board Meeting to order at 5:04 p.m.

MINUTES OF THE DECEMBER 7, 2006 BOARD MEETING

Director Genova moved to accept the minutes of the December 7, 2006, Board Meeting, with changes noted. Director Teal seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Teal moved to accept the financial report as presented and approve expenditures of \$160,662.70 plus \$116,848.49 on the supplemental statement, for a total of \$277,511.19. Director Cook seconded and the motion passed unanimously.

The Cash Flow Statement could not be generated and was not included as part of the Financials, due to conversion issues with the Springbrook Financial Software.

STAFF REPORTS

Committee Reports – Manager Tooker reported on the December meeting of the Personnel Committee where the recent salary survey results were reviewed.

Project 2002-03 Plant Optimization Phase II – CASWTP Building Remodel Project Update – Manager Tooker reported that the remodel work performed by Garney Construction was almost complete. The remaining work will be performed with in-house resources and specialty subcontractors.

Tamarisk Removal Project Report – Assistant Manager Reinertsen reported that the 2006 Tamarisk Removal Project is complete.

EXPRESS AGENDA

The Board reviewed the Express Agenda and accepted the following items as presented:

Project 2006-01 South Finished Water Storage Tank Update – No activity on this project since last Board Meeting. Staff plans to meet with Design Engineer (Burns & McDonnell) the week of January 8, 2007, to begin design review and bid package preparation to accommodate a Spring/Summer 2007 construction period.

Project 2006-02 I-70 B Waterline Crossing Update – Bryant Brothers Construction Company has completed the casing and carrier pipe installation. District crews are scheduled to connect the ends of the crossing to the 12” main lines previously installed on each side of I-70 B in early January, as specified on the CDOT Utility Permit.

2007 Budget – The 2007 Budget is complete and has been sent to the appropriate agencies.

Annual Cleaning and Inspection of Tanks - US Underwater Services completed cleaning and inspection of the One Million Gallon North Storage Tank and the One Million Gallon Blend Tank on December 15, 2006. Both tanks had minimal sediment buildup (less than ¼”) and no apparent indication of internal corrosion or structural degradation.

Whitewater Distribution Modeling Project – Drexel Barrell & Co. has been collecting data and performing the preliminary steps of the project. It was anticipated that a report would be completed and presented to the Board at the January 4, meeting. If a report is completed it will be presented to the Board for discussion.

Unfinished Business

Audit Services Request for Proposal – A Staff Report (*File 2007 Staff Reports, Board Meeting 1-4-07 and 2006 Audit*) summarizing the proposals submitted and copies of the proposals were presented for Board review. Director Cook moved to select the audit services proposed by Mary Brenes, CPA, for the District’s FY 2006 Audit, which allows for annual renewal by using future engagement letter agreements. Director Teal seconded and the motion passed unanimously. The Board duly noted that the District is satisfied with Auditor Brenes’ performance and the product she has supplied for the past three audits.

New Business

Designation of Time, Place and Posting of Meetings –A Resolution (*File Resolutions and Board Meeting 1-4-07*) designating the meeting time, place, and 24-hour posting location was presented and reviewed. Director Genova moved to approve the Resolution Designating Meeting Time, Place and 24-Hour Posting Location. Director Teal seconded and the motion passed unanimously.

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 #2 Office, Clifton Fire Department, and the Mesa County Clerk and Records Office Clifton Branch; and

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

BE IT FURTHER RESOLVED, that this resolution be adopted this 4th day of January 2007.

2007 Availability of Service Charge Resolution – A Staff Report (*File 2007 Staff Reports, Board Meeting 1/4/2007 and Availability of Service Charge*) was presented for Board review. Director Cook moved to approve the Resolution For The Availability of Service Charge (ASC) for 2007 which establishes the In-District ASC at \$8.85 per month per customer (50% of the 2006 In-District average water bill), and the Out-of-District ASC at \$13.30 per month per customer (40.4% of the 2006 Out-of-District average water bill). Director Teal seconded and the motion passed unanimously.

RESOLUTION FOR THE AVAILABILITY OF SERVICE CHARGE FOR 2007

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 2007 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.

WHEREAS, in 2006 the average water usage charge for a Clifton Water District In-District customer was \$17.69/month per tap.

WHEREAS, in 2006 the average water usage charge for a Clifton Water District Out-of-District customer was \$32.89/month per tap.

NOW THEREFORE BE IT RESOLVED, that the Clifton Water District Board of Directors establish the In-District Availability of Service Charge for the 2007 Fiscal Year to 50% of the In-District average water bill in 2006, which equals \$8.85 per month per customer and the Out-of-District Availability of Service Charge for the 2007 Fiscal Year to 40.4% of the Out-of-District average water bill in 2006, which equals \$13.30 per month per customer.

2007 Workers' Compensation Renewal – A Staff Report (*File 2007 Staff Reports, Board Meeting 1-4-07, Workers Compensation and Home Loan & Investment*) addressing the search for competitive quotes from Workers' Compensation Insurance providers through the District's insurance agent, Home Loan & Investment Company, was presented for Board review. Director Genova moved to accept the quote submitted by the Colorado Special Districts Property and Liability Pool in the amount of \$22,954.23 for the District's 2007 Workers' Compensation coverage policy. Director Teal seconded and the motion passed unanimously. The Board directed staff to confirm policy payee prior to sending the approved payment.

Out of District Request from Richard Lowder – A Staff Report (*File 2006 Staff Reports, Board Meeting 1-4-07 and Out of District Service Requests*) outlining Mr. Lowder's Out of District service request was presented for Board review. Director Genova moved to approve Mr. Lowder's request for Out-of-District service for the following parcels in the Whitewater service area:

Parcel known as Tax Schedule ID 2969-182-00-062, described as SW4NW4 + NW4SW4, Sec 18, T2S, R2E, +/-80 acres, for one (1) single service tap,

Parcel known as Tax Schedule ID 2969-181-00-061, described as SW4NE4 + SE4NW4, Sec 18, T2S, R2E, +/-80 acres, for one (1) single service tap

with the following conditions:

- 1) The service taps shall be installed below the 4,800 foot contour service boundary
- 2) Water service will not be available until the District has improved supply and delivery infrastructure in the Whitewater area
 - The petitioners have the option to accelerate this process by participating in the upgrade costs or other system improvements that may be identified.

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- 3) Any proposed main line extensions must be 'looped' with existing infrastructure and may include additional water line easement dedications as determined by District staff.
 - 4) Fire flow or fire protection is not provided nor planned.
 - 5) Domestic water systems for future subdivision of these parcels shall include the following:
 - Outdoor irrigation restriction covenants that encourage xeric-type landscaping
 - Detailed onsite contour elevation determinations to provide basis for determining limits of service as per District infrastructure and Mesa County IGA requirements
 - All 'looped' water mains shall be 6" and 8" diameter as determined by District staff

Director Teal seconded and the motion passed unanimously.


Colorado River Water Users Association Conference Briefing – Directors Ballagh, Cook, Teal, and Manager Tooker presented a briefing of the Colorado River Water Users Association Conference held in Las Vegas, December 13, 14, and 15, 2006.

Major Capital Improvement Plan (MCIP) Update – The Board directed Staff to present an updated MCIP for review and discussion at the April Board meeting.

ADJOURNMENT

By mutual consent, the regular meeting adjourned at 6:30 p.m.

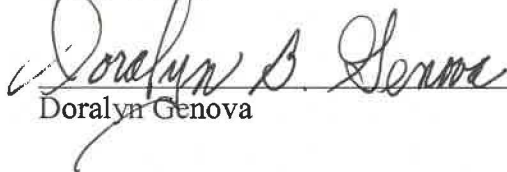
ATTEST:



John L. Ballagh




Brian Woods




Doralyn Genova

Excused



Paul Teal



Randy L. Cook

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, FEBRUARY 1, 2007**

BOARD MEMBERS PRESENT: John Ballagh, Chairman; Doralyn Genova, Vice-Chairman;
Randy Cook, Treasurer; Brian Woods, Assistant Secretary

STAFF MEMBERS PRESENT: Dale Tooker, David Reinertsen, Laure Watkins

REGULAR MEETING

Chairman Ballagh called the regular Board Meeting to order at 5:07 p.m. Chairman Ballagh noted that secretary Director Teal's absence was excused.

MINUTES OF THE JANUARY 4, 2007 BOARD MEETING

Director Genova moved to accept the minutes of the January 4, 2007, Board Meeting, with changes noted. Director Cook seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the financial report as presented and approve expenditures of \$117,638.61 plus \$23,738.78 on the supplemental statement, for a total of \$141,377.39. Director Cook seconded and the motion passed unanimously.

Staff continues to fine-tune the Springbrook Financial reporting modules to generate accurate reports.

STAFF REPORTS

Project 2002-03 Plant Optimization Phase II – CASWTP Building Remodel Project Update – Manger Tooker provided a verbal update of the remodel project.

Vault Building Groundwater Leak Repair – Assistant Manager Reinertsen provided a verbal report on the successful repair of the ground water leak in the valve vault building.

EXPRESS AGENDA

The Board reviewed the Express Agenda and accepted the following items as presented:

Project 2006-01 South Finished Water Storage Tank Update – Staff met with Colorado Department of Transportation (CDOT) representatives to finalize the work plan to improve the existing Highway 50 access to Plant 1 Site as required by the previously issued CDOT Construction Access Permit. Staff and the Design Engineer (Burns & McDonnell) continue the review and option evaluations for putting this project back out for bid. Staff plans to present the revised Bid Packet for Board authorization at the March 2007 Board Meeting.

Project 2006-02 I-70 B Waterline Crossing Update – District crews completed installation of this new mainline crossing and have placed the line in service. A final cost summary will be presented at the March 2007 Board Meeting.

Project 2002-03 Plant Optimization Phase II Update – The Contractor is scheduled to have all work activities of Change Order 8 (CASWTP Remodel) complete by January 30, 2007. All final project warranty list items have been completed for the Phase II project. Staff is waiting for final product warranty certifications for the roofing and SCADA systems and delivery of all lien release paperwork before requesting Board authorization for final payment advertising.

Desert Road Booster Pump Station Upgrade Project – The District pipeline construction crew has started construction activities on previously planned mainline upgrades to the inlet (suction) side of the Desert Road Booster Pump Station.

Springbrook Financial Software Training – During the week of January 15, 2007, Springbrook personnel provided additional onsite training support on the new financial software package.

Unfinished Business

Whitewater Distribution Modeling Project - Staff presented the Draft Whitewater Water Service Area Network Analysis compiled by Drexel, Barrell & Co. (*File Board Meeting 2/1/07, Drexel Barrell & Co.- Whitewater Evaluation and Drexel & Barrell, Co.*) for Board review. The Board will review the Analysis and advised Staff to place this item on the March Board meeting agenda for further discussion.

2006 Audit Engagement Letter - Staff presented the Audit Engagement Letter (*File Board Meeting 2/1/07 and 2006 Audit*) from Mary Brenes, CPA, for Board signature. Director Woods moved to authorize President Ballagh to sign the Audit Engagement Letter with Mary Brenes, CPA, to execute 2006 audit services. Director Genova seconded and the motion passed unanimously.

New Business

Standing District Committees – The Board identified an immediate need to form a Policy & Standards Committee (*File Board Meeting 2/1/07 and Board Committees*). Chairman Ballagh and Director Genova agreed to serve on the Policy & Standards Committee. It was a consensus of the Board to form other 2007 Committees and select committee members at a future meeting.

Industrial Water Rates (Halliburton Facility) – A Staff Report (*Board Meeting 2/1/07 and 2007 Staff Reports*) was presented addressing the Halliburton Facility's (3199 D Road) current expansion and anticipated water consumption. Staff is requesting Board direction regarding an appropriate plant investment fee, as well as, consideration of an Industrial Use Water Rate for industrial-type water demand users, since the District currently does not have an industrial rate. It was a consensus of the Board to have the Policy & Standards committee review current Policy related to rates and address industrial users.

