

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

Held January 19, 1994

Present were Chairman Ballagh, Vice-Chairman Ela, Secretary Wheeler and Treasurer Garber. Director Lewis' absence was excused. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount, Lab Director Robinson and Stenographer Day-Biondich. Guests present were Mr. and Mrs. Smith of 481 Royal Ann Way.

**1994 PICKUP BIDS:** Chairman Ballagh called the meeting to order noting that there was a quorum, the meeting had been properly advertised and the time for accepting bids on the pickup truck was closed.

**GUESTS:** Mr. and Mrs. Smith of 481 Royal Ann Way requested that the two \$1.00 penalties that had been assessed to their account be removed because they were in the process of moving into their home. Mrs. Smith stated that they had never received a penalty from a utility company. She stated that though she did not call the office after receiving the December billing with a dollar penalty she was sure the office would remove it. When the Smith's received their January billing with another \$1.00 penalty assessed to their account, Mrs. Smith called the office and was informed by the Office Manager that company policy was to assess an account the \$1.00 penalty if not paid in full by the next billing. The members of the Board explained the reason behind the policy as being needed to keep customers current on their bills. The Smith's thanked the Board for their time and said they would pay the penalties and do a better job of having their bill paid on time.

**1994 PICKUP BIDS:** Manager Schuster opened the bids that were received on the pickup. They were as follows: Jim Fuoco Motor Company bid \$11,893.60; Ed Bozarth Chevrolet bid \$13,685.13; Western Slope Chrysler Plymouth & Dodge bid \$14,081.00; and Western Slope Ford bid \$12,166.00. Director Wheeler moved to purchase the GMC from Jim Fuoco Motor Company at the price of \$11,893.60 with an estimated delivery of ten weeks. Director Garber seconded the motion and it passed unanimously.

**MINUTES OF DECEMBER 15, 1993:** Director Garber moved to accept the minutes of the December 15, 1993, meeting. The motion was seconded by Director Ela. Director Ela asked Manager Schuster which reservoirs Denver Water had asked the Water Court to withdraw from 87CW379 until a final decree is entered in 91CW252. Manager Schuster informed the Board that the five reservoirs are: Una Reservoir, Azure Reservoir, Gabriel Reservoir (aka Red Mountain), Ranch Creek Reservoir and Rock Creek Reservoir. The four reservoirs to remain in 87CW379 are: Redcliff Reservoir (aka Iron Mountain Reservoir), Wolcott Reservoir, Eagle-Colorado Reservoir and Gunsight Pass Reservoir (aka Wolford Mountain Reservoir). The motion to accept the minutes passed unanimously.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE:** Director Garber moved to approve the financial report paying the \$97,976.34 as shown on the report, paying the \$5,977.66 as shown on the supplemental report as well as a \$46,821.44 transfer of funds. The motion was seconded by Director Wheeler. Director Ela asked how close the District was to reaching the \$3,500 attorney fee figure given to the Board on October 27, 1993, by Linda White for the Wolford Mountain case. Manager Schuster informed the Board that with the December billing, the approximate total was \$1,500 which still left about \$2,000

before the figure would be reached. After a thirty minute discussion, the motion passed unanimously.

**MANAGER'S REPORT:** After looking at the Manager's report, Director Ballagh questioned whether the District was definitely going to experiment with reverse osmosis water treatment. Director Ballagh questioned whether RO was the best choice, or if other possibilities such as purchasing all of the Whiting water would be a viable option. Manager Schuster said that all of the Whiting water, proven and unproven, would only provide about one-third of the District's annual demand for water. In addition, there was the cost of getting the water off of the Mesa. Director Ballagh asked what guarantee the District had that a suitable membrane would be available for the RO plant which would treat the river water. Manager Schuster said he was positive that would not be a problem, but that is why he wanted to try a pilot plant during the summer of 1994. Director Ballagh stated that he would support the RO idea, but he would not abandon other alternatives. Schuster quoted cost estimates from the November, 1992 "Planning Report" that showed RO was the most cost effective treatment for dissolved solids and organics removal. Director Ela suggested that the Board consider changing the water rates to enable the District to "pay as they go" rather than borrowing money should the District build a RO plant. Schuster said it would take an additional \$16.00 per month per customer to raise \$2,500,000 in two years. Schuster also said that with the present water rates, the District could borrow and payback \$2,000,000 @ 8.5% interest without raising the existing water rates. After a forty-five minute discussion, Manager Schuster was given permission to proceed with the \$77,300 RO pilot plant as outlined in the Manager's Report.

**CLIFTON SANITATION DISTRICT #1 EXPENSES:** Manager Schuster had sent a memo to the Board on the cost of doing the billing for the Sanitation District. Manager Schuster stated that the Water District charged the Sanitation District approximately 20% of their income for this service. The general consensus was to analyze the cost of this service on a regular basis.

**GREG TRAINOR - "END OF AN EMPIRE":** Director Ela stated that the District should actively support the distribution of Mr. Trainor's article along with the City/District's resolution on 91CW252. The Board requested that Manager Schuster touch base with Mr. Trainor to see where his article had been distributed. Manager Schuster will get Trainor's permission to send it out to any one that he can think of that has not received a copy. This topic will be on file for discussion in four to six months.

Director Garber suggested that the District send a letter to the Fish and Wildlife Division stating the the District opposes the 1,800 miles of habitat for endangered species on the Colorado River.

**DISTRICT CONSTRUCTION POLICY:** Director Wheeler moved to adopt the revision of the Construction Policy as prepared by Manager Schuster and reviewed by Attorney Bechtel. Director Garber seconded the motion and after a fifteen minute discussion the motion passed unanimously.

**PROVIDING PUBLIC RECORDS POLICY:** Director Wheeler moved to accept the "Providing Public Records Policy" as prepared by Manager Schuster and reviewed by Attorney Bechtel. This is a new policy for the District.

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Director Garber seconded the motion. After a brief discussion over whether the cost for searching out records should be changed to a set dollar figure, it was decided that the policy would be left as is and if changes were needed it would be revised at a later date. The motion to accept the policy as submitted passed unanimously.

**EMPLOYEES' TSA PLAN:** Manager Schuster informed the Board that the IRS had made a favorable determination to allow the employees to rollover their TSA's with United of Omaha to IRA's with Lincoln National without penalty.

**ROCK STRUCTURE IN COLORADO RIVER:** Manager Schuster informed the Board that the rock structure in the river had been repositioned to the formation which all parties had agreed on. Manager Schuster went on to say that the present structure would not back any water up, but it would assist in keeping the left bank from eroding. Director Ballagh suggested that Manager Schuster write a summary of events on the proceeding of the structure and to keep all pictorials for future Boards to utilize.

**WOLFORD MOUNTAIN RESERVOIR PROJECT:** Manager Schuster informed the Board that Denver Water had submitted a revised decree for 91CW252 in which about the only concession was to ask for a ten year review by the courts rather than a 20-year review as City/Clifton had requested. Director Ela questioned why they would only go ten years instead of the twenty years that was requested. Director Ballagh asked that Manager Schuster work with Attorney White to get a report to the Board for the February meeting.

**SDA ELECTION WORKSHOP:** Manager Schuster informed the Board that the SDA Election Workshop would be held on January 25, 1994, at Howard Johnsons from 8:00 a.m. to 4:00 p.m. Director Ballagh stated that he had signed up to go but would be unable to attend the entire workshop. Manager Schuster and Assistant Manager Tooker will attend.

**OLD BUSINESS:** Director Ballagh asked what the process would be if the District wanted to start assessing the "Availability of Service" charge on accounts. Manager Schuster told him that it would have to go through a public meeting with notices of said meeting sent via first class mail as we did in 1986.

Manager Schuster was instructed to contact Attorney Bechtel concerning the Statute of Limitations on a legal matter on an existing contract.

**TIME AND PLACE FOR PUBLIC MEETINGS:** Director Wheeler moved to continue holding Board meetings at the water office (137 Third Street) and to continue to post notices of said meeting at the water office, the Fire Station, Clifton Sanitation District #2 and in the office of the Mesa County Clerk & Recorder. Director Ela seconded the motion and it passed unanimously.

**JANUARY FINANCIAL REPORT:** Manager Schuster informed the Board that because of the time of the audit for the District it would be virtually impossible for the Office Manager to have the financial report ready for the scheduled February Board meeting. The alternatives were to hold the February meeting without the January financial report or to hold the meeting on the fourth Wednesday. Director Ela moved to change the February Board of Directors

meeting to February 23 from February 19. Director Wheeler seconded the motion and it passed unanimously.

**MESA COUNTY LANDFILL PROJECT:** Manager Schuster informed the Board that the cost of furnishing water for the Mesa County Landfill probably would be less than the engineer's estimate of \$70,000. Manager Schuster told the Board that Attorney Bechtel was reviewing the draft agreement between the County and Clifton for constructing the water line. Director Ballagh suggested that Manager Schuster make sure that the County will not charge the District for easements that would be needed for access to install and maintain the line.

**PALISADES NATIONAL SIGNATURE CARD:** Manager Schuster told the Board that a new account was being opened at Palisades National. The signature cards had been signed by the Directors at the beginning of the meeting.

**GVICO SHARES FROM DUFFORD, WALDECK:** Manager Schuster told the Board that the law firm of Dufford, Waldeck, Milburn and Krohn had accepted four shares of GVICO in lieu of payment which they would like to liquidate. Director Ela moved that the District offer to purchase these shares from Dufford, Waldeck at \$200 per share less the 1994 assessment and the \$20.00 transfer fee. Director Wheeler seconded the motion and it passed unanimously.

Manager Schuster was instructed to contact Attorney Bechtel to discuss the advantages of forming a Conservancy District as opposed to being a Special District. This would enable Clifton to withdraw from the Ute Conservancy District.

Director Ela moved to adjourn the meeting. Director Garber seconded the motion and it passed unanimously.

The meeting adjourned at 10:53 p.m.

ATTEST:

George E. Wheeler  
Secretary

John L. Ballagh

Martin Garber

Mr. M. Ela

[Signature]



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

Held February 23, 1994

Present were Chairman Ballagh, Vice-Chairman Ela, Treasurer Garber and Director Lewis. Secretary Wheeler's absence was excused. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount, Lab Director Robinson and Stenographer Day-Biondich. No guests were present.

Chairman Ballagh called the meeting to order at 7:30 p.m. and noted that the change of the date designated for this meeting had been posted in accordance with C.R.S. 24-6-402(2)(c)

**MINUTES OF JANUARY 19, 1994:** Director Ela moved to accept the minutes of the January 19, 1994, meeting. The motion was seconded by Director Garber. The motion to accept the minutes as prepared passed unanimously.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE:** Director Garber moved to approve the financial report paying the \$54,269.74 as shown on the report as well as a \$1,500.00 transfer of funds. The motion was seconded by Director Lewis. The motion passed unanimously.

**MANAGER'S REPORT:** Director Ela noted that we now have 7,000 taps in the system. Director Ballagh asked why the TDS in the river varied so much from January, 1993 to January, 1994. Lab Director Robinson explained that the river's TDS varies from day-to-day depending on the influence of weather and run-off in the Colorado River valley above Clifton. Lab Director Robinson also informed the Board that a new conductivity probe was purchased as the accuracy of the old probe was suspect and may have made a very slight contribution to the difference in river TDS. Director Ela asked how much the District had spent to upgrade the lab because of the Safe Drinking Water Act. The League of Women Voters made the statement that Project Seven had spent in excess of \$400,000 to construct a laboratory to comply with the Safe Drinking Water Act. Director Ela was told the cost to Clifton was about \$75,000 to construct and equip the new lab. This confirmed what Director Ela told the League of Women Voters.

**GREG TRAINOR'S "END OF AN EMPIRE":** Manager Schuster informed the Board that he had been in touch with Mr. Trainor. Mr. Trainor had no problems with the District distributing more copies of his white paper, however, Manager Schuster could think of no offices that had not already received a copy.

**CROSS-CONNECTION/BACKFLOW:** Assistant Manager Tooker explained to the Board that he had planned a meeting on March 7, 1994, with representatives from Ute Water Conservancy District, the City of Grand Junction and the Town of Palisade to develop a Memorandum of Agreement concerning the development of a backflow prevention and cross-connection control program. Colorado State law and Primary Drinking Water Regulations require that no public water system shall make, install and permit any cross-connections between the water system and any system which may contain water of a quality that does not meet the provisions of the drinking water regulations. Assistant Manager Tooker also stated that he was inquiring into the Districts Liability Insurance regarding an Environmental Pollution liability exclusion which may exclude coverage of damage caused from a backflow incident. Ela stated that Assistant Manager Tooker should have access to the District's Attorney to aid with the legal terms and conditions of such an agreement.

**PAYMENT OF PLANT INVESTMENT FEES:** Manager Schuster read to the Board the minutes from the meetings of December, 1992 and March, 1986 regarding the Board's policy toward the payment of Plant Investment Fees over a period of time. Manager Schuster wanted to confirm that it was the intention of the Board that when a customer who owes money toward the Plant Investment Fee has their water service terminated for non-payment, that the full amount owing on the Plant Investment Fee in addition to the regular billing must be paid before water service is reinstated. The Board generally agreed that this was the intent and the Manager had acted properly in requesting payment in full for the Plant Investment Fee and water bills for the customer South of Whitewater that had his water service terminated for non-payment.

**GVICO SHARES FROM DUFFORD, WALDECK:** Manager Schuster told the Board that the law firm of Dufford, Waldeck, Milburn and Krohn had accepted the District's offer of \$200 per share less the 1994 assessment and the \$20.00 transfer fee for the four shares of GVICO stock discussed in the January meeting. The District now owns 1417 shares of GVICO. Director Ballagh asked what kind of a response should be given to members of the GVICO Board if they question why the District is purchasing more shares. Director Ela stated that they should be told it was a "window of opportunity". Director Lewis suggested that we let them know that the District is not actively seeking more shares but if the District did decide to do so the GVICO Board would be notified.

**WOLFORD MOUNTAIN RESERVOIR PROJECT:** Manager Schuster informed the Board that the applicants (Denver Water and the Colorado River Water Conservation District) and the opponents (City and Clifton) had met on February 18th to revise the latest draft of the decree in Case No. 91CW252. Manager Schuster said that the applicants had given in on virtually every point raised by the opponents in the decree. The opponents request for court retained jurisdiction for a 20-year period versus the applicants request for a court retained jurisdiction for a 10-year period was compromised. The courts will now hold jurisdiction for a period of 10-years after the reservoir fills and spills at the rate of 200 cfs. This will enable the District to calculate injury caused by the Wolford Mountain releases. Manager Schuster told the Board that since the October 27, 1993, meeting when Attorney White gave the District a ball-park figure of \$3,500 for completion of the case, only \$2,100 had been used. However, this only leaves \$1,400 remaining and the totals did not include the February attorney's fees.

**PERSONNEL MANUAL:** Director Lewis moved to approve the amendments to the personnel manual which included the sick leave/employee retirement topic as well as the new IRS's 500 hour rule for retirement funding for all employees. Director Garber seconded the motion and it passed unanimously.

**MESA COUNTY LANDFILL PROJECT:** Manager Schuster presented the Board with a contract between the District and the County to construct a water line to the Mesa County Landfill with a recommendation that they sign it. Manager Schuster went on to say that bids for the project would open at the March 16th meeting and that Mesa County would pay the District 75% of the actual construction cost up-front with the remaining 25% and the \$15,000 Plant Investment Fee being paid upon completion of the project. Director Ela moved to accept the agreement with the County and to instruct the Chairman and the Secretary of the Board to sign it. Director Lewis seconded the motion and it passed unanimously.

**ADVANCE PAYMENT TOWARD TAPS:** The District has received \$20,700 advance payment on Plant Investment Fees (on taps that have not been installed). This figure has been carried on the District's balance sheet for over 10 years. The Directors discussed a policy which would require the entity that has this money on deposit with the District to either physically designate a spot for the taps or to surrender the payment. Director Lewis moved to enter into an executive session to discuss the ramifications of such a policy. Director Ela seconded the motion and it passed unanimously. After 20 minutes the Directors emerged from the executive session and reconvened the regular meeting. It was the consensus of the Directors for the Manager to place this item on the agenda for review one year from now.

**WATER CONSERVANCY DISTRICT:** Manager Schuster informed the Board that he had discussed with Attorney Bechtel the possibility of forming a water conservancy district within another Water Conservancy District with the latter Water Conservancy District surviving the former. Attorney Bechtel told Manager Schuster that several Water Conservancy Districts could be formed within other Water Conservancy Districts. However, the original Water Conservancy District would still survive.

**1994 ELECTION OF DIRECTORS:** The term of Directors Ela, Garber and Ballagh expire in May, 1994. Manager Schuster gave each of them their respective petitions for candidacy for a Director of the District and told them they must have them back to the office before the close of business on Friday, February 25, 1994.