HB07-1159 Coordinated Elections for Special Districts – Chairman Ballagh provided a verbal overview of HB07-1159. The Board advised Staff to monitor the developments and progress of HB07-1159 (*File Board Meeting 2/1/07*).

Shoshone Call Reduction - Manager Tooker presented a copy of the Shoshone Power Plant and Xcel-Denver Franchise Agreement (*File Board Meeting 2/1/07 and Shoshone Call*) and provided a verbal report of the Agreement's impacts on the Western Slope Water users and the health of the Colorado River. Information only no action required.

OTHER BUSINESS

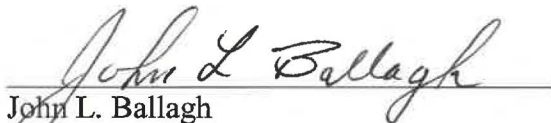
Resignation Letter from Director Cook – Chairman Ballagh read a letter (*File Board Meeting 2/1/07 and Board Members (Randy Cook)*) received from Director Cook dated January 30, 2007, notifying the Board of his resignation from the Board of Directors, effective March 15, 2007. The Board accepted Director Cook’s resignation.

Project 2002-03 Plant Optimization Phase II Advertisement for Final Payment – Director Genova moved to authorize Staff to advertise for final payment settlement to Garney Construction upon receipt of all final contract documents. Director Woods seconded and the motion passed unanimously.

ADJOURNMENT

By mutual consent, the regular meeting adjourned at 7:25 p.m.

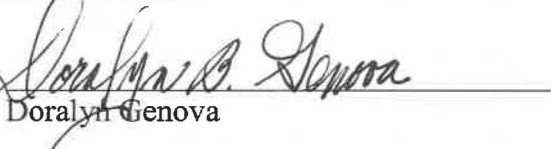
ATTEST:



John L. Ballagh



Brian Woods



Doralyn Genova

Excused

Paul Teal



Randy L. Cook

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, MARCH 1, 2007**

BOARD MEMBERS PRESENT: John Ballagh, Chairman; Doralyn Genova, Vice-Chairman;
Randy Cook, Treasurer; Brian Woods, Assistant Secretary

STAFF MEMBERS PRESENT: Dale Tooker, David Reinertsen, Laure Watkins

REGULAR MEETING

Chairman Ballagh called the regular Board Meeting to order at 5:00 p.m., and noted that Director Teal's absence was excused.

MINUTES OF THE FEBRUARY 1, 2007 BOARD MEETING

Director Woods moved to accept the minutes of the February 1, 2007, Board Meeting, with changes noted. Director Cook seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the financial report as presented and approve expenditures of \$48,639.59 plus \$229,478.30 on the supplemental statement, for a total of \$278,117.89. Director Cook seconded and the motion passed unanimously.

STAFF REPORTS

Recovery Program Workgroup (10825 Alternatives) – Manager Tooker supplied the Board with a handout “*Briefing Paper – Replacement of 10825 Acre Feet of Ruedi Reservoir Water Dedicated to Endangered Fish Species*”, (File Board Meeting 3/1/07 and 10825 Workgroup) and provided a verbal update regarding efforts of the Workgroup. Provided to the Board as information only.

Colorado River Basin Proposal (CRBP) – Manager Tooker supplied the Board with a handout “*Colorado River Basin Proposal*” (File Board Meeting 3/1/07 and Colorado River Basin Proposal) and reported that the Colorado River Water Conservation District has secured a consultant to mediate the parties involved. Provided to the Board as information only.

EXPRESS AGENDA

The Board reviewed the Express Agenda and accepted the following items as presented:

Desert Road Booster Pump Station Upgrade Project Update - The District pipeline crew has completed line upgrades (approximately 550 lf of 8" PVC) on the inlet (suction) side of the Desert Road Booster Pump Station. Staff continues to evaluate and consult with representatives of Drexel, Barrell & Co., to determine pipe sizing and locations of future enhancements to the existing distribution system south of Whitewater.

Project 2006-01 South Finished Water Storage Tank Update – The required paperwork has been submitted to the Colorado Department of Transportation for the construction *Notice To Proceed* for Highway 50 access road improvements. The improvements are being performed in conjunction with CDOT maintenance crews. Staff continues to work with Burns & McDonnell representatives to develop a new bid package for the tank construction project.

Project 2002-03 Plant Optimization Phase II Update – Staff continues to work with the contractor, Garney Construction, to obtain final roof warranty paperwork, which would enable the District to advertise for final payment. Staff anticipates the required paperwork to be complete by mid March and will make a request to advertise for final payment at the April Board Meeting.

Project 2006-02 I-70 B Waterline Crossing Update – This critical distribution project is complete and a Staff Report (*File Board Meeting 3/1/2007 and 2007 Staff Reports*) summarizing final project costs is included in the Board Packet.

HB 07-1159 Coordinated Elections – On February 23, 2007, HB 07-1159 was sent the House Committee on appropriations.

Unfinished Business

Whitewater Distribution Modeling Project – The Draft Whitewater Water Service Area Network Analysis (*File Board Meeting 3/1/07 and Drexel Barrell & Co.- Whitewater Evaluation*), compiled by Drexel, Barrell & Co., was reviewed by the Board. Manager Tooker conveyed that Staff would take the next steps to identify and prioritize District capital projects in the Whitewater area, and meet with Drexel, Barrell & Co. to discuss the projects. The prioritized capital projects will be aligned with the District's Major Capital Improvement Plan (MCIP), as well as, Mesa County's Whitewater Community Plan.

New Business

Standing District Committees – The Board deferred committee member selections to a future meeting. Staff will contact Director's Ballagh and Genova to set a meeting date in March for the established Policy & Standards Committee.

Capital Investment Counsel Assignment Request – Manager Tooker called Board Members regarding a letter (*File Board Meeting 3/1/2007 and Capital Investment Counsel*) received from Chris Johnson, Capital Investment Counsel. As a result it was decided that the Board should discuss the request and make a formal action on the Assignment of Investment Management Agreement letter at the March Board meeting. Director Cook moved to authorize staff to sign the consent letter to assign the District's investment management agreement with Capital Investment Counsel, Inc. to Compass Bancshares and then to its affiliate, Compass Bank. Director Genova seconded and the motion passed unanimously.

OTHER BUSINESS

HB 07-1218 Amending Government Immunity Act – HB 07-1218 (*File Board Meeting 3/1/2007 and Legislation*) has been delayed, as reported by Chairman Ballagh.

Resolution for Director Cook – A resolution (*File Board Meeting 3/1/2007, Resolutions and Board Members-Randy Cook*) in recognition of Director Cook’s resignation, from the Board of Directors, was read and a plaque was presented by Chairman Ballagh. Director Woods moved to accept the Resolution in Honor of Randy L. Cook. Director Genova seconded and the motion passed unanimously.

RESOLUTION IN HONOR OF RANDY L. COOK

WHEREAS Randy Cook served as a member of the Clifton Water District Board of Directors from August 3, 2003 to March 1, 2007; and

WHEREAS Randy Cook’s insight has been instrumental to the development and advancement of the District; and

WHEREAS Randy Cook’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 Randy Cook’s commitment;

BE IT FURTHER RESOLVED that this resolution is presented to Randy Cook in appreciation of his dedication and service to the Clifton Water District.

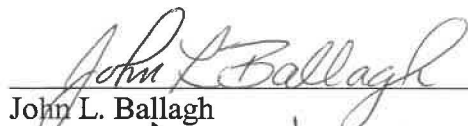
Vacant Director Position – The Board identified four individuals who have expressed interest in serving on the Clifton Water District Board of Directors. It was a consensus of the Board to have Staff contact the potential candidates and request that they submit of a letter of interest and resume by March 28, 2007, to be considered for the vacant Board position. After review of the applicant submittals and interviews the Board will determine their candidate selection at a future meeting.

PERSONNEL ITEMS – Manager Tooker read a letter (*File Personnel-Carrie Green*) from accountant, Carrie Green, announcing her resignation.

ADJOURNMENT

Director Cook moved to adjourn the Board of Director’s meeting at 6:55 p.m. Director Woods seconded and motion passed unanimously.

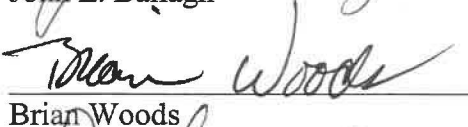
ATTEST:



John L. Ballagh

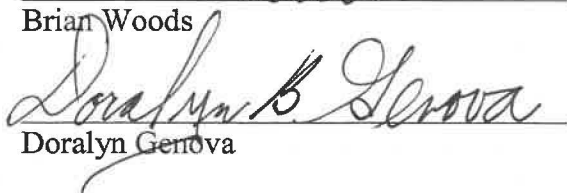
Excused

Paul Teal



Brian Woods

Randy L. Cook



Doralyn Genova

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, APRIL 5, 2007**

BOARD MEMBERS PRESENT: Doralyn Genova, Vice-Chairman; Paul Teal, Secretary;
Brian Woods, Assistant Secretary

STAFF MEMBERS PRESENT: Dale Tooker, David Reinertsen, Patricia Ferlito, Laure
Watkins

REGULAR MEETING

Vice-Chairman Genova called the regular Board Meeting to order at 5:05 p.m., and noted that Chairman Ballagh's absence was excused. Manager Tooker introduced Patricia Ferlito, the District's new accountant.

GUEST

Director Genova introduced Larry Clever, Manager, Ute Water Conservancy District. Mr. Clever presented written and verbal information on a proposed idea to create a sub-district of the Colorado River Water Conservation District for the purpose of funding future water issues specific to the Colorado River Basin.

MINUTES OF THE MARCH 1, 2007 BOARD MEETING

Director Woods moved to accept the minutes of the March 1, 2007, Board Meeting. Director Genova seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Teal moved to accept the financial report as presented and approve expenditures of \$116,988.34 plus \$172,268.96 on the supplemental statement, for a total of \$289,257.30. Director Woods seconded and the motion passed unanimously.

EXPRESS AGENDA

The Board reviewed the Express Agenda and Director Woods moved to accept the items as presented. Director Teal seconded and the motion passed unanimously.

Project 2002-03 Plant Optimization Phase II Update –The Contractor, Garney Construction, continues to pursue one final subcontractor lien release and has scheduled identified repair work of floc drive sprockets and chains in mid April. As soon as the final lien release is received and the identified repairs completed, Staff will advertise for final payment, which is now anticipated for May 3, 2007.

UNFINISHED BUSINESS

Vacant Director Position – Manager Tooker reported that he contacted the individuals who expressed interest in the vacant Board Member position. Resumes' (*File Board Meeting 4/5/2007 and Board Members*) and letters of interest were received from Robert Burger and Peter Theis. The remaining candidates expressed that they were unable to pursue this position due to time constraints. It was the consensus of the Board to call a Special Meeting to interview the potential candidates. Staff will arrange a date and time for the Special Meeting based on Board Member availability.

Final Payment for Project 2002-03 – This item was tabled and will be addressed at a future meeting.

Project 2006-01 South Finished Water Storage Tank Contract Addenda for Additional Engineering Services – A Staff Report (*File Board Meeting 4/5/2007, 2007 Staff Reports and Project 2006-01 South Finished Water Storage Tank*) requesting Board action to amend the Preliminary Design Agreement with Burns & McDonnell Engineering Company, Inc. was presented. The amendment includes project engineering support for Phase 2 (Construction Oversight) of the District's South Finished Water Storage Tank Project in the amount of \$148,214. Manager Tooker presented the rationale to bid the project with a bid alternate to construct a new tank. Director Woods moved to authorize the requested amendment for Phase 2 Services in the amount of \$148,214 to the original Preliminary Design Agreement. Director Teal seconded and the motion passed unanimously. Additionally, it was the consensus of the Board to direct Burns & McDonnell to proceed with the Bid Alternate for construction of a new one-million gallon finished water storage tank.