**SDA ENVIRONMINUTE:** Assistant Manager Tooker had written a memo to the Board on the opportunity for the District to air 15-second spots on KJCT-TV. The District would only have to pay for the production costs. The Special District Association of Mesa County would pay for the actual broadcast time. Assistant Manager Tooker recommended that the District commit to air four different spots at a cost of \$300. Director Ela moved to accept the recommendation of Assistant Manager Tooker to broadcast four different spots at a cost of \$300. Director Lewis seconded the motion. Director Ballagh stated that he felt the more the word got out about the District's water and services the better it was. The motion passed unanimously.

**DISPOSITION OF DEC EQUIPMENT:** Manager Schuster informed the Board that the DEC equipment that was retired by the District in 1993 was still in the District's possession and he would like to dispose of it. Director Ela moved to give the DEC equipment to anyone in the local community for a fee of \$10 and other valuable consideration. Director Garber seconded the motion and it passed unanimously.

**MESA COUNTY WATER/SEWER AUTHORITY:** Manager Schuster reported that Mayor Theobald had attended a meeting with Commissioner John Crouch and Fuzzy Albert, Manager of the UTE Water Conservancy District, in attendance. The discussion centered around Mesa County forming a "Super Water/Sewer Authority" for Mesa County. Director Lewis stated that since Clifton was not a party to this meeting that we refrain from comment until we are formally advised of and can be a part of the discussion involving a Mesa County "Super Water/Sewer Authority". The other Directors agreed that until the information was available at a public meeting, Clifton should remain silent on the proposal.

**NEW BUSINESS:** Director Ela suggested that the District look for a mediator who would be able to aid Clifton, Ute Water and the City in unifying their systems. Director Ela felt that until the three entities attempted one more time to reach terms for unification, we were all just loosing face in the eyes of the public. Director Ela unselfishly offered to resign his position from the Clifton Water Board and perform the mediation without compensation of any kind. Several items were discussed during the following 1 1/2 hours which included different ideas toward unification and whether "bigger" was actually "better".

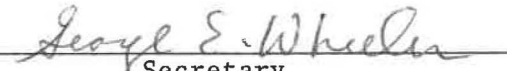
Director Lewis inquired as to whether the term of the Directors would fall under the "term limits" as adopted by the voters of the State of Colorado. Director Garber stated that the term limits did not apply to the terms of Special District Director.

Director Lewis asked if Manager Schuster had been in touch with Attorney Bechtel in regard to a Supervisor's Manual vs. a Personnel Manual for the District. Manager Schuster said that Attorney Bechtel informed him that a Supervisor's Manual was not necessary for the District due to the adequacy of the District's Personnel Manual. Director Lewis said that he would send a copy of information to the contrary to Manager Schuster for follow up regarding this issue.

Director Lewis moved to adjourn the meeting. Director Garber seconded the motion and it passed unanimously.

**The meeting adjourned at 10:37 p.m.**

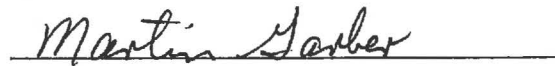
ATTEST:

  
Secretary











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

Held March 16, 1994

Present were Vice-Chairman Ela, Treasurer Garber, Secretary Wheeler and Director Lewis. Chairman Ballagh's absence was excused. Staff present were Manager Schuster and Stenographer Day-Biondich. Guests present were Don and Curtis Dowd with Ben Dowd Excavating, Inc., Bob Payton with Parkerson Construction, Inc., Rick Davis with Palisade Construction, Ron Abeloe who is a contractor at Eastbrook Meadows, Mike Nelson and Mary Brenes with Chadwick, Steinkirchner, Davis & Co., P.C. and Bea Grett.

In the absence of Chairman Ballagh, Vice-chairman Ela called the meeting to order at 7:30 p.m. and officially closed the time to accept bids for Clifton Project 94-01. Manager Schuster publicly opened and read aloud the name of the bidder and the price bid for the project from the nine bids submitted. The engineer's estimate for the cost of the project was \$46,878.00. The bids were as follows: Ben Dowd Excavating, Clifton, CO; \$36,325.00: Parkerson Construction, Inc., Grand Junction, CO; \$37,785.00: Tierra Constructor's Inc., Denver, CO; \$45,655.51: Palisade Constructor's Inc., Palisade, CO; \$48,460.00; Atkins and Associates, Inc., Meeker, CO; \$52,345.00: Lyle States Construction, Grand Junction, CO; \$56,840.00: Sun Construction, Colorado Springs, CO; \$64,570.18: Diamond Back Services, Inc., Littleton, CO; \$67,800.00: Curly Construction Company, Rifle, CO; \$69,920.00. Director Garber moved to accept the bid of Ben Dowd Excavating, Inc., of Clifton, provided there were no mathematical errors. Director Lewis seconded the motion and it passed unanimously.

**UNAUTHORIZED USE OF WATER:** On March 8, 1994, one of the distribution employees was directed by Manager Schuster to confiscate some items which had been found attached to our fire hydrant in Eastbrook Meadows. Ron Abeloe is the contractor working in the subdivision who had connected his apparatus to our hydrant. Mr. Abeloe confronted Manager Schuster in the office the next day wanting his equipment back. Manager Schuster informed him that the policy of the District was to confiscate and keep unauthorized attachments to our hydrants or lines. Later on that date he removed the hoses from the District's yard and challenged Schuster to retrieve them. The other tools were inside the building where he could not get to them. Mr. Abeloe stated he believed the District had a right to charge a fee for unauthorized water use but he wanted to retrieve the tools which the District had confiscated. Mr. Abeloe went on to say that he had requested a hydrant meter but had been informed that this was not a standard practice for the District. The contractor had a yard hydrant which was not working properly so he had attached his apparatus to the District's fire hydrant to have access to the water he needed. Director Garber moved to charge Mr. Abeloe \$50 for unauthorized water use and to return his equipment to him. Director Wheeler seconded the motion. Director Ela wanted him to understand that if any problems showed up with that particular hydrant within the next year he would be held responsible. Mr. Abeloe informed the Board that one of his employees, Mr. Ken Lautenschlager, was the owner of part of the equipment we still held and he would be happy with the \$50 fine as long as he could get his equipment back. The motion passed unanimously. It was agreed that the equipment would be returned upon payment of the \$50.00. Director Lewis suggested changing the "Subdivision Agreement" to read that any equipment found attached to the District property would be confiscated and kept and to inform the developer of such policy when signing up for water service.

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**AUDITOR'S PRESENTATION:** Mike Nelson and Mary Brenes presented the audit report for the 1993 fiscal year. The audit showed no irregularities and good fiscal management. After the half-hour report Director Lewis moved to accept the auditors report. Director Wheeler seconded the motion and it passed unanimously.

**MINUTES OF FEBRUARY 23, 1994:** Director Garber moved to accept the minutes of the February 23, 1994, meeting. The motion was seconded by Director Lewis. The motion to accept the minutes as prepared passed unanimously.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE:** Director Garber moved to approve the financial report paying the \$80,648.76 as shown on the report as well as a \$1,500.00 transfer of funds. The motion was seconded by Director Wheeler. The motion passed unanimously.

**PERSONNEL MANUAL vs. SUPERVISORS MANUAL:** After a brief discussion about the necessity of a Supervisor's Manual, Manager Schuster was instructed to contact Attorney Bechtel for her input. If Attorney Bechtel sees no necessity for such a manual the District will operate from the Personnel Manual.

**WELCOME LETTER:** The Directors made positive comments about the "Welcome Letter" and commented on the usefulness of it for new customers. No action was necessary.

**EMPLOYEE NOTIFICATION OF HOURLY COST TO THE DISTRICT:** Director Ela questioned if the actual cost of wages to the District could be printed on each check stub. Manager Schuster informed him that the check stubs presently used did not have room for this information. However, he continued, each employee is given this information each quarter as directed by the Board.

**WOLFORD MOUNTAIN RESERVOIR PROJECT:** Manager Schuster informed the Board that the last time the applicants (Denver Water and the Colorado River Water Conservation District) and the opponents (City and Clifton) had met, everyone was in agreement with the wording on the stipulation for case 91CW252. However, when the revised stipulation came back from Denver some language had been changed that did not satisfy Clifton and the City. Denver has a problem with admitting "injury" in the decree. Linda White says there is injury but that the opponents acquiesced to this injury as long as it did not go over the stated amount. Denver does not want to admit injury and that is the main hang-up in finalizing the decree. Manager Schuster informed the Board that both the District Court (Judge Ossola) and the Federal Court (Judge Nottingham) will sign the final decree since there is some dispute as to which court has jurisdiction.

**OTHER OLD BUSINESS:** Director Ela asked if the engineering fee in the Landfill Contract would be paid by the County and Manager Schuster informed him that all costs of the project would be paid by the County. Director Garber asked that the County be made aware that the fire hydrant to be located at the Landfill site is not to be used for other purposes such as filling water trucks for dust control or compacting.

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**GVICO SHARES FROM LYNN JAMES:** Manager Schuster informed the Board that Lynn James had approached him last week about purchasing 10 shares of GVICO stocks. Director Ela stated that because of a relationship which he has with Lynn James he would be abstaining from the discussion. After a brief discussion Director Garber moved to purchase 10 shares GVICO stocks from Lynn James at a cost

of \$200 per share less the 1994 assessment and the \$20 transfer fee. Director Lewis seconded the motion and it passed unanimously.

**1994 HEALTH INSURANCE COSTS:** Manager Schuster informed the Board that the health insurance premiums paid to Rocky Mountain HMO will increase from \$3,634.10 per month to \$3,806.50 as of May 1, 1994. The total health insurance cost for 1994 will exceed the 1994 budgeted amount by \$188.40. The Directors deferred discussion of this topic to the April Board meeting.

**WORKERS' COMPENSATION INSURANCE:** Manager Schuster informed the Directors that Assistant Manager Tooker was in Colorado Springs for the first of a series of meetings to complete the SDA Workers' Compensation Safety Dividend Group program. The District should realize a savings of an additional 5% to 10% in workers' compensation insurance premiums when the program is completed. The District already has received a 2-1/2% decrease due to the selection of a primary care physician (the Doctor's Office in Clifton) in the fall of 1992.

**APPOINTMENT OF ELECTION JUDGES:** The Board appointed Laveta Kay of 3425 Grand Valley Canal Road, Josephine Freestone of 3319 F 5/8 Road and Teresa Corradini of 572 Aaron Court as election judges for the May 3rd election.

**OTHER NEW BUSINESS:** Director Wheeler questioned why the Ute Conservancy District would be applying for a loan from the Colorado Water and Power Authority. Manager Schuster explained that Ute had applied for a loan for building a new flowline from their reservoirs to their water treatment plant while Ray Sparkman was manager. So far, Ute has not gone through with their plans to construct the flowline. At the time Ute applied for the loan, the City, Clifton and Ute were in the midst of negotiating for a unified system and their plans for a new flowline without telling either the City or Clifton about their plans did not sit well with the community.

Director Ela adjourned the meeting at 10:05 p.m.

ATTEST:

George E. Wheeler  
Secretary

M. Ela

John L. Ballagh

Martin Garber

[Signature]

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

Held April 27, 1994

Present were Chairman Ballagh, Vice-Chairman Ela, Treasurer Garber and Director Lewis. Secretary Wheeler was not present. Staff present were Manager Schuster, Assistant Manager Tooker, Laboratory Director Robinson, Plant Superintendent Blount and Stenographer Day-Biondich. No guests were present.

Chairman Ballagh called the meeting to order at 7:30 p.m. noting that the time and place for the new meeting date was posted in three public places and in the Mesa County Clerk and Recorders Office in accordance with C.R.S. 32-1-903(2).

**MINUTES OF MARCH 16, 1994:** Director Garber moved to accept the minutes of the March 16, 1994, meeting. The motion was seconded by Director Lewis. The motion to accept the minutes as prepared passed unanimously.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE:** Director Lewis moved to approve the financial report paying the \$84,189.16 as shown on the report, \$29,569.11 itemized on the supplemental report and \$12,500 to the City of Grand Junction. Also, a \$75,489.50 transfer of funds (\$1,500 to Alpine Bank and \$73,989.50 to A.G. Edwards) was approved. The motion was seconded by Director Ela and passed unanimously.

**UNAUTHORIZED USE OF WATER:** Manager Schuster informed the Board that Ron Abeloe had never been to the office to pay the \$50.00 fine assessed by the Board or to pick up his tools after the District had removed them from his work area in Eastbrook Meadows. No action was taken.

**CONSTRUCTION POLICY:** Manager Schuster informed the Board that Attorney Bechtel had reviewed the revised Construction Policy. Attorney Bechtel recommended another approach to discourage unauthorized use of water rather than the changes made to the Construction Policy submitted to the Board. Several suggestions were made by the Directors to be incorporated into the Construction Policy that would discourage unauthorized use of water during the development of subdivisions. Manager Schuster will discuss various possibilities with Attorney Bechtel.

**RELOCATION OF 100,000 GALLON STORAGE TANK:** Manager Schuster informed the Board that when the 100,000 gallon storage tank had been moved that part of the floor was left behind in rust. At the informal gathering last week the two Director's present had given their permission to spend \$8,845 for a new floor in the tank. Manager Schuster received verbal approval from Director Lewis the following day, however, it had not been approved at a meeting. Director Lewis moved to allocate \$8,845 for the new floor in the storage tank that was not in the 1994 budget. Director Garber seconded the motion and it passed unanimously.

**WOLFORD MOUNTAIN RESERVOIR PROJECT:** Manager Schuster informed the Board that the stipulation and decree for 91CW252 were, for the most part, written the way the District had requested it be. However, Attorney White wanted to wait for the Board to sign off until the final copy that the judge will sign is available.



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**STRUCTURE:** Manager Schuster informed the Board that the District had agreed to submit a proposal on determining whether endangered fish are coming in to our treatment plant through the intake channel. The District will collect all fish observed in our facility in a 5% buffered formalin and deliver this collection to the Fish and Wildlife Service every six months. Manager Schuster will keep the Board informed as to any further developments.

**WORKERS' COMPENSATION INSURANCE PREMIUMS:** Manager Schuster informed the Board our worker's compensation premiums were reduced by 27% due to the safe work habits of the employees. This equates to \$1500 for 1993. Since there was no refund, the funds were applied to 1994's premium.

**1994 HEALTH INSURANCE COSTS:** Director Garber stated that he and Director Wheeler had thought that the District should lower the amount the District pays toward the employees' health insurance premiums. After a brief discussion, Director Garber moved to approve the excess of \$188 over the budgeted amount for employee's insurance premiums and for the District to continue with Rocky Mountain HMO's H20 insurance plan for employees and their dependents in accordance with the April, 1993 motion. Director Lewis seconded the motion and it passed unanimously.

**CROSS-CONNECTION CONTROL PROGRAM:** Assistant Manager Tooker, after talking with Attorney Bechtel concerning the necessity of a Cross-Connection Control Policy, presented such to the Board. Attorney Bechtel stated that she thought a Cross-Connection Control Policy was imperative to protect the District from unnecessary liability. Director Ela questioned where it stated in the Policy that the Water District had authority to enforce a Cross-Connection Control Program. Director Ballagh suggested that we include in the Policy a section for authority. Assistant Manager Tooker will make the appropriate changes and resubmit the Policy at the May 18, 1994, Board meeting.

**LAWRENCE KIESLER:** Manager Schuster informed the Board that a check and two stubs had been submitted to the District by Lawrence Kiesler. The check and two stubs had no correlation so Manager Schuster wrote him a letter asking which amounts needed to be applied to what accounts. Manager Schuster wanted to keep to Board informed. However, Mr. Kiesler sent the check and two stubs back to us with the amounts written on the stubs and a note thanking us for bringing the situation to his attention.

**WHITEPAPER FROM LABORATORY:** Laboratory Director Robinson submitted a "whitepaper" to the Board entitled "Dealing with Proposed Regulations as a Water Purveyor using the Colorado River as a Source." The Board commended Lab Director Robinson on the job he had done correlating and presenting the information.

**TURBID WATER DELIVERED FROM CITY:** Manager Schuster informed the Board that the treatment plant employees had spent many hours flushing the turbid water we received from the City through our 27" diameter transmission line. Manager Schuster had exchanged some correspondence

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with Gregory Trainor, City Utilities Manager, about the problem. Rather than chance any more turbid water with the possibility of the City's biofilm problem, the District switched to river water. The change was made in the second week in March.

**GVICO SHARES FROM LYNN JAMES:** Manager Schuster told the Directors that he had not heard from Lynn James since he had sent him the offer for the shares of GVICO authorized at the March meeting. No action was necessary.

**OTHER OLD BUSINESS:** Director Ballagh asked Manager Schuster what had happened about the "Advance Payment Toward Taps" item that we carry on our books. Manager Schuster stated that he would have a report on it for the next meeting.