Whitewater Distribution Modeling Project – Staff provided the Board with a copy of the final report of the Whitewater Water Service Area Network Analysis (Additional Modeling of Alternatives dated April 5, 2007) (*File Board Meeting 4/5/07 and Drexel Barrell & Co.- Whitewater Evaluation*), compiled by Drexel, Barrell & Co. Manager Tooker provided a verbal explanation of the three options presented in the final report and expressed that it is critical for the District to proceed with construction in the Spring of 2007. Staff recommended moving forward with Option C as presented in the report, which can be performed within the amount budgeted in the 2007 Capital Budget. Information only, no Board action required.

Major Capital Improvement Plan (MCIP) – Staff will continue to work with Mesa County and Drexel, Barrell & Co., as the updated MCIP is developed.

Industrial Water Rates – A Staff Report (*File Board Meeting 4/5/2007 and 2007 Staff Reports*) defining proposed policy changes was presented. Staff is requesting approval of revisions to Policy #420, Water Usage Fees and Policy #410 Plant Investment Fees (*File Board Meeting 4/5/2007 and Operations Policy Manual*), to include fees for Non-Residential Water Rates and Plant Investment Fees.

The Policy and Standards Committee have reviewed the policy revisions and staff's recommendations are based on the Committee recommendations. Director Teal moved to approve revisions to Policy #410 Plant Investment Fees and Policy #420 Water Usage Fees to identify and appropriately charge Non-Residential users, and to efficiently monitor and measure use by large water users, and place the policies in effect April 6, 2007. Directors Woods seconded and the motion passed unanimously.

Standing District Committees – The Board deferred committee member selections until a new Board Member is appointed to the vacated director position.

NEW BUSINESS

Mesa County Regional Transportation Planning Office Tap Request – A Staff Report (*File Board Meeting 4/5/07, 2007 Staff Reports and Customer File*) was presented outlining the request from the Mesa County Regional Transportation Planning Office for a tap to serve the new Clifton Transfer Point for Grand Valley Transit (GVT) located at 549 ½ 32 Road. This location does not have tax parcel number as it is leased right-of-way from the Colorado Department of Transportation. By District Policy #410, the sale of a new service tap requires proof of ownership of the specific parcel to be served. Since there is no parcel ownership by Mesa County (only a lease agreement with the State), an exception to District Policy by the Board is required for staff to sell the requested service tap. Director Woods moved to grant an exception to District Policy #410 that would allow the Mesa County Regional Transportation Planning Office to purchase a water tap for the GVT Clifton Transfer Point located at 549½ 32 Road. Director Teal seconded and the motion passed unanimously.

Water Rights Development Fee Policy – There was no discussion on this item.

Colorado River Water Conservation District Sub-District Proposal – A Staff Report (*File Board Meeting 4/5/07, 2007 Staff Reports and Sub-District of the Colorado River Water Conservation District*) was provided to the Board outlining the proposed idea to create a sub-district of the Colorado Water Conservation District. Larry Clever presented the logistics of how the sub-committee will be formed, earlier in the meeting. It was a consensus of the Board to support the development of a sub-district of the Colorado River Water Conservation District for the purpose of funding future water issues specific to the Colorado River basin.

OTHER

1996 Revenue Bonds – The Board directed Staff to consult with Joe Drew, Drew Investments, to evaluate paying off the 1996 Revenue Bond, and report back to the Board.

ADJOURNMENT

By mutual consent the meeting adjourned at 8:15 p.m.

ATTEST:

Excused

John L. Ballagh

Brian Woods

Brian Woods

Doralyn B. Genova

Doralyn Genova

Paul Teal

Paul Teal

**MINUTES OF SPECIAL BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, APRIL 19, 2007**

BOARD MEMBERS PRESENT: John Ballagh, Chairman; Doralyn Genova, Vice-Chairman;
Paul Teal, Secretary; Brian Woods, Assistant Secretary;

STAFF MEMBERS PRESENT: Dale Tooker

CALL TO ORDER

Director Ballagh called the meeting to order at 6:00 p.m.

BOARD MEMBER CANDIDATE INTERVIEWS


The Board interviewed Board Member candidate Robert Burger at 6:00 p.m. Mr. Burger's interview concluded at 6:30 p.m. and Mr. Burger exited the meeting at this time.

At 6:45 p.m. candidate interviews commenced with Peter Theis' interview. Mr. Theis' interview concluded at 7:15 p.m. and Mr. Theis exited the meeting at this time.

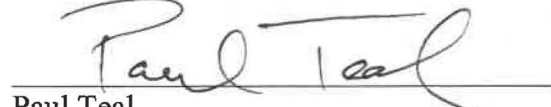
ADJOURNMENT

By mutual consent the Board adjourned the meeting at 7:30 p.m.

ATTEST:



John L. Ballagh



Paul Teal



Brian Woods



Doralyn Genova

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, MAY 3, 2007**

BOARD MEMBERS PRESENT: John Ballagh, Chairman; Doralyn Genova, Vice-Chairman; Paul Teal, Secretary; Brian Woods, Assistant Secretary

STAFF MEMBERS PRESENT: Dale Tooker, David Reinertsen, Patricia Ferlito, Dave Payne, Laure Watkins

REGULAR MEETING

Chairman Ballagh called the regular Board Meeting to order at 5:05 p.m. and asked if there were any changes to the Agenda. Manager Tooker noted that two additional items were added to the Agenda.

MINUTES OF THE APRIL 5, 2007 BOARD MEETING AND APRIL 19, 2007 SPECIAL MEETING

Director Genova moved to accept the minutes of the April 5, 2007, Board Meeting with changes noted. Director Teal seconded and the motion passed unanimously.

Director Teal moved to accept the minutes of the April 19, 2007, Special Board Meeting with changes noted. Director Genova seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Teal moved to accept the financial report as presented and approve expenditures of \$39,261.70 plus \$72,139.76 on the supplemental statement, for a total of \$111,401.46. Director Genova seconded and the motion passed unanimously.

The Board directed staff to review the District's current investments and investment returns and report back to the Board at a future meeting.

STAFF REPORTS

Water Treatment Plant 2006 Goal Analysis – Plant Superintendent, Dave Payne, presented the District's Water Treatment Plant 2006 Goal Analysis, and provided the Board with a handout reporting the District's 2006 Water Treatment Goals and Parameters Analysis.

EXPRESS AGENDA

The Board reviewed the Express Agenda and accepted the following items as presented:

1996 Revenue Bond Analysis: As Directed by the Board, Staff contacted Joe Drew to begin analyzing the feasibility of paying off the 1996 Revenue Bond. Mr. Drew is scheduled to attend the June meeting to present his analysis.

Whitewater Distribution Improvements: Staff has initiated and scheduled a number of water line installations in Whitewater as identified in the Drexel, Barrell & Co. report presented to the Board at the April meeting. Staff will continue to update the Board on this progress.

Colorado River Water Conservation District Sub-District Proposal: Representatives of the Grand Valley made a presentation to the Board of the Colorado River Water Conservation District concerning the formation of a Sub-District. The Colorado River Water Conservation District Board was receptive to the proposal and directed their staff to work out the details.

UNFINISHED BUSINESS

Vacant Director Position – Director Genova moved to appoint Robert Burger, residing at 581 East Valley Drive, Grand Junction, CO., to the vacant Director position. Director Teal seconded and the motion passed unanimously. Staff will send a thank you letter and notification of the Board's decision to both candidates.

Project 2002-03 Plant Optimization Phase II – Final Payment – Staff will place Advertisement for Final Payment and proceed with final payment settlement to Garney Companies, Inc.

Project 2006-01 South Finished Water Storage Tank – Award Contract – A Staff Report (*File Board Meeting 5/3/2007, 2007 Staff Reports and Project 2006-01 South Finished Water Storage Tank*) was presented outlining the details of the construction bid award recommendations for Project 2006-01. Director Woods moved to transfer \$515,000 from the 2007 Contingency Budget Line Item to the Distribution Construction Expense Budget Line item to fully fund the South Finished Water Storage Tank construction project. Director Genova seconded and the motion passed unanimously.

Director Woods then moved to award the construction contract for Project 2006-01 South Finished Water Storage Tank to Aslan Construction, Inc. in the amount of \$1,053,185, which includes the Base Bid, Bid Alternate 1 and Deductive Alternate 2. Director Genova seconded and the motion passed unanimously.

Standing District Committees – It was a consensus of the Board to establish Board Committee assignments and re-order the Board at the June 2007 Board of Directors meeting, after Robert Burger is sworn in to fill the vacant Board Member position.

NEW BUSINESS

Clifton Sanitation District #2 Request – At 7:00 p.m., Director Woods and staff member, Watkins, excused themselves from the meeting to avoid all appearance of conflict of interest prior to the discussion pertaining to the Clifton Sanitation District #2 Request. A Staff Report (*File Board Meeting 5/3/2007, 2007 Staff Reports and Clifton Sanitation District #2 Customer File*) was presented which outlined a request from Clifton Sanitation District #2 pertaining to the current and future status of water taps serving the property owned by Clifton Sanitation District # 2. The Board directed Staff to negotiate a solution with Clifton Sanitation District #2 and report to the Board at the June 2007 Board of Directors Meeting.

Director Woods and staff member Watkins reentered the meeting.

2007 General Liability Insurance – A Staff Report (File Board Meeting 5/3/07 and 2007 Staff Reports) was presented addressing the annual renewal of the District’s General Liability and Property Insurance. Mr. Jamie Hamilton of Home Loan and Investment Company, is scheduled to present insurance information at the June 2007 Board of Directors meeting. Mr. Hamilton has assured the District that existing coverage’s will be extended until an official Board decision is made at the June 2007 Board of Directors meeting. Information only, no Board action required.

PERSONNEL ITEMS

Full Time Employee Request – A Staff Report (File Board Meeting 5/3/07 and 2007 Staff Reports) was presented requesting Board approval to change the employment status of an existing Customer Service Representative from part-time to full-time. It was a consensus of the Board to accept the Manager’s request to change the employment status of the Customer Service Representative, thus increasing the total number of full-time District employees to 24.

EXECUTIVE SESSION

At 7:15 p.m., Director Teal moved to enter into Executive Session as per 24-6-402(4)(f) “Personnel matters”. Director Woods seconded and the motion passed unanimously. Staff members Ferlito and Watkins exited the meeting.

At 7:50 p.m., Director Teal moved to exit the Executive Session. Director Woods seconded and the motion passed unanimously.


ADJOURNMENT

By mutual consent, the regular meeting adjourned at 7:50 p.m.


ATTEST:



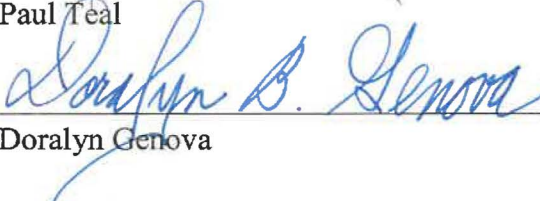
John L. Ballagh



Brian Woods



Paul Teal



Doralyn Genova

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JUNE 7, 2007**

BOARD MEMBERS PRESENT: John Ballagh, Chairman; Doralyn Genova, Vice-Chairman;
Paul Teal, Secretary; Brian Woods, Assistant Secretary

STAFF MEMBERS PRESENT: Dale Tooker, David Reinertsen and Patricia Ferlito

GUESTS PRESENT: Jamie Hamilton, Home Loan and Investment Company
Joe Drew, Drew Investments

REGULAR MEETING

Chairman Ballagh called the regular Board Meeting to order at 5:00 p.m. and noted that there were no changes to the posted Agenda.

Board Member candidate, Robert Burger, was in attendance.

MINUTES OF THE MAY 3, 2007 BOARD MEETING

Director Genova moved to accept the minutes of the May 3, 2007, Board Meeting with changes noted. Director Teal seconded the motion.

Director Woods entered the meeting at 5:05 p.m.

The motion to accept the May 3, 2007 minutes with corrections passed unanimously.

NEW BOARD MEMBER OATH OF OFFICE

Chairman Ballagh administered the Oath of Office and installed Robert Burger to the Board of Directors for a term of 11 months, fulfilling the position vacated by Randy Cook. Robert Burger signed the Oath of Office and Staff will notify the appropriate agencies.

GUESTS

Chairman Ballagh introduced Jamie Hamilton of Home Loan and Investment Company. Mr. Hamilton briefed the Board on the recent renewal of the District's General Liability Insurance and the selection of Rural Special Districts as the District's carrier for the next policy year. Mr. Hamilton exited the meeting at 5:22 p.m.

Chairman Ballagh introduced Joe Drew of Drew Investments. Mr. Drew reviewed the Bond Evaluation Report (*File Board Meeting 6/7/07 and 1996 Revenue Bond*) with the Board concerning available options pertaining to the status of the District's 1996 Revenue Bonds. Director Woods moved to have Mr. Drew update the Bond Evaluation Report with a final recommendation, pertaining to *Alternative #3 – Pay off 1996 Bonds*, for delivery to the Board at the October 4, 2007, regularly scheduled Board Meeting. Director Genova seconded and the motion passed unanimously. Mr. Drew exited the meeting at 6:00 p.m.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Teal moved to accept the financial report as presented and approve expenditures of \$148,264.50 plus \$20,187.83 on the supplemental statement, for a total of \$168,452.33. Director Genova seconded and the motion passed unanimously.

STAFF REPORTS

Statewide Water Issues Update – Manager Tooker provided the Board with a status update regarding the District's involvement with the Colorado River Basin Roundtable, the mediation of the Colorado River Basin proposal, and the 10825 Work Group. Information only, no Board action required.

EXPRESS AGENDA

The Board reviewed the Express Agenda and accepted the following items as presented:

Whitewater Distribution Improvements: Staff has received CDOT permits for the crossing of Highway 141 at Desert Road. The District pipeline crew is scheduled to start installation of the new 12" main line the week of June 11th, at the south end of Desert Road, progressing north. Staff continues to secure the necessary water line easements across two private parcels required for the alignment of the new line.

Project 2006-01 South Finished Water Storage Tank – Update: A pre-construction meeting was held on May 24, 2007. The contractor, Aslan Construction, began project mobilization on Wednesday, May 30, 2007, with site construction activities scheduled to start the week of June 4, 2007.

UNFINISHED BUSINESS

Project 2002-03 Plant Optimization Phase II – Final Payment – Staff received a letter (*File Board Meeting 6/7/07 and Project 2002-03*) from Burns & McDonnell stating that Garney Construction, Inc., has met all contractual requirements for Final Payment. Staff also reported that advertising for final payment was complete and no objections were received. Director Genova moved to issue Final Payment for Project 2002-03 Plant Optimization Phase II, to Garney Construction, Inc. in the amount of \$267,438.44, as recommended in the letter received from Burns & McDonnell. Director Teal seconded and the motion passed unanimously.

2007 General Liability Insurance – The Board discussed this topic under the GUESTS agenda item.

1996 Revenue Bond Analysis – The Board discussed and made action on this topic under the GUESTS agenda item.

Major Capital Improvement Plan (MCIP) 2007-2012 – Staff presented a draft copy of the District's Major Capital Improvement Plan 2007-2012, (*File Board Meeting 6/7/07 and MCIP*) for Board review. The MCIP 2007-2012, will be reviewed and discussed by the Construction Committee for presentation to the full Board at a future Board Meeting.

Clifton Sanitation District #2 Request – Manager Tooker reported that in lieu of paying Plant Investment Fees for their water service tap, Clifton Sanitation District #2 has offered to transfer 20 shares of GVICo water to the Clifton Water District with a lease back for their irrigation

needs and also agreed to allow Clifton Water to install a bulk water fill station on their property. It was a consensus of the Board to proceed with the agreement and have Staff prepare the necessary paperwork.

NEW BUSINESS

Reorganization of the Board of Directors and Standing District Committee Assignments – Director Woods moved to designate Director Ballagh as the Board President, Director Genova as Board Vice President, Director Burger as Board Secretary, Director Woods as Assistant Secretary, and Director Teal as Board Treasurer. Director Genova seconded the motion, which passed unanimously. It was a consensus of the Board to establish the following Standing District Committee assignments: *Budget* – Ballagh and Teal; *Policy and Standards* – Genova and Burger; *Personnel* – Woods and Burger; and, *Construction* – Ballagh and Woods.

Bank Agreements and Signature Cards – Due to the appointment of a new Board member and the subsequent reorganization of the Board, Manager Tooker presented signature cards from Palisades National Bank for Board approval and signature. Other Bank Agreements will be prepared pending Staff evaluation of banking services.

Plant Investment Fee Payment Arrangement Request – John and Suzanne Cooper – Manager Tooker provided a Staff Report and draft agreement (*File Board Meeting 6/7/07 and 2007 Staff Reports*) for the “Installment Purchase” of a single In-District residential water tap as requested by John and Suzanne Cooper, 2960 Reeder Mesa Road (Tax Parcel 2969-173-00-017), Whitewater, Colorado. Director Teal moved to deny the Coopers request for an “Installment Purchase” of a residential water tap for 2960 Reeder Mesa Road. Director Burger seconded and the motion passed unanimously.

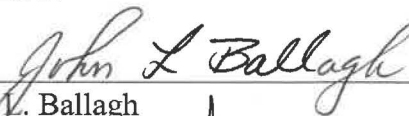
PERSONNEL ITEMS

District Staffing Levels – Manager Tooker updated the Board on the current staffing levels at the water treatment plant and requested Board approval to add an operator position. Director Teal moved to authorize the Manager to add an operator position. Director Genova seconded the motion. After discussion, it was Board consensus to defer action on this motion until the July 5, 2007, regular Board meeting.

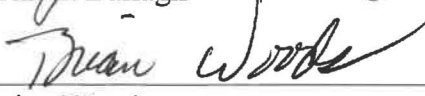
ADJOURNMENT

By mutual consent, the regular meeting adjourned at 8:00 p.m.

ATTEST:



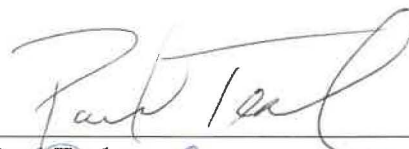
John L. Ballagh



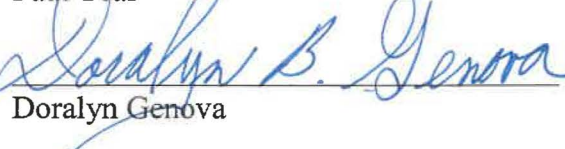
Brian Woods



Robert Burger



Paul Teal



Doralyn Genova

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JULY 5, 2007**

BOARD MEMBERS PRESENT: John Ballagh, Chairman; Doralyn Genova, Vice-Chairman;
Paul Teal, Treasurer; Robert Burger, Secretary

STAFF MEMBERS PRESENT: Dale Tooker and David Reinertsen

REGULAR MEETING

Chairman Ballagh called the regular Board Meeting to order at 5:00 p.m. and noted that there were no changes to the posted Agenda.

Director Woods was excused from meeting as he was out of town.

MINUTES OF THE JUNE 7, 2007 BOARD MEETING

Director Genova moved to accept the minutes of the June 7, 2007, Board Meeting with changes noted. Director Teal seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Teal moved to accept the financial report as presented and approve expenditures of \$161,516.89 plus \$152,810.81 on the supplemental statement, for a total of \$314,327.70. Director Genova seconded and the motion passed unanimously.

STAFF REPORTS

Shoshone Issues – Manager Tooker briefed the Board on the latest developments concerning the status of the Shoshone Power Plant and associated water rights. Manager Tooker will continue to update the Board as conditions warrant. No Board action needed at this time.

EXPRESS AGENDA

The Board reviewed the Express Agenda and accepted the following items as presented:

Whitewater Distribution Improvements - The Pipeline Construction crew has installed approximately 1,040 feet of new 12" water main along Desert Road. Bryant Brothers Construction has completed the main line bore of Whitewater Creek along Desert Road. Work has been temporarily suspended while the Pipeline Construction crew installs a new water main on 32 ½ Road.

Project 2006-01 South Finished Water Storage Tank – Update - Excavation for the foundation of the new tank is complete. The sub-grade cathodic protection system has been installed and the project is currently on-schedule for completion in December 2007.

Project 2007-01 I-70 Bore - Balaz & Associates was selected to provide the construction design package for a new main line crossing of the Interstate at the 32 ¼ Road alignment. This project has been identified as an upgrade/replacement of a critical Distribution System

link between the north storage tanks and the central Clifton service area. Field work is underway (surveying, utility potholing, and sub-surface soil evaluations). The final design is due to the District by the end of July 2007, in order to accommodate construction before the end of 2007.

32 ½ Road Project - After additional evaluation and discussion with the Clifton Sanitation District and the Grand Junction Drainage District (GJDD), the District's Pipeline Construction crew is upgrading and replacing the existing 3" water main on 32 1/2 Road between the Grand Valley Irrigation Canal and E 1/2 Road. This line will be upgraded to a 6" PVC line and work will be performed ahead of the GJDD project. In locating the new water main east of the existing water main, the GJDD will have additional room to install the new 36" storm drain in the northbound traffic lane. District work has commenced and is expected to be complete by mid-July.

Network Security Audit - Staff has scheduled Secure Network Systems (SNS) to perform a security audit of the District's network and SCADA systems. SNS performed the last network/SCADA security audit in conjunction with the District's Vulnerability Assessment in 2004. This audit will include evaluations of the direct secure connections between the District's database and Springbrook Software in Portland, OR, and the direct connection with Clifton Sanitation District. The onsite audit is scheduled for July 24, 2007.

Whitewater Watering Restrictions - Staff has issued a letter to all Whitewater customers implementing a watering restrictions schedule to alleviate low water pressure during periods of peak demand. This schedule was implemented last summer and significantly reduced the low water pressure issues. In addition, Staff has also compiled a monthly status report, entitled *Whitewater Rapid Report*, to be issued over the next six months, which will keep our Whitewater customers apprised of the District projects in their area. A copy of the Report is included in your Board Packet.

UNFINISHED BUSINESS

2006 Audit – Ms. Mary Brenes, C.P.A. entered the meeting at 5:45 pm and reviewed the District's 2006 Financial Audit (*File 7/5/07 and 2006 Audit*) with the Board. Director Genova moved to accept the District's 2006 Financial Audit as presented. Director Teal seconded and the motion passed unanimously.

Ms. Brenes exited the meeting at 6:30 pm.

Major Capital Improvement Plan (MCIP) 2007- 2012 – Manager Tooker presented an updated flow-chart identifying the District's Supply and Demand projects within the Capital Improvement Plan. Beginning with the August 2007 Board Meeting, Staff will provide the Board with monthly briefings breaking down the Capital Improvement Plan capital construction projects for each of the next five years.

Clifton Sanitation District #2 Request/Agreement – Manager Tooker updated the Board on the progress of the negotiations between the Clifton Water District and the Clifton Sanitation District #2 regarding tap fees and placement of a water fill station on property owned by the Sanitation District. No Board action taken, deferred to the August 2007 Board Meeting.

99CW279 – Sulphur Gulch – Manager Tooker reviewed the pertinent items contained in the Staff Report (*File 7/5/07, 2007 Staff Reports and Water Case 99CW279- Sulphur Gulch*) pertaining to the Sulphur

right application. It was Board consensus for Staff to discuss any new conditions resulting from the Shoshone Call issues with the District's Attorney and other Objectors before agreeing to enter into the Stipulation 99CW279.

NEW BUSINESS

Colorado River Basin Mediation Agreement – Deferred to the August Board Meeting.