Manager Schuster told the Board that the new pickup had arrived. Director Garber moved to pay the \$11,873.60 to Jim Fuoco Motor Company for the truck. Director Ela seconded the motion and it passed unanimously.

**SAFETY PROGRAM:** Assistant Manager Tooker referred to his March 23, 1994, memo that summarized the steps that have been taken to comply with the Workers' Compensation Certification Program. Assistant Manager Tooker presented a Safety Policy Statement for Board approval. Director Ela moved to adopt the Safety Policy Statement. Director Lewis seconded the motion and it passed unanimously. Director Ballagh and Manager Schuster signed the document and it will be distributed to all employees. Assistant Manager Tooker requested that one of the Directors volunteer to serve on the District Safety Committee to begin developing the District's Safety Program. Director Lewis volunteered. Assistant Manager Tooker informed the Board that he will be attending the final SDA workshop concerning the Workers' Compensation Certification Program on May 19, 1994, in Colorado Springs.

**PLANT INVESTMENT FEES:** Director Ballagh stated that he was not sure exactly what Director Wheeler wanted for information about raising plant investment fees vs. water rates. After a brief discussion, it was decided that this item would be on the agenda for the next Board meeting.

**SUPERVISOR'S MANUAL AND CHANGES TO THE PERSONNEL MANUAL:** Manager Schuster gave each of the Director's a copy of a Supervisor's Manual which had been prepared by Attorney Bechtel. In addition, Manager Schuster also gave the Board revisions for the Personnel Manual that came about during the preparation of the Supervisor's Manual. Adoption of the Supervisor's Manual and changes to the Personnel Manual will be on the agenda for the May meeting.

**COMPUTERIZED WORK ORDER SYSTEM:** Manager Schuster informed the Board that the computerized work order system had been installed. Manager Schuster went on to tell the Board that the system was working well. The reason behind the computerized work order system was to have a better tracking method for requested work from the public.

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**DEPARTMENT OF TRANSPORTATION OUT-OF-DISTRICT TAP:** Manager Schuster informed the Board that the Department of Transportation was building a workshop in the Whitewater Hill area. The particular site is not in the District, however, the Department of Transportation wanted to purchase an out-of-District tap. Director Lewis moved to approve an out-of-District tap for the Department of Transportation. Director Garber seconded the motion and it passed unanimously.

**OTHER NEW BUSINESS:** Manager Schuster stated that Dan Brown had been at the meeting on Wednesday night, April 20, 1994, to make a presentation to the Board for expanding the District out to the Kannah Creek area. Director Ballagh told the other Directors that he and Director Wheeler had not discouraged Mr. Brown from working together with the District to see what could be arranged for him to receive water for his subdivision site. Director Lewis stated that he wanted Manager Schuster to work with Dan Brown on the proposal. The Board will look at whatever proposal Mr. Brown presents before making a decision on the project.

The meeting was adjourned at 10:35 p.m.

ATTEST:

George E. Wheeler  
Secretary

William M. Eld

John L. Ballagh

Martin Garber

Director Lewis

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

Held May 18, 1994

Present were Chairman Ballagh, Vice-Chairman Ela, Treasurer Garber, Secretary Wheeler and Director Lewis. Staff present were Manager Schuster, Plant Superintendent Blount and Stenographer Day-Biondich. No guests were present.

Chairman Ballagh called the meeting to order at 7:30 p.m. Director Wheeler, Director Lewis and Cynthia Day-Biondich canvassed the May 3rd vote on Wednesday, May 4th. The election results were: Ela, 199 votes; Ballagh, 165 votes; Garber, 138 votes; Morrow, 113 votes; King, 105 votes and Ross, 69 votes. Directors Ela, Ballagh and Garber were reelected as Directors. Director Wheeler proposed that Director Lewis be named Acting Chairman for the purpose of reorganizing the Board. Director Lewis swore in Ela, Ballagh and Garber. Director Lewis nominated Director Ballagh for President. Director Ela seconded the motion. Director Garber moved to amend the motion to leave all the current officers in place. Director Lewis seconded the amendment. The amendment passed unanimously. The motion as amended passed unanimously.

**REVERSE OSMOSIS PILOT:** The Board members and staff present at the meeting were treated to the first water processed through the District's Reverse Osmosis Pilot Plant. The water passed the Director's taste test. Manager Schuster stated that the water would be ready for the public to sample on Monday, May 23, 1994.

**MINUTES OF APRIL 27, 1994:** Director Wheeler moved to accept the minutes of the April 27, 1994, meeting. The motion was seconded by Director Lewis. Director Ballagh stated that since the District had changed over to river water earlier than usual the District had saved \$14,745 in overage charges from the City. Director Ela stated that Lynn James had sold the shares of the GVICO which he had offered to the District for \$220.00 per share. Director Ela inquired as to the status of the computer and asked if everything was in working order. Manager Schuster informed the Board that starting about June 1, 1994, the meter readings will be entered into an electronic machine which can then be downloaded into the computer system. After this program is installed and working properly, all of the computers and programs which were planned for will be completed. The motion to accept the minutes as prepared passed unanimously.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE:** Director Ela moved to approve the financial report paying the \$79,230.27 as shown on the report, and \$5,104.80 itemized on the supplemental report for a total of \$84,335.07. The motion was seconded by Director Lewis and passed unanimously after a 20 minute discussion.

**MANAGER'S REPORT:** Director Ballagh suggested that the District should attempt to get some publicity for items such as the Reverse Osmosis water which the District will be giving out. Director Ballagh went on to say that the employees are to be commended for working 415,777 hours without a lost time accident.



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**UNAUTHORIZED USE OF WATER:** Manager Schuster informed the Board that Ron Abeloe from Eastbrook Meadows had paid the \$50 fine assessed to him by the District. At the same time Mr. Abeloe paid the fine, he collected his tools.

**WOLFORD MOUNTAIN RESERVOIR PROJECT:** Manager Schuster distributed copies of the Stipulation that Denver would like the District to sign. The Director's asked for Manager Schuster to get copies of Exhibit C for them. Director Ela moved to defer action on the stipulation until the June 15th Board meeting. Director Garber seconded the motion and it passed unanimously.

**ROAN CREEK:** Chevron Oil Shale Company is negotiating with the City to use the Colorado River Pipeline water right to fill Roan Creek Reservoir. Manager Schuster thought the District should support the City's efforts to firm-up the Colorado River Pipeline water right as well as to show due diligence. Manager Schuster was concerned, however, that the District may lose its right of first refusal as stated in the August 10, 1990, agreement if Chevron Oil Shale Company got involved. Director Ela moved that Manager Schuster write a letter to the City expressing the District's desire to maintain its right of first refusal for the City's portion of the Colorado River Pipeline water right. Director Garber seconded the motion and it passed unanimously.

**CROSS-CONNECTION CONTROL PROGRAM:** After a 20 minute discussion about the Backflow Prevention Policy, the Board asked that several changes be made to the policy as drafted. The policy will be resubmitted for approval at the June 15, 1994 Board meeting.

**ADVANCE PAYMENT TOWARD TAPS:** Manager Schuster informed the Board that this item had been discussed in executive session during the February meeting and the general consensus of the Board was to place it on the agenda in February, 1995.

**PLANT INVESTMENT FEES:** Manager Schuster informed the Board that if Amendment 12 as proposed by Doug Bruce is passed in the November election it will have an impact on the ability of the District to raise rates. It was the consensus of the Board to place this item on the agenda for the June 15, 1994 meeting.

**CHANGES TO THE PERSONNEL MANUAL:** Director Ela moved to approve the changes made to the Personnel Manual that came about during the preparation of the Supervisor's Manual. Director Garber seconded the motion and it passed unanimously.

**SUPERVISOR'S MANUAL:** Director Lewis moved to adopt the Supervisor's Manual. Director Wheeler seconded the motion. On page 4 in paragraph 2.4.b the word "condone" was changed to "tolerate". Director Ela stated that the transmittal letter dated April 25, 1994 from Attorney Bechtel, stating that she had prepared said manual, should be kept on file to identify the author of the manual. The motion to adopt the Supervisor's Manual with the change passed unanimously.

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**DISPOSAL OF THE MACINTOSH COMPUTER:** Manager Schuster explained to the Board that since all of the IBM compatible computers are installed and all the information from the Macintosh has been transferred, the District will no longer have any use for the Apple Macintosh computer. After a brief discussion of the Digital equipment and its disposition, Director Lewis suggested offering the Macintosh to the employees or Board members for a reasonable price. This was the general consensus of the Board. Manager Schuster will write a memorandum requesting sealed bids from the staff or Directors should they be interested in purchasing it.