Utility Payment Processing Beta Testing – Manager Tooker briefed the Board on the progress of establishing a new procedure to process utility payments electronically. Staff has identified an opportunity to beta-test a new process through American National Bank. The Board directed Staff to closely evaluate data security parameters for any vendor considered. Information only, no Board action required at this time.

PERSONNEL ITEMS

District Staffing – Manager Tooker reported that since the June Board Meeting, he has hired a new water treatment plant operator which has improved staffing level requirements at the Treatment Plant. In addition, Manager Tooker reported that he had made some temporary staffing adjustments and he will not be requesting any new positions at this time. Chairman Ballagh called for the vote on the deferred motion from the June 2007 Board Meeting regarding adding an additional Operator position for the Water Treatment Plant. The motion failed unanimously.

Manager Tooker updated the Board on the progress of hiring a new staff accountant for the District. The Board reviewed the current position description and discussed the need to modify the Job Description or re-evaluate the current wage scale.

ADJOURNMENT

By mutual consent, the regular meeting adjourned at 9:05 p.m.

ATTEST:



John L. Ballagh

Excused

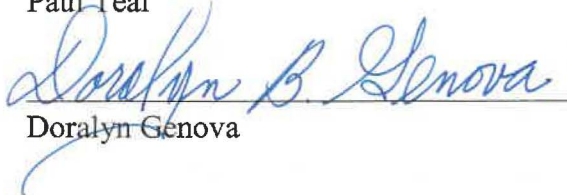
Brian Woods



Robert Burger



Paul Teal



Doralyn Genova

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, AUGUST 2, 2007**

BOARD MEMBERS PRESENT: John Ballagh, Chairman; Doralyn Genova, Vice-Chairman; Paul Teal, Treasurer; Robert Burger, Secretary; Brian Woods, Assistant Secretary

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Laure Watkins

GUEST: Amy Rogers, American National Bank

REGULAR MEETING

Chairman Ballagh called the regular Board Meeting to order at 5:00 p.m. and noted that there were no changes to the posted Agenda.

MINUTES OF THE JULY 5, 2007 BOARD MEETING

Director Genova moved to accept the minutes of the July 5, 2007, Board Meeting with changes noted. Director Teal seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Teal moved to accept the financial report as presented and approve expenditures of \$97,031.19 plus \$120,765.69 on the supplemental statement, for a total of \$217,796.88. Director Genova seconded and the motion passed unanimously.

STAFF REPORTS

Water Issues – Manager Tooker briefed the Board on the latest developments concerning water issues related to the Colorado River Basin Proposal, Green Mountain Reservoir Pumpback Proposal, Shoshoe Call, and the 10825 Work Group.

At 5:40 p.m., guest, Amy Rogers of American National Bank, entered meeting.

GUEST

Manager Tooker introduced Amy Rogers, American National Bank. Ms. Rogers presented information concerning the Utility Payment Processing Beta Testing and setting up accounts with American National Bank. Director Teal made a motion to enter into the necessary agreements (*File American National Bank-Utility Payment Processing Beta Testing (Agreement)*) with American National Bank, to perform Utility Payment Processing Beta Testing services for a term of 90 days. Director Genova seconded and the motion passed unanimously. The Board signed the appropriate agreements to initiate the utility payment processing services.

Chairman Ballagh made a motion to have staff consult with the District's Auditor within the beta testing 90 day trial period, to verify that the utility payment process procedure will satisfy the

Auditor's requirements for the 2007 Audit. Director Genova seconded and the motion passed unanimously.

Ms. Rogers exited the meeting at 6:45 p.m.

EXPRESS AGENDA

The Board reviewed the Express Agenda and accepted the following items as presented:

Whitewater Distribution Improvements - Construction work has been temporarily suspended while the Pipeline Construction crew installs a new water main on 32 ½ Road. DH Surveys continues to establish and secure necessary water line easements needed to install the new 10" main line across identified private parcels.

Project 2006-01 South Finished Water Storage Tank – Update - Contractor has commenced installation of new drain and fill lines as well as the concrete perimeter grade ring. MMI Steel Fabrication is scheduled to begin structural steel work the week of August 6. The project is currently six days behind schedule but the Contractor is confident of meeting original contract completion dates.

32 ½ Road Project - The District's Pipeline Construction crew has installed over 1,500 lf of the 1,950 lf six-inch main line upgrade. Upgraded customer service connections will be installed starting the week of July 30.

2006 Water Quality Report – The District's Consumer Confidence Report was sent to District customer's on July 20, 2007, and is included in your Board packet.

Verizon Wireless Generator Request – Verizon Wireless made a request to install a backup generator within the leased area at the North Tank site. Staff is working with Verizon on designing a separate entrance to the leased area and their facilities.

Clifton Water District Company Picnic – The District's annual company picnic will be held at Highline Lake (Bookcliff Campground) on Saturday, August 11, 2007, with grilling beginning at 11 AM. The District is providing meat and drinks, and request that guests bring a side dish to share. If you are interested in camping please contact Genny to reserve your site.

Network Security Audit - The scheduled network security audit by Secure Network Systems (SNS) has been delayed until the middle of August due to SNS personnel schedule availability.

UNFINISHED BUSINESS

Major Capital Improvement Plan (MCIP) 2007- 2012 – Assistant Manager Reinertsen presented a Staff Report, Major Capital Improvement Plan Summary of Expenditures 2007-2012, and Project detail reports (*File 7/5/07, MCIP 2007-2012, and 2007 Staff Reports*) which identified the District's Distribution Capital Improvement plan projects being considered for FY 2008. Manager Tooker presented all other proposed MCIP projects for 2008.

Clifton Sanitation District #2 Request/Agreement – Manager Tooker reported that the the proposed fill station has been put on hold as a result of County permitting issues and that CSD will transfer GVICo shares to the Water District in lieu of payment of the Plant Investment Fee.

99CW279 – Sulphur Gulch – Ratify Telephone Poll – Director Burger moved to ratify the telephone poll conducted by Manager Tooker on Tuesday, July 10, 2007, to approve and authorize Manager Tooker to sign the 99CW279 Sulphur Gulch Stipulation (*File 99CW279 Sulphur Gulch*). Director Teal seconded and the motion passed unanimously.

Colorado River Basin Mediation Agreement –Manager Tooker presented two Colorado River Basin Mediation Agreements for Board review. Director Genova moved to approve and sign the *Colorado River Basin Mediation Facilitation Agreement* (*File Colorado River Basin Proposal Mediation Agreements*), Director Teal seconded and the motion passed unanimously. Director Genova moved to enter into and sign the *Colorado River Basin Mediation Cost Sharing Agreement* (*File Colorado River Basin Proposal Mediation Agreements*), Director Woods seconded and the motion passed unanimously.

Project 2007-01 I-70 Bore – Director Ballagh pulled this item from the Express Agenda to discuss the location of the proposed facilities and potential conflicts. Staff will provide additional information as requested.

NEW BUSINESS

Utility Payment Processing Beta Testing – The Board took appropriate action concerning the American National Bank Utility Payment Processing Beta Testing as discussed under the GUEST agenda item. Manager Tooker also noted that the District will continue to maintain the District's two checking accounts with Palisades National Bank.

Transfer of Funds for Water Rights Attorney Fees – A Staff Report (*File 7/5/07 and 2007 Staff Reports*) was presented requesting a funds transfer from Contingency to Attorney's Fees Water Rights. Director Teal moved to approve a budget transfer of \$15,000 from Contingency to Water Rights Attorneys Fees to continue participation in the pending water rights issues. Director Genova seconded and the motion passed unanimously.

Fund Transfer Authorization to American National Bank –Manager Tooker presented the Fund Transfer Authorization to American National Bank (*File American National Bank (Fund Transfer Authorization)*). Director Teal moved to approve the *Fund Transfer Authorization to American National Bank* dated August 2, 2007, Director Genova seconded and the motion passed unanimously.

The Board requested that staff research the bond coverage of District Employees and Board members and report back at the September 6, 2007, Board meeting.

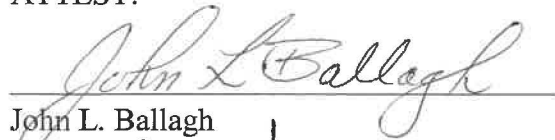
PERSONNEL ITEMS

District Staffing – Manager Tooker reported that on August 1, 2007, David Foster was hired to fill the vacated Accountant position.

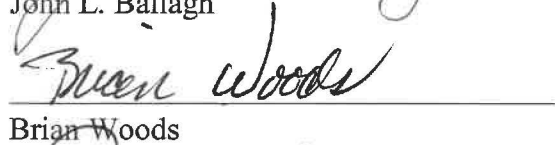
ADJOURNMENT

By mutual consent the regular meeting adjourned at 8:07 p.m.

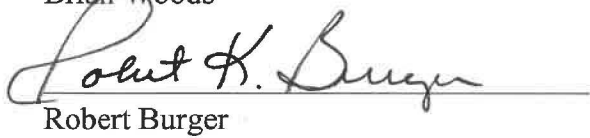
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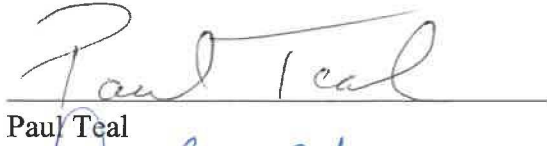
John L. Ballagh



Brian Woods



Robert Burger



Paul Teal



Doralyn Genova

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, SEPTEMBER 6, 2007**

BOARD MEMBERS PRESENT: John Ballagh, Chairman; Doralyn Genova, Vice-Chairman; Paul Teal, Treasurer; Robert Burger, Secretary; Brian Woods, Assistant Secretary

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Laure Watkins

REGULAR MEETING

Chairman Ballagh called the regular Board Meeting to order at 5:07 p.m. and noted that there were no changes to the posted Agenda.

MINUTES OF THE AUGUST 2, 2007 BOARD MEETING

Director Genova moved to accept the minutes of the August 2, 2007, Board Meeting with changes as shown below:

New Business

Utility Payment Processing Beta Testing – The Board took appropriate action concerning the American National Bank Utility Payment Processing Beta Testing as discussed under the GUEST agenda item. Manager Tooker also noted that the District will continue to maintain the District's two checking accounts with Palisades National Bank.

Director Teal seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Teal moved to accept the financial report as presented and approve expenditures of \$167,443.85 plus \$42,586.69 on the supplemental statement, for a total of \$210,030.54. Director Genova seconded and the motion passed unanimously.

Manager Tooker identified a discrepancy between the Balance Sheet and Statement of Cash Flow in the July financials. Staff is working to reconcile the discrepancy between the two reports.

STAFF REPORTS

Water Issues – Manager Tooker identified that during the weekly Historic Users Pool (HUP) conference call a “surplus” in the water stored in Green Mountain Reservoir had been agreed upon. The determination of the “surplus” controls the releases and regulation of other reservoirs providing water to the Colorado River

EXPRESS AGENDA

The Board reviewed the Express Agenda and accepted the following items as presented:

Project 2006-01 South Finished Water Storage Tank – Update – The District’s Contractor, Aslan Construction, is installing new inlet, outlet, drain piping, and manholes. MMI Steel Fabrication has completed the floor installation and four (4) of the five (5) perimeter rings. Double M Concrete has constructed the concrete electrical control building. The project is on schedule with Final Completion scheduled for December 4, 2007.

32 ½ Road Project - Update – The District’s Pipeline Construction crew has completed the installation of 1,950 lf of new 6” main line, and new service lines and meter pits for all District customers between the Grand Valley Canal and E ½ Road.

Utility Payment Processing Beta Testing – Staff is working with American National Bank, to install the required software and equipment to utilize the payment processing feature.

2007 Wage & Benefit Survey – The Personnel Committee met on August 23, 2007, to review Wage and Benefit Survey. Staff has prepared the Wage & Benefit Survey to be mailed the week of August 27th.