**BORING F ROAD:** Manager Schuster informed the Board that the District had to bore under F Road to supply water service to Shadowbrook Subdivision and at the same time provide enough water for fire protection in Lodgepole Subdivision. Manager Schuster continued by stating that because of the timing he was unable to seek bids for the work so the District paid \$16,000 for the bore. Manager Schuster said that he is aware that there will need to be two more connections of the system to the 8" line in F Road, one for Camelot and one for Orchard Run. Manager Schuster asked the Board if the developer should pay this additional cost or if the District would absorb it. Manager Schuster is to make a recommendation to the Board on how to proceed at the June meeting.

**RENTAL OF GVICO SHARES TO VERNON HARPER:** Manager Schuster informed the Board of Directors that Vernon Harper, who lives in the Loma area, would like to rent some GVICO water shares from the District for the 1994 season only. Manager Schuster suggested that up to 520 shares of GVICO could be rented without putting the District in a bind for water. Director Garber moved to rent up to 520 shares of Clifton Water District owned GVICO shares to Vernon Harper. Director Lewis seconded the motion. Director Ballagh stated that because of personal situations he would abstain from any further discussion on this topic. Director Ela suggested that the rental of these shares may be a good public relations move with GVICO since the water would be used for irrigation of farm land. Director Garber suggested that Manager Schuster check on the current rental rates for GVICO shares for the cost to Vernon Harper. The motion passed unanimously. The Board discussed whether a minimum number of shares as well as the maximum number of shares should be set. It was the consensus of the group to take a "wait and see" approach to see if there are any more individuals wanting to rent the District's GVICO shares.

**PAINTING OF THE WATER STORAGE TANKS:** Manager Schuster told the Board that the water storage tank had been moved and the new floor was installed. Manager Schuster said that since the new floor needed to be painted he had thought that it would be best to repaint the entire tank. However, District employees spent several days sandblasting the tank and the paint prior to welding on the new bottom. Manager Schuster called the Colorado representative of the company who supplied the paint and was told that the paint should last up to 20 years. With that information, Manager Schuster decided to have only the bottom of the tank painted. Two bids were submitted to the

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District for painting the tank and Manager Schuster chose to have J & B Painting from Glade Park do the work for approximately \$2,000.

**MAY 16, 1994 LETTER FROM TERRY MARINER:** Ute Board member, Terry Mariner, had asked the District to make corrections in the minutes of the March, 1994 Board meeting. Ms. Mariner thought there was some misinformation in the minutes. Director Ballagh stated that he had contacted Pat Gormley with the Water and Power Authority concerning the talk he had given to the Grand Junction Rotary wherein he stated that the Ute Water Conservancy District had been granted a loan. Mr. Gormley told Director Ballagh that when he was on the Colorado Water Conservation Board that Ute had been granted a loan and that may have been the source of confusion. The Directors agreed that the March minutes did not misrepresent the facts and chose not to make any corrections. The Directors were also confused about her complaint that Clifton did not share information concerning the District's activities with Ute. Ms. Mariner receives copies of the minutes of every meeting and all of Clifton's activities are discussed at the Board meetings and printed in the minutes. Director Ballagh will respond to Ms. Mariner's letter of May 16th.

**OTHER NEW BUSINESS:** Director Lewis stated that the Safety Committee had had two meetings to date. Director Lewis suggested that some improvements needed to be made to the water office. Director Garber stated that there was no reason to upgrade while the construction of a new office is being considered. Manager Schuster will investigate the site of the old "Wild Surf" recreation center for a future office site.

Director Wheeler moved to adjourn the meeting. Director Ela seconded the motion and it passed unanimously.

The meeting adjourned at 10:25 p.m.

ATTEST:

Serge E. Wheeler.  
Secretary

John L. Ballagh      [Signature]  
Martin Garber      [Signature]

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

Held June 15, 1994

Present were Chairman Ballagh, Vice-Chairman Ela, Treasurer Garber, Secretary Wheeler and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount and Stenographer Day-Biondich. No guests were present.

Chairman Ballagh called the meeting to order at 7:35 p.m.

**MINUTES OF APRIL 27, 1994:** Director Wheeler moved to accept the minutes of the May 18, 1994, meeting. The motion was seconded by Director Lewis. On page 2 under UNAUTHORIZED USE OF WATER the word "fine" should be changed to "penalty". The motion to approve the minutes with one correction passed unanimously. Director Ballagh informed the Board that he had signed a letter prepared by Manager Schuster to Terry Mariner, a Ute Water District Board member, in response to her letter to the District. Director Ballagh told the Board that the letter requested the same consideration from Ute that Clifton gives to them in sending them the minutes of each Board meeting.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE:** Director Garber moved to approve the financial report paying the \$55,959.26 as shown on the report, \$48,071.84 itemized on the supplemental report and a transfer of funds of \$1,500.00. The motion was seconded by Director Lewis. Director Ela questioned the need for a sign on the cash register stating that checks are accepted as cash. After a brief discussion, the Board instructed Manager Schuster to obtain the needed sign. Manager Schuster told the Board that he would confer with Attorney Bechtel and a sign would be posted before the next meeting. The motion to approve the financial report and accounts payable passed unanimously after a 20 minute discussion.

**MANAGER'S REPORT:** Director Ela questioned if the District had received any feedback from the area schools that toured the treatment plant during National Drinking Water Week. Plant Superintendent Blount said that tours were given to 433 students from five schools and the comments received were very positive. Manager Schuster told the Board that he was informed that the area schools believe that tours given by the staff are a valuable resource that are much appreciated. The Directors asked Manager Schuster to prepare a graph showing how the actual monthly/yearly water sales compared with the projection in the planning report that Manager Schuster prepared dated November, 1992. Manager Schuster will prepare an addendum to the planning report with updated figures and graphs.

**WOLFORD MOUNTAIN RESERVOIR PROJECT:** Director Lewis moved to ratify the signing of the stipulation that a majority of the Directors had approved in a telephone poll at the end of May. Director Garber seconded the motion and it passed unanimously.

**87CW376 - DENVER'S REQUEST TO REFILL DILLON RESERVOIR and 87CW379 - DENVER'S REQUEST FOR AN ADDITIONAL 600 CFS FROM THE HEADWATERS OF THE COLORADO RIVER:** Manager Schuster informed the Board that in a 1987 filing, Denver had asked to refill Dillon Reservoir and also requested an additional 600 cfs from the



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headwaters of the Colorado River in exchange for water from several unconstructed reservoirs. Manager Schuster informed the Board that an opposition statement to both requests had previously been made on behalf of the District. The consensus of the Board was to continue with the opposition to these requests because of the impact on water quality and salinity of the Colorado River that these actions pose. The Directors asked Manager Schuster to arrange a joint meeting with Chips Barry of Denver Water to openly communicate our concerns and intentions to seek mitigation on these requests.

**CROSS-CONNECTION CONTROL PROGRAM:** Director Lewis moved to adopt the Backflow Prevention Policy. Director Garber seconded the motion and it passed unanimously.

**DISPOSAL OF THE MACINTOSH COMPUTER:** Manager Schuster opened the two sealed bids received on the Macintosh computer. Tyler Lehmann was the high bidder at \$250.00. Director Ela moved to accept the high bid. Director Lewis seconded the motion and it passed unanimously.

**DISPOSAL OF THE DEC EQUIPMENT:** At the February 23, 1994, meeting, Manager Schuster told the Directors that he was having difficulty disposing of the DEC equipment as it was obsolete. Manager Schuster had inquired of three DEC users of their need of the equipment for use as parts and was told that even as parts, the machine had no value. At the February meeting Manager Schuster was directed to dispose of the DEC to anyone who would offer the District \$10. Director Garber informed the Board that he had paid the District the requested \$10 for the old DEC equipment that had been stored at Plant #2.

**POLICY FOR EXTRAORDINARY CONSTRUCTION:** Manager Schuster explained that the additions to the current Construction Policy were necessary to enable the District to pass on extraordinary costs to developers. Manager Schuster gave the recent boring of F Road as an example of an extraordinary cost that would be passed on to the developer. Director Garber questioned the necessity of the first two sentences of Section 2.1 and the use of the 50% figure. After a brief discussion, Director Ela moved to adopt the new Construction Policy. Director Lewis seconded the motion and it passed unanimously.

**PLANT INVESTMENT FEES/WATER RATES:** Manager Schuster explained his memorandum to the Board dated June 15, 1994, concerning Water Rates/Tap Fees to finance the RO treatment plant. The memo described four possible scenarios and broke down the financing using water rates and Plant Investment Fees to construct the RO plant. During the Board discussion, Director Lewis asked Manager Schuster if he could provide the Board with the mean water bill. Manager Schuster informed the Directors that he would provide the information requested at the next meeting.

**RENTAL OF GVICO SHARES TO VERNON HARPER:** Manager Schuster informed the Board that Vernon Harper had declined to lease 500 shares of GVICO from the District after Mr. Gunther, Assistant Superintendent GVICO, informed him

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that he needed the same amount of "C" shares as he did "B" shares. Manager Schuster told the Directors that the going rate for leasing shares was \$13 per share. Manager Schuster continued by saying that if the District was interested in leasing their GVICO shares an individual broker should be contacted. Director Ballagh abstained from any consideration on this topic. Director Garber suggested that the District contact a broker and inquire as to the cost of their services.

**CWR & PDA LOAN APPLICATION:** Manager Schuster informed the Directors that he had completed filling out the loan application for the Colorado Water Resources and Power Development Association. The Directors discussed whether the application was premature and if the District should wait until more information concerning the RO system is collected. Director Garber said that if Amendment 12 passes in the November election it could restrict certain functions of the District. Director Garber went on to suggest that the application be submitted. Manager Schuster stated that the application is needed to begin the process that could be stopped at a later date if necessary. Director Garber moved to authorize Manager Schuster to send in the application. Director Lewis seconded the motion and it passed unanimously.

**OTHER OLD BUSINESS:** Director Lewis asked if he should throw his copy of the old Personnel Manual away since he had received a new copy. Manager Schuster stated that the old Personnel Manuals may be thrown away, however, he asked that the Board return the jackets from them for recycling.

**REVIEW OF COMMENTS RECEIVED ON RO BLEND WATER:** Manager Schuster gave each Director the results of the customer questionnaire distributed with the RO blend water that the District had been giving away. The results of the questionnaire indicated that the customers were very positive toward the RO blend water. Director Ballagh asked if staff intended to continue distributing the RO blend water. Manager Schuster told the Board that insuring the water quality of the RO blend was a very labor intensive process which was a large reason for the District to not continue the project any longer. Assistant Manager Tooker stated that over 1000 gallons of water was given away with each person receiving an average of five gallons.

**USING THE WATER DISTRICT TO EVICT RENTERS AND OTHERS:** Manager Schuster informed the Board that recently the District has had several requests from landlords to put the water service at their property into their name and shut the water off as a means of evicting tenants. It is the policy of the District to inform these individuals that the District is not in the business of evicting tenants or others and that the owner needed to seek the proper channels of eviction. The consensus of the Board was to continue in the same manner as always.

**CHRISTMAS DINNER:** Manager Schuster informed the Board that the cost of last year's Christmas dinner exceeded \$1,000. The District contributed \$500 toward the dinner and the remainder came from the recycled materials fund.

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However, that fund is now defunct. Manager Schuster suggested that either the employees will need to pay a portion of the costs or the District will need to increase the portion that they contribute. Director Lewis moved to spend up to \$1,000 for the dinner for this year and stated that \$1,000 is an inexpensive way to show appreciation to the employees. Director Ela seconded the motion, stating that in the motion it was implicit that the District would have a Christmas dinner. The motion passed unanimously.

**OTHER NEW BUSINESS:** Director Ballagh pointed out that GVICo was having their 100th anniversary open house on June 21, 22 and 23; and, since the District is the largest shareholder a token of appreciation in the form of flowers or a plaque would be appropriate. Director Ela moved to spend up to \$100 for a plaque congratulating them on 100 years of service. Director Garber seconded the motion and it passed unanimously.

Director Ballagh questioned whether the District had a contingency plan for water in case of a drought. It was decided to put this item on the agenda for the November meeting.

Director Ballagh suggested sending a congratulatory letter to Eric Kuhn on his appointment to the Colorado Water Conservancy Board.

Director Lewis inquired as to the status of the Wild Surf building. Manager Schuster informed him that the church that had purchased the building was not interested in selling.

Director Lewis moved to adjourn the meeting at 10:20 p.m. Director Wheeler seconded the motion and it passed unanimously.

The meeting adjourned at 10:20 p.m.

ATTEST:

George E. Wheeler  
Secretary

M. M. Ela

John L. Ballagh

[Signature]

Martin Garber

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

Held July 20, 1994

Present were Chairman Ballagh, Vice-Chairman Ela, Treasurer Garber and Secretary Wheeler. Director Lewis' absence was excused. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount and Stenographer Day-Biondich. Guests present were Vere and Leona Williams.

Chairman Ballagh called the meeting to order at 7:30 p.m.

**VERE AND LEONA WILLIAMS:** Vere and Leona Williams were guests at the meeting. The Williams' and the District had entered into an agreement dated October 20, 1993, which basically stated that the District would install a waterline to the Williams' property at the Williams' expense. However, the Williams' would be allowed to recapture their investment as other users tapped onto the line. The Williams' wanted to trade their value in the waterline for water taps. After a lengthy discussion, Director Ballagh suggested Manager Schuster meet with the Williams' to prepare a written document for presentation at the August meeting for consideration by the Directors. The Williams' indicated that this suggestion was agreeable to them.

**MINUTES OF JUNE 15, 1994:** After a brief discussion, the Board's consensus was to defer any action on the minutes of the June 15, 1994, until the next meeting.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE:** Director Wheeler moved to approve the financial report paying the \$52,652.50 as shown on the report, \$8,389.21 itemized on the supplemental report and a transfer of funds of \$101,712.88. The motion was seconded by Director Ela. The motion to approve the financial report and accounts payable passed unanimously after a 20 minute discussion.

**MANAGER'S REPORT:** Manager Schuster informed the Board that the City of Grand Junction had taken water from the District during the first few days of July due to a break in their flowline. There was some concern about the problems that occurred when the direction of water in the pipes was reversed to enable the City to receive our water. Manager Schuster told the Board that with the new District procedures for handling these episodes, problems in the future will be avoided.

Manager Schuster informed the Board that he had written a letter to the City of Grand Junction advising them of the District's plans to construct a RO plant. Manager Schuster had been told that if the TDS in the District's water was lower, the City may want to use the District's water during the summer months. In the letter to the City, Manager Schuster said that the TDS would be 265 ppm and asked if they would be interested in a joint venture to enlarge the planned size for the plant to enable the District to supply the City with more water. Director Ballagh stated that if the District does construct a RO plant, the need for the District to receive water from the City, even during the winter months, will be eliminated.

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**WATER CASES 87CW376 and 87CW379:** Manager Schuster informed the Board that he had written a letter to Chips Barry, Manager of Denver Water, asking to arrange a meeting to discuss these cases. Manager Schuster had not heard anything from Denver Water as of this date. Director Ela stated that if Denver Water is opposed to coming to Grand Junction, the District should send Manager Schuster to Denver to discuss these cases to avoid any after effect of getting into the lawsuit. This was the consensus of the Board.

**ORCHARD MESA SANITATION DISTRICT:** Manager Schuster informed the Board that Orchard Mesa Sanitation District (OMSD) had guaranteed the District that the sewer ponds for Valle Vista would be dried up by November of 1994. OMSD would like an extension on this until November of 1995. Manager Schuster recommended to the Board that the District allow this since it really has no impact on the District. Director Ela moved to allow OMSD until November 1995 to dry up the ponds at Valle Vista. Director Garber seconded the motion and it passed unanimously.

**PLANT INVESTMENT FEES/WATER RATES/GROWTH:** Manager Schuster stated that the material on the agenda was for informational purposes only. The mean water bill was \$11.20 to \$12.50 with the usage being between 7,000 and 8,000 gallons. Thirty-two percent of all of Clifton's customers use between 7,000 and 8,000 gallons of water per month. Fifty-two percent of Clifton's water customers use between 4,000 and 10,000 gallons of water per month. Manager Schuster pointed out to the Board that the November 1992 Planning Report had used a growth of 4% and in reality the average growth over the last three years has been 3%.

Assistant Manager Tooker told that Board that at the Colorado Utility Council Meeting he had attended on July 13, 1994, mention was made concerning a Bureau of Reclamation Water Conservation Plan. The information provided indicated that anyone receiving water from a federal project may be required to implement the Bureau's Water Conservation Plan. Staff will keep abreast of any developments concerning this issue and keep the Directors informed.