Special District Association (SDA) Annual Conference – The Special District Association Annual Conference is scheduled for September 19, 20 and 21, 2007, in Steamboat Springs, Colorado. Assistant Manager Reinertsen has submitted registrations for participants attending on behalf of the District

Partnership for Safe Water Director’s Award - In August 2007 the District was awarded the *Director’s Award* from Partnership for Safe Water/AWWA. The Phase III *Director’s Award* distinguishes the District among an elite group of water treatment professionals dedicated to improving water treatment facility performance. The District has been a member of the Partnership since its inception in 1995 and utilizes the organizations performance data summaries and guidelines for future capital improvement treatment processes. Staff plans to continue the Annual Phase III reporting process to achieve the *Director’s 5 Year Award*.

Rocky Mountain American Water Works Association Conference – Mark Dalley, David Payne and David Reinertsen have been selected to present technical papers at the RMSAWWA Annual Conference to be held in Keystone September 9-12.

UNFINISHED BUSINESS

Major Capital Improvement Plan (MCIP) 2007- 2012 (Years 2009-2012) – Manager Tooker reviewed the Major Capital Improvement projects identified for 2009 to 2012. Assistant Manager Reinertsen presented a Staff Report (*File 9/6/07, MCIP 2007-2012, and 2007 Staff Reports*) outlining the Distribution Departments Capital Improvement Projects for FY 2009 and noted that staff will be modifying some of the projects identified in the Staff Report due to information recently received from Mesa County. Information only, no Board action required.

Manager Tooker also reported that Staff is gathering information on utilizing solar energy as a power source at the Water Treatment Plant.

Project 2007-01 I-70 Bore/ Highline Canal Main Line Upgrade – Director Ballagh moved this item from the Unfinished Business to New Business to discuss the project as it relates to the Inclusion Request from William and Sandra Heley.

Bond Requirements for Staff – As follow-up at the request of the Board, Manager Tooker prepared a Staff Report (*File 9/6/07 and 2007 Staff Reports*) concerning the legal requirements for Bonding of the Manager. It was identified that Bonding of the Manger is accomplished through the District's General Liability Policy and Crime Coverage. Staff recommended that additional bonding was not necessary. It was a consensus of the Board to review insurance coverage during the annual policy renewal process in the Spring of 2008.

NEW BUSINESS

2008 Budget – Appoint Person to Prepare the 2008 Budget – Director Teal moved to appoint Manager Tooker to prepare the District's 2008 Budget. Director Woods seconded and the motion passed unanimously.

Inclusion Request – William and Sandra Heley (Tax Parcels 2943-022-00-007, 2943-021-00-008, 2943-022-00-024) – A Staff Report (*File 9/6/07, 2007 Staff Reports and Inclusions*) outlining a Service Boundary Inclusion Request from William and Sandra Heley, was presented for Board review. Director Genova moved to return the Heley's request and ask for a re-submittal, as it did not meet the "Inclusion Request" requirements as specified by District Policy #101 and CRS 32-1-401. Director Burger seconded and the motion passed unanimously.

Project 2007-01 I-70 Bore / Highline Canal Main Line Upgrade – Update – A Staff Report (*File 9/6/07, 2007 Staff Reports, Inclusions and Project 2007-01*) was presented requesting Board authorization to advertise for Project 2007-01 for the installation of 1,330 lineal foot of 16" PVC main line north of Interstate 70 to south of the US Government Highline Canal. Director Woods moved to advertise Project 2007-01 I-70 Bore/Highline Canal Main Line Upgrade. Director Teal seconded and the motion passed unanimously.

Thatcher Chemical Release of All Claims – A Staff Report (*File 9/6/07, 2007 Staff Reports, Thatcher Chemical*) was presented outlining details of the repair of the chlorine facility monorail system damaged by Thatcher Chemical. Thatcher Chemical requested the District sign a Release of All Claims. Manager Tooker reported that he had contacted Jamie Hamilton of Home Loan & Investment regarding the release and he conveyed that the release was standard language that did not release the insurance company for future damages and recommended signing the release. Director Woods moved to accept the Release of Claims issued by Thatcher Chemical and authorized Manager Tooker to sign the release. Director Teal seconded and the motion passed unanimously.


PERSONNEL ITEMS

Manager's Evaluation – Manager Tooker presented the Board with a memo in preparation of the Manager's review.


ADJOURNMENT

By mutual consent the regular meeting adjourned at 7:30 p.m.

ATTEST:



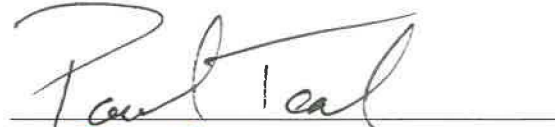
John L. Ballagh




Brian Woods



Robert Burger



Paul Teal



Doralyn Genova

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, OCTOBER 4, 2007**

BOARD MEMBERS PRESENT: John Ballagh, Chairman; Doralyn Genova, Vice-Chairman;
Paul Teal, Treasurer; Brian Woods, Assistant Secretary

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Laure Watkins

REGULAR MEETING

Chairman Ballagh called the regular Board Meeting to order at 5:10 p.m. and asked if there were any changes to the Agenda. Manager Tooker noted that two additional items had been added to the Agenda.

Director Burger was excused from this meeting as he was out of town.

MINUTES OF THE SEPTEMBER 6, 2007 BOARD MEETING

Director Teal moved to accept the minutes of the September 6, 2007, Board Meeting with changes as shown below:

Express Agenda

Project 2006-01 South Finished Water Storage Tank-Update – The District’s Contractor, Aslan Construction, is installing new inlet, outlet, and drain piping, and manholes.

Director Genova seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Teal moved to accept the financial report as presented and approve expenditures of \$67,065.91 plus \$494,846.13 on the supplemental statement, for a total of \$561,912.04. Director Genova seconded and the motion passed unanimously.

The Board requested an itemized list of petty cash purchases. Staff identified that as a part of the Financial Reporting procedures all Accounts Payable statements, purchase orders, and receipts are provided for Board review.

Conference Call with Joe Drew, Drew Investments - At 5:25 p.m. the Board conducted a conference call with Joe Drew, Drew Investments, to discuss the 1996 Revenue Bond Analysis and payoff of the 1996 Revenue Bond.

The conference call with Mr. Drew concluded at 5:40 p.m.

EXPRESS AGENDA

The Board reviewed the Express Agenda and accepted the following items as presented:

Project 2006-01 South Finished Water Storage Tank – Update – The Contractor, Aslan Construction, has completed installation of the new site piping and is installing new access manholes. MMI Steel Fabrication has completed the construction of the new steel tank. The painting subcontractor is scheduled to start sandblasting and preparation for new epoxy coatings the first week of October. Tank integrity testing is scheduled to commence the week of October 29, 2007. Substantial Completion has slipped approximately two weeks with Final Completion still scheduled for December 4, 2007.

Project 2007-01 I-70/Highline Canal Main Line Upgrade - Update – Staff continues to prepare the bid package for this project with bid award recommendations to be presented at the December 6, 2007 Regular Board Meeting.

Utility Payment Processing Beta Testing - Update – American National Bank (ANB) has installed the required software and equipment to utilize the payment processing feature. Customer Service Representative, Genny Muncaster, received training on the equipment September 10 – 12, and went live with the system on September 13th.

Special District Association District of the Year Award - On September 20th, Clifton Water District received the *2007 District of the Year Award*, for demonstrating outstanding leadership, dedication and service to its residents and constituents. The Special District Association (SDA) presented the award at the association's 2007 Annual Conference held in Steamboat Springs, CO.

The SDA review panel selected the District by tracking statewide news clippings, SDA staff and board travels, and feedback from colleagues and citizens. Over the course of a year, the panel identified districts that demonstrated high quality public service and governmental efficiency. Clifton Water was chosen as the "District of the Year" for demonstrating a record of consistently outstanding performance and service, positive image, meaningful involvement in the community, and a crowning accomplishment during the past year

Thatcher Chemical Release of All Claims –The Release of All Claims, requested by Thatcher Chemical, was signed by staff and mailed on Friday, September 14, 2007.

Colorado River Water Users Association Conference – The Annual Conference will be held December 12-14, 2007 in Las Vegas. Board members planning to attend should contact Manager Tooker.

UNFINISHED BUSINESS

Major Capital Improvement Plan (MCIP) 2007- 2012 (Years 2010-2012) – Assistant Manager Reinertsen reviewed the Staff Report (*File 10/4/07, MCIP 2007-2012, and 2007 Staff Reports*) and the remaining Distribution Department's Capital Improvement Projects for FY 2010 – FY 2012, which includes Clifton and Whitewater.

A final draft of the MCIP 2007-2012 will be presented for Board approval at the November 1, 2007, Board Meeting.

1996 Revenue Bond Analysis – Drew Investments – Manager Tooker presented a Staff Report (*File 10/4/07, 1996 Revenue Bond, and 2007 Staff Reports*) as supplemental information in consideration of paying off the 1996 Revenue Bond. The Board discussed Mr. Drew's recommendations from the conference call, wherein, by paying off the bonds early the District will save \$144,650 in interest over the next four years and reduce debt service by \$292,000 annually. Additionally, the Board identified certain investments in the District's Capital Reserve account are receiving less interest than what the District is paying for the bond and utilizing these funds is a fiscally appropriate action. Director Woods moved to retire the 1996 Revenue Bond as of December 2007, in an effort to reduce annual debt service. Director Teal seconded and the motion passed unanimously.

Director Woods moved transfer \$1,025,000 from the contingency line item to the Bond Principle line item, as recommended in the October 4, 2007 Staff Report, to pay off the 1996 Revenue Bond. Director Genova seconded and the motion passed unanimously.

Staff will proceed with the necessary steps to pay off the 1996 Revenue Bond.

Inclusion Request – William and Sandra Heley (Tax Parcels 2943-022-00-007, 2943-021-00-008, 2943-022-00-024) – Assistant Manager Reinertsen reported that staff continues to work with the Heleys and will assist them in their request once the necessary easements are received. Information only no Board action required at this time. In an effort to assist in future inclusion requests, the Board discussed details and recommended requirements for the Inclusion process that may need to be addressed by District Policy.

2008 Draft Budget – Assistant Manager Reinertsen presented the FY 2008 Budget Status Narrative and a copy of the Draft Budget (*File 10/4/07 and 2008 Budget*) for Board review. The Budget Committee has reviewed the FY 2008 Draft Budget and is scheduled to meet again on October 11, 2007, to continue the Budget process.

2006 Audit Letter – The District received the 2006 Audit Management Letter (*File 10/4/07 and 2006 Audit*) from auditor, Mary Brenes. The Board recognized and accepted the recommendations made by Mr. Brenes in the June 11, 2007, management letter, and directed staff to proceed with implementing the recommendations.

Verizon Wireless Generator Request – Manager Tooker provided a verbal report for a request from Verizon Wireless (*File Agreements – Verizon Wireless*) to install a generator at the North Finished Water Storage Tank site. Staff will continue to work with Verizon Wireless to develop a mutually beneficial solution.

Project 2004-01 North Raw Water Settling Pond – Manager Tooker presented a Staff Report (*File 10/4/07, Project 2004-01 North Raw Water Settling Pond and 2007 Staff Reports*) outlining the project history and Boyle Engineering's project recovery schedule for design of the North Raw Water Settling Pond.

It was identified that unsatisfactory progress has been made on the project and as a result of staffing changes Boyle Engineering no longer has the experience that was originally presented in the Request for Qualifications that the District selected.

Director Genova moved to give notice of termination of services to Boyle Engineering for Project 2004-01 North Raw Water Settling Pond. Director Teal seconded and the motion passed unanimously.

Director Genova moved to begin a new Request for Qualifications process for design services for Project 2004-01 North Raw Water Settling Pond. Director Teal seconded and the motion passed unanimously.

NEW BUSINESS

Correspondence – This agenda item was added by Chairman Ballagh. Chairman Ballagh stated that he received a letter requesting action to be taken that pertains to District business. Chairman Ballagh stated he will reply to the letter conveying that any matters pertaining to Clifton Water District must be presented to the full Board and will recommend the writer resubmit the letter addressing it to the Clifton Water District Board of Directors. Information only, no Board action required at this time.

Special District Association (SDA) Annual Conference Briefing – Board and staff members who attended the 2007 Special District Association Annual Conference, September 19-21, in Steamboat Springs, provided a briefing of the conference events.

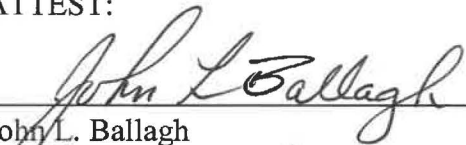
PERSONNEL ITEMS

Manager's Evaluation – Chairman Ballagh deferred Manager Tooker's annual review to the November 1, 2007, Board Meeting, as Director Burger was not present at this meeting.


ADJOURNMENT

By mutual consent the regular meeting adjourned at 8:00 p.m.

ATTEST:



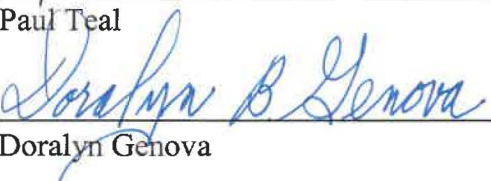
John L. Ballagh



Paul Teal



Brian Woods



Doralyn Genova

Excused

Robert Burger

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, NOVEMBER 1, 2007**

BOARD MEMBERS PRESENT: John Ballagh, Chairman; Doralyn Genova, Vice-Chairman; Paul Teal, Treasurer; Robert Burger, Secretary; Brian Woods, Assistant Secretary

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Laure Watkins

REGULAR MEETING

Chairman Ballagh called the regular Board Meeting to order at 5:05 p.m. and asked if there were any changes to the Agenda. Manager Tooker noted that the GVICo 2007 Annual Shareholders Meeting item was added to the Agenda.

Director Woods was not present when the meeting opened.

MINUTES OF THE OCTOBER 4, 2007 BOARD MEETING

Director Teal moved to accept the minutes of the October 4, 2007, Board Meeting with changes as shown below:

Unfinished Business

Inclusion Request – William and Sandra Heley (Tax Parcels 2943-022-00-007, 2943-021-00-008, 2943-022-00-024) – Assistant Manager Reinertsen reported that staff continues to work with the Heleys and will assist them in their request once the necessary easements are received from the attorney...

Director Genova seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Teal moved to accept the financial report as presented and approve expenditures of \$106,692.22 plus \$306,128.63 on the supplemental statement, for a total of \$412,820.85.

Director Genova seconded and the motion passed unanimously.

Director Woods entered the meeting 5:20 p.m.

STAFF REPORTS

Manager Tooker briefed the Board regarding the status of the Colorado River Basin Proposal and brought the Board up to date on negotiations and events of the mediation process.

EXPRESS AGENDA

The Board reviewed the Express Agenda and accepted the following items as presented:

Project 2006-01 South Finished Water Storage Tank – Update –The painting contractor has completed the epoxy painting of the interior of the tank and proceeding to the exterior. The epoxy paint has a 10 day cure time after which the tank will be filled and tested. The cathodic protection and electrical system is complete. Final completion is scheduled for December 4, 2007.

Project 2007-01 I-70/Highline Canal Main Line Upgrade - Update – Staff has delayed the preparation of the bid package until an easement can be worked out with the property owner.

Utility Payment Processing Beta Testing - Update – The Utility Payment program is operating smoothly and staff has initiated the evaluation process. The District’s Auditor, Mary Brenes, conducted an on site visit on October 12th, to review the procedure and was impressed with the process, reports, and documentation generated by the system. A copy of the email correspondence from Ms. Brenes is included in the Board packet. Staff believes that American National Bank has been very attentive through the beta testing process and continues to make many changes to the banking side of the operations based on daily feedback from District staff.

Standard & Poor’s Rating – Standard and Poor’s reviewed the District’s operation and the 1996 Water Revenue Bond status and affirmed a “A-“ rating and a stable outlook. The Standard and Poor’s correspondence is included with the Board Packet.

UNFINISHED BUSINESS

Major Capital Improvement Plan (MCIP) 2007- 2012 (Final Draft) –Staff presented the final draft of the Major Capital Improvement Plan (MCIP) 2007-2012 (*File 11/1/07 and MCIP 2007-2012*). The Board accepted the MCIP 2007-2012 and directed staff to schedule a public informational meeting in January 2008 to present the plan to our customers.

Inclusion Request – William and Sandra Heley (Tax Parcels 2943-022-00-007, 2943-022-00-024 2943-021-00-008, 2943-021-00-010) – Assistant Manager Reinertsen reported that four notarized petitions for Inclusion, along with the appropriate supporting documents, were submitted. The Board acknowledged receipt of the Heley’s Petition for Inclusion into the District’s service area. Director Genova moved to authorize staff to advertise a Public Hearing for Tuesday, December 4th, 2007, at 5:00 p.m., at the Clifton Water District office, 510 34 Road, for the purpose of considering the Heley’s Petition for Inclusion for the following parcels:

Tax Parcel: 2943-022-00-007
Description: THAT PT SE4NW4 SEC 2 1S 1E N OF M C CNL + S OF I-70 EXC FOR GOV HILINE CNL ROW.

Tax Parcel: 2943-022-00-024
Description: SE4NW4 SEC 2 1S 1E N OF GOVT HILI CNL + S OF MESA CO CNL EXCLUDED BY CLIFTON SAN DIST NO 2 FILED 6724 & EXC CNL ROW AS DESC IN B-1943 P-720/724 MESA CO RECORDS.

Tax Parcel: 2943-021-00-008 (aka 00665 I-70 Business Loop)
Description: BEG S 0DEG15’ 53SEC E 79.95FT FR C N1/16 COR SEC 2 1S 1E ALG CVE TO LEFT RAD 3015FT CH BRS N 65DEG43’ 09SEC E 119.54FT S 89DEG52’ 30SEC E 524.40FT S 16DEG02’ 13SEC E 392.61FT S 19DEG03’ 35SEC W

285.08FT S 24DEG56' W 103.65 S 84DEG48' 11SEC W 404.40FT N ODEG43' 17SEC E 55.96FT N 89DEG53' 38SEC W 199.9FT N OEDG15' 53SEC W 673.07FT TO B – 11.30 AC.

Tax Parcel: 2943-021-00-010 (aka 00664 I-70 Business Loop)
Description: BEG N 89DEG56' 54SEC W 139.29FT FR NE1/16 COR SEC 2 1S 1E S 0DEG15' 53SEC W 720.20FT S 84DEG48' 11SEC W 335.52FT N 29DEG57' 30SEC E 158.11FT N 23DEG53' E 205.30FT ALG CV TO LEFT RAD 2010FT CH BRS N 20DEG08' E 126.30FT N 16DEG21' 205.30FT N 1DEG20' E 114.41FT S 89DEG56' 54SEC E 43.87FT TO BEG.

Director Teal seconded and the motion passed unanimously.

The said hearing is open for public review and any objections may be filed prior to the hearing.

2008 Draft Budget—Assistant Manager Reinertsen presented the 2008 Budget Explanation and 2008 Draft Budget (*File 11/1/07 and 2008 Budget*) for Board review. Director Teal moved to set the 2008 Budget Hearing for Tuesday, December 4th, 2007, at 5:15 p.m., at the Clifton Water District office, 510 34 Road, and authorized staff to advertise the Public Hearing. Director Genova seconded and the motion passed unanimously.

Reschedule December 6th, 2007, Regular Board Meeting – Director Ballagh moved to reschedule the December Regular Board Meeting date from Thursday, December 6th, 2007, to Tuesday, December 4th, 2007, at 5:30 p.m., at the Clifton Water District office, 510 34 Road, and post the appropriate public notification. Director Woods seconded and the motion passed unanimously.

Wage & Benefits Survey Results – Manager Tooker presented a memo (*File 2007 Personnel*) and a summary of the Wage and Benefits Survey to the Board for their review. Manager Tooker's recommendations are represented in the Draft 2008 Budget presented to the Board. The Board discussed the recommendations and requested that the Personnel Committee evaluate the existing conditions and additional benefits. Information only, no action.

NEW BUSINESS

Holiday Turkey/Ham – Director Teal moved to continue the annual tradition of the District providing a ham or turkey to all District employees and Board members for the Thanksgiving or Christmas holiday. Director Genova seconded and the motion passed unanimously.

GVICo 2007 Annual Shareholders Meeting – Manager Tooker stated that he would attend the Grand Valley Irrigation Company (GVICo) 2007 Annual Shareholders Meeting on behalf of the District.

PERSONNEL ITEMS

Manager's Evaluation – The Board identified and discussed the Manager's 2008 Performance Goals.

At 7:52 p.m., Director Genova moved to enter into Executive Session to discuss “personnel matters” C.R.S. §24-6-402 (4) (f). Director Teal seconded and the motion passed unanimously.


At 8:10 p.m., Director Genova moved to exit the Executive Session. Director Teal seconded and the motion passed unanimously. The Board reconvened the regular meeting.

Director Genova moved to increase Manager Tooker's annual salary three percent (3%), effective November 2, 2007. Director Teal seconded and the motion passed unanimously.


ADJOURNMENT

By mutual consent the regular meeting adjourned at 8:15 p.m.

ATTEST:




John L. Ballagh



Paul Teal



Brian Woods



Doralyn Genova



Robert Burger

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
TUESDAY, DECEMBER 4, 2007**

BOARD MEMBERS PRESENT: John Ballagh, Chairman; Doralyn Genova, Vice-Chairman; Paul Teal, Treasurer; Robert Burger, Secretary; Brian Woods, Assistant Secretary

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Laure Watkins

PUBLIC MEETING

At 5:00 p.m., Chairman Ballagh opened the public hearing for the 2008 Budget. No public participants were present and no written comments had been received, therefore, the public hearing concluded at 5:01 p.m.

REGULAR MEETING

Chairman Ballagh called the regular Board Meeting to order at 5:02 p.m. and asked if there were any changes to the Agenda, none were identified and the meeting commenced.

MINUTES OF THE NOVEMBER 1, 2007 BOARD MEETING

Director Teal moved to accept the minutes of the November 1, 2007, Board Meeting with changes as shown below:

Express Agenda

Utility Payment Processing Beta Testing - Update

3rd Sentence - ~~As~~... A copy of the email correspondence from Ms. Brenes is included in the Board Packet...

*4th Sentence - **Staff believes that** American National Bank has been very attentive through the beta testing process and continues to make many changes to the banking side of the operations based on daily feedback from District staff.*

Unfinished Business

*Inclusion Request – William and Sandra Heley (Tax Parcels 2943-022-00-007, 2943-021-00-010, 2943-021-00-008, 2943-022-00-024) – ...The Board acknowledged receipt of the Heley's Petition for Inclusion into the District's service area. Director Genova moved to authorize staff to advertise a Public Hearing for Tuesday, December 4th, 2007, at 5:00 p.m., at the Clifton Water District office, 510 34 Road, for the purpose of **presenting considering** the Heley's Petition for Inclusion for the following parcels: ...*

Director Genova seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Teal moved to accept the financial report as presented and approve expenditures of \$111,834.63 plus \$294,887.31 on the supplemental statement, for a total of \$406,721.94. Director Woods seconded and the motion passed unanimously.

PUBLIC MEETING

At 5:15 p.m., Chairman Ballagh opened the public hearing to consider the Petition of Inclusion submitted by William and Sandra Heley for Tax Parcels 2943-022-00-007; 2943-022-00-024; 2943-021-00-008; 2943-021-00-010. No public participants were present and no written comments had been received, therefore, the public hearing concluded at 5:17 p.m.

Upon conclusion of the Public Hearing concerning the Petition for Inclusion, Chairman Ballagh reconvened the regular Board Meeting at 5:18 p.m.

STAFF REPORTS

Water Issues – Colorado River Basin Proposal Update - Manager Tooker briefed the Board regarding the progress of the Colorado River Basin Proposal.

Committee Reports - Manager Tooker reported that the Personnel Committee met on Monday, November 19, 2007, to review wage and benefit recommendations to be considered in the 2008 Budget. Assistant Manager Reinertsen reported that the Budget Committee met on Tuesday, November 27, 2007, to review wage and benefit recommendations from the Personnel Committee and make any adjustments to the 2008 Budget.

Energy Impact Grant – Update – Manager Tooker reported that he had consulted with the District’s auditor and attorney regarding the definition of revenue and maintaining the District’s Water Activity Enterprise status. Manager Tooker stated that based on information he obtained, the District could receive the full grant funds from the Department of Local Affairs Energy Impact Grant without jeopardizing the District’s Enterprise status because tap fees meet the definition of revenue, thus increasing total revenue for the year. It was a consensus of the Board to seek full reimbursement from the Department of Local Affairs Energy Impact Grant.

EXPRESS AGENDA

The Board reviewed the Express Agenda and accepted the following items as presented:

Project 2006-01 South Finished Water Storage Tank – Update – Integrity leak testing has been completed satisfactorily. Filling of the tank one more time for water quality testing is required before placing the tank in service. The Contractor, Aslan Construction, is completing final project closeout items. The final payment request is anticipated in early January 2008.

Project 2007-01 I-70/Highline Canal Main Line Upgrade - Update – Staff has completed negotiations for the required easement and plans to advertise for construction bids in December. Construction award recommendations will be presented at the January 2008 Board Meeting.

Utility Payment Processing Beta Testing - Update – Staff is entering the final month of beta testing of the American National Bank utility payment processing system. Upon completion of the 90-day evaluation period, Staff will report their recommendations to the Board regarding full integration or termination of the payment processing system.

1996 Revenue Bond – Redemption Update – Staff has completed the preparation needed for paying off the 1996 Revenue Bond. Transaction of the payment occurred on Friday, November 30, 2007. Manager Tooker will recap the transactions taken, to the Board, at the December Board Meeting.

GVICo 2007 Annual Shareholders Meeting – Assistant Manager Reinertsen will attend the 2007 Annual Grand Valley Irrigation Company Shareholders Meeting on December 1, 2007, and report events of the shareholders meeting at the December Board Meeting.

Partnership for Safe Water Award Presentation – A press release was issued on Tuesday, November 27, 2007, announcing that the District will facilitate an awards presentation on Tuesday, December 4, 2007, from 1:00 to 2:00 pm., where officials from the Colorado Department of Health and Environment and AWWA will officially present the Partnership for Safe Water Directors Award to the District.

Colorado River Water Users Association 2007 Annual Conference – The Colorado River Water Users Conference is scheduled for December 12 – 14, 2007, in Las Vegas. Manager Tooker, Assistant Manager Reinertsen and Director Woods will be attending on behalf of the District.

District Christmas Party – The District's annual Christmas Party is scheduled for Friday, December 7, 2007, at the District's maintenance facility. Wear your best casual hunting attire and join us around the campfire at our *Hunting Camp Christmas* beginning at 6:30 p.m. If you have not yet RSVP'd for the party, please contact Genny or Laure.

UNFINISHED BUSINESS

Inclusion Request – William and Sandra Heley (Tax Parcels 2943-022-00-007, 2943-022-00-024, 2943-021-00-008, 2943-021-00-010) – Assistant Manager Reinertsen updated the Board on the Heley's Inclusion request (*File 12/4/07 and Inclusion 2007 - Heley*) and reported that additional research pertaining to this request identified that parcels 2943-022-00-024 and 2943-021-00-010 submitted for inclusion, have already been included in the District's service boundaries.

Director Genova moved for a continuation of the inclusion request for remaining parcels, 2943-022-00-008 and 2943-022-00-007, once the easement matter has been resolved to the District's approval. Director Teal seconded and the motion passed unanimously.

2008 Wage and Benefit Recommendations – Manager Tooker reviewed the Wage and Benefits Recommendations memo (*File 2007 Personnel*) presented at the November 1, 2007, Board meeting. After discussion, Director Woods moved to maintain the employee contribution for health insurance premiums at the current rate of 10% for 2008. Director Teal seconded and the motion passed unanimously.

Director Woods moved to increase the on-call compensation from \$55.00 to \$100.00, effective December 28, 2007, in alignment with the District's payroll schedule. Director Burger seconded and the motion passed unanimously.

It was the consensus of the Board to revisit other Wage and Benefit Recommendations at the January 2008 Board meeting.

2008 Draft Budget Resolution – The 2008 Draft Budget (*File 12/4/07, 2008 Budget, and Resolutions*) along with the Budget Explanation was presented and reviewed. Director Teal moved to adopt the 2008 Budget and appropriate funds for 2008 by approving the *Appropriation Resolution of the Clifton Water District Board of Directors Acting By and Through Its Water Activity Enterprise For The 2008 Budget Year*, and directed staff to submit the budget to the appropriate agencies. Director Burger seconded and the motion passed unanimously. (*Resolution on next page*)

APPROPRIATION RESOLUTION OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE FOR THE 2008 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 2008 Budget Year.

WHEREAS, the Directors have adopted the annual budget for 2008 in accordance with the Local Government Budget Law, on the 4th day of December, 2007, 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:

2008 BUDGET	
ESTIMATED BEGINING BALANCE	\$7,974,063
<u>ESTIMATED EXPENDITURES</u>	
<u>Operating Expenses</u>	
Source of Supply	\$21,408
Water Treatment	\$693,873
Transmission & Distribution	\$336,448
General & Administrative	\$316,441
Labor Expenses	\$1,488,454
<i>Total Operating Expenses</i>	<i>\$2,856,625</i>
<u>Nonoperating Expenses</u>	
Capital Expenses	\$3,807,500
Bond Principal & Interest	\$261,842
Emergency Fund	\$333,208
Reserve Fund	\$780,276
Contingency	\$5,386,453
<i>Total Nonoperating Expenses</i>	<i>\$10,569,279</i>
TOTAL ESTIMATED EXPENDITURES	\$13,425,903
<u>ESTIMATED REVENUES</u>	
<u>Operating Revenue</u>	
Sale of Water	\$3,313,000
Sanitation District	\$20,000
Penalty Fees	\$30,000
Turn Fees	\$40,000
<i>Total Operating Revenue</i>	<i>\$3,403,000</i>
<u>Nonoperating Revenue</u>	
Plant Investment Fees	\$1,500,000
Main Line Extension Fees	\$22,000
Disposal of Assets	\$1,000
Availability of Service	\$20,200
Interest	\$230,000
Bond/Grant Proceeds	\$250,000
Property Taxes	\$0
Lease Income	\$8,640
Construction Reimbursements	\$0
Tap Installation	\$15,000
Miscellaneous	\$2,000
<i>Total Nonoperating Revenue</i>	<i>\$2,048,840</i>
TOTAL ESTIMATED REVENUE	\$5,451,840
Estimated From Reserves	\$7,974,063
TOTAL FUNDS AVAILABLE	\$13,425,903
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, Thirteen Million, Four Hundred Twenty-Five Thousand, Nine Hundred and Three Dollars (\$13,425,903) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2008 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 a regular meeting of the Board held on December 4, 2007. 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 4, 2007

Major Capital Improvement Plan (MCIP) 2007-2012 – It was the consensus of the Board to set a public informational meeting for Thursday, January 24th, 2008, to keep customers apprised of the District’s capital improvements planned for the next five years. Staff will determine a time and location for the meeting and will notify the Board and the District’s customers.

NEW BUSINESS

Energy Impact Grant EAIF #5409 Bilateral Agreement – This item was added to the agenda following discussion under Staff Reports. Manager Tooker presented the Bilateral Agreement #2 (*File Energy Impact Grant-EIAF #5409*) of Energy and Mineral Impact Assistance Grant Program Grant between the Colorado Department of Local Affairs and Clifton Water District, for Board acceptance and signature. Manager Tooker explained that the Bilateral Agreement is necessary because the original project costs need to be updated to represent the current costs of the project. Director Teal moved to accept the Bilateral Agreement and authorize Chairman Ballagh to sign the agreement. Director Genova seconded and the motion passed unanimously.

2007 Budget Transfer Request – A Staff Report (*File 2007 Staff Reports and 12/4/07*) was presented requesting a \$14,000 transfer of funds from Contingency to Distribution Vehicle Expense. Director Teal moved to transfer \$14,000 from Contingency to Distribution Vehicle Expense to cover unexpected vehicle repairs. Director Genova seconded and the motion passed unanimously.

PERSONNEL ITEMS

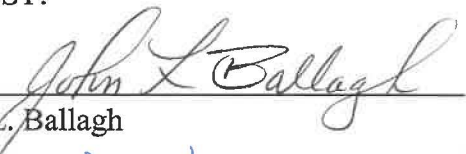
Personnel Matters – Manager Tooker reported that Water Treatment Plant Operator Larsen has taken an extended period of time off to attend to a medical situation.

Manager Tooker reported that Water Treatment Plant Supervisor David Payne has been offered an employment opportunity with Ute Water Conservancy District. Manager Tooker will be discussing the situation with Mr. Payne and will report back to the Board.

ADJOURNMENT

By mutual consent the regular meeting adjourned at 8:15 p.m.


ATTEST:



John L. Ballagh



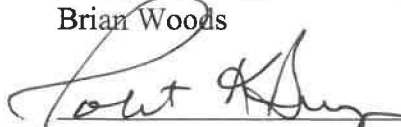
Paul Teal



Brian Woods



Doralyn Genova



Robert Burger

**APPROPRIATION RESOLUTION OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE FOR THE
2008 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 2008 Budget Year.

WHEREAS, the Directors have adopted the annual budget for 2008 in accordance with the Local Government Budget Law, on the 4th day of December, 2007, 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:

2008 BUDGET

ESTIMATED BEGINING BALANCE \$7,974,063

ESTIMATED EXPENDITURES

Operating Expenses

Source of Supply	\$21,408
Water Treatment	\$693,873
Transmission & Distribution	\$336,448
General & Administrative	\$316,441
Labor Expenses	\$1,488,454
<i>Total Operating Expenses</i>	<i>\$2,856,625</i>

Nonoperating Expenses

Capital Expenses	\$3,807,500
Bond Principal & Interest	\$261,842
Emergency Fund	\$333,208
Reserve Fund	\$780,276
Contingency	\$5,386,453
<i>Total Nonoperating Expenses</i>	<i>\$10,569,279</i>

TOTAL ESTIMATED \$13,425,903

ESTIMATED REVENUES

Operating Revenue

Sale of Water	\$3,313,000
Sanitation District	\$20,000
Penalty Fees	\$30,000
Turn Fees	\$40,000
<i>Total Operating Revenue</i>	<i>\$3,403,000</i>

Nonoperating Revenue

Plant Investment Fees	\$1,500,000
Main Line Extension Fees	\$22,000
Disposal of Assets	\$1,000
Availability of Service	\$20,200
Interest	\$230,000
Bond/Grant Proceeds	\$250,000
Property Taxes	\$0
Lease Income	\$8,640
Construction Reimbursements	\$0
Tap Installation	\$15,000
Miscellaneous	\$2,000
<i>Total Nonoperating Revenue</i>	<i>\$2,048,840</i>

TOTAL ESTIMATED REVENUE \$5,451,840

Estimated From Reserves \$7,974,063

TOTAL FUNDS AVAILABLE \$13,425,903

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, Thirteen Million, Four Hundred Twenty-Five Thousand, Nine Hundred and Three Dollars (\$13,425,903) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2008 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 a regular meeting of the Board held on December 4, 2007. 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 4, 2007

By: 
John L. Ballagh, President

ATTEST: 
Robert K. Burger, Secretary