**SAFETY PROGRAM:** Assistant Manager Tooker informed the Directors that the Safety Manual was completed with the cooperation of the Safety Committee. Director Ela questioned what the initial reason was for the District Safety Manual. Assistant Manager Tooker stated that the development of the Safety Program was a step in the CCIA certification process that would reduce the District's Worker's Compensation premiums in addition to providing a safe work place. Director Wheeler questioned where employee horseplay is addressed. Assistant Manager Tooker stated that some aspects including horseplay were referenced in the Personnel Manual. Director Garber questioned where any District Manuals addressed employees use of over-the-counter or prescription drugs which could cause drowsiness. After a brief discussion, it was suggested that the Safety Committee address this issue with the committee members and supervisors.



**OTHER OLD BUSINESS:** Director Garber inquired if we had collected any fish for the Fish and Wildlife Service. Manager Schuster told the Board that the Fish and Wildlife Service was supposed to submit a proposal to the District for protection of the endangered fish, however, the District has not received anything from them yet.

Director Ballagh questioned if Mountain States Tree Service was still using the property at Plant #2 for debris from their business. Manager Schuster told the Directors that Mrs. Nichols has use of that portion of land until her demise.

**PLANT INVESTMENT FEES/WATER RATES:** Director Wheeler expressed concern that the construction expense for the first six months of 1994 exceeded the revenue from Plant Investment Fees by an excess of \$100,000. Director Wheeler also stated that the existing Plant Investment Fees had been in affect since September 1981 and that the existing water rates had been in affect since October 1989 and that it was about time for some adjustment. Director Wheeler moved to set the Plant Investment Fees as follows: 3/4" tap, \$ 2,500; 1" tap, \$4,000; 1½" tap, \$7,000; 2" tap, \$9,175; 3" tap, \$16,600; a 4" or less fire line, \$6,660; 6" fire line, \$9,335; 8" fire line, \$12,500; 10" fire line, \$16,665; 12" fire line, \$23,335; effective immediately and to increase the water rates effective November 1, 1994, for in-District Clifton Water District customers at \$7.00 per meter for 3,000 gallons per month (minimum) plus \$1.50 per thousand gallons of water for all water used over the minimum. Water rates and Plant Investment Fees for out-of-District customers will remain at 1.5 times the in-District rate. The motion was seconded by Director Garber and after considerable discussion, passed unanimously.

**CATHODIC PROTECTION - 27" LINE AND WEST TANK:** Manager Schuster reported that an electrical survey had been made of the 27" welded steel pipeline that runs from the treatment plant to 32 Road along the E Road alignment. The results of the study showed that the line was still being protected by the magnesium anodes previously installed. The voltage readings indicated that one or two of the anodes may need replacement within the next year. Manager Schuster reported that this work had been scheduled. Manager Schuster also reported that the cathodic protection for the West tank had been completed and that current for the interior anode was being supplied by a 12 volt battery which was being charged by a solar panel on top of the tank.

**ORCHARD MESA CHECK (WATER CASE 91CW247):** Manager Schuster reported that the District had received a letter from Herman Beard, Chairman of the Board of Directors of the Orchard Mesa Irrigation District, requesting the Districts moral and financial support for water case 91CW247. This case has to do with the Orchard Mesa Irrigation District's request to adjudicate their practice of using the "check" for the benefit of Grand Valley interests. The objectors in this case are attempting to reduce the Cameo call from 2,260 cfs to 1,700 cfs. A reduction in the Cameo call would increase the concentration of dissolved solids in the river which would increase the

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hardness of water used by Clifton customers. Director Ballagh suggested that Orchard Mesa Irrigation District host a meeting of Grand Valley water users and other interested parties to explain the thought process that went into adjudicating Orchard Mesa's practice of using the check. Manager Schuster said he would pass this information on to the Irrigation District.

**OTHER NEW BUSINESS:** Manager Schuster told the Board that the District had been approved for financing by the Colorado Water and Power Resources Authority. However, the District has not officially been informed of this approval in writing.

The meeting adjourned at 10:50 p.m.

ATTEST:

George E. Wheeler  
Secretary

John L. Ballagh

Wm. M. El

Martin Barber

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

Held August 17, 1994

Present were Chairman Ballagh, Vice-Chairman Ela, Treasurer Garber, Secretary Wheeler and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount and Stenographer Day-Biondich. Guests present were Vere and Leona Williams and Dave Dearborn.

Chairman Ballagh called the meeting to order at 7:35 p.m.

**VERE AND LEONA WILLIAMS:** Manager Schuster and the Williams' had prepared a mutually agreeable amendment to the October 20, 1993 contract between the District and the Williams' and had presented this to the Board. The contract basically honored the Williams' request to delete the recapture portion of the October agreement in favor of the District providing the Williams' with four 3/4" residential taps. In accordance with the October 20, 1993, agreement the Williams' could recapture \$7,297.30 from other people tapping on to the line. The amendment gave Clifton all ownership in the line in exchange for four 3/4" residential taps on the line. Director Wheeler moved to accept the amendment to the October 20, 1993 agreement. The motion was seconded by Director Lewis and after a lengthy discussion passed with Director Lewis casting a "nay" vote.

Leona Williams then read aloud a proposal she had prepared stating three alternatives for the District to provide water to an area directly east of the Williams' residence all the way to Reeder Mesa Road. After reading the proposal for a period of time, the Directors stopped Mrs. Williams and requested that Mrs. Williams get with Manager Schuster before the next meeting to work out a proposal on the alternatives that could then be presented to the Board for action. Director Ela moved to table the matter to the next meeting to give Manager Schuster and Mrs. Williams a chance to work out the details to be presented to the Board of Directors. Director Lewis seconded the motion and it passed unanimously.

**DARLA JEAN II ANNEXATION TO THE CITY:** Dave Dearborn was present to ask the Directors to be the lead agency in objecting to the City's annexation of the Clifton area bounded by Interstate 70 on the North, 32 Road on the East and I-70B on the South. Mr. Dearborn showed that only 9% of Clifton's customers responded positively to being annexed to Grand Junction in response to a questionnaire that went out with the March, 1993 issue of Waterline. Mr. Dearborn told the Directors that the only way to stop the City annexation was to incorporate Clifton, or at least the commercial area. The Directors did not believe that they wanted the Water District to be the lead agency to oppose the annexation but advised Mr. Dearborn to assemble a contingent of 35 to 40 individuals to attend the City's September 7, 1994 hearing and object to said annexation. Director Lewis stated that Mayor Mantlo had indicated that there was no objection from the public for the City's mass annexation and that was one reason why the City was proceeding with their plans.

After a very lengthy discussion, Director Ela moved to obtain a legal opinion before the September 7, 1994 hearing on what the alternatives of

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the District are in face of the annexation of Darla Jean II and of the City's 1995 annexation plans. The motion was seconded by Director Garber and passed unanimously.

**MINUTES OF JUNE 15, 1994:** Director Garber moved to accept the minutes of the June 15, 1994 meeting as presented. Director Wheeler seconded the motion and it passed unanimously.

**MINUTES OF JULY 20, 1994:** Director Wheeler moved to accept the minutes of the July 20, 1994 meeting as presented. Director Garber seconded the motion and it passed with Director Lewis abstaining since he was absent from the meeting.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE:** Director Ela moved to approve the financial report paying the \$50,253.00 as shown on the report, \$8,015.16 itemized on the supplemental report and a transfer of funds of \$101,500.00. The motion was seconded by Director Garber. The motion to approve the financial report and accounts payable passed unanimously after a brief discussion.

**MANAGER'S REPORT:** The Board of Directors questioned if anyone had paid the increased Plant Investment Fee set at the July 20, 1994 Board meeting. Manager Schuster informed the Board that a few individuals had purchased taps but that none had been sold to subdivisions at this time. Director Ballagh told Manager Schuster that Gay Johnson Tires and Brewer Tires would sell tires to the District at the state bid award price.

**WATER CASES 87CW376 and 87CW379:** Manager Schuster informed the Board that Chips Berry, Manager, Denver Water, would be in Grand Junction on Friday, August 26, 1994 to discuss the position of Denver Water in some water cases. There will be an open meeting at Two Rivers Plaza starting at 10:00 a.m. and lunch will be included. Director Wheeler moved to have the District pay half the cost of the luncheon. Director Lewis seconded the motion and it passed unanimously.

**OUTDOOR CLASSROOM AT PLANT #2 FOR SCHOOL DISTRICT:** Manager Schuster read a letter from Janet L. Henwood, Interim Superintendent, Mesa County Valley School District 51 in which she expressed interest on behalf of School District 51 to lease 111 acres located at Plant #2 from the Water District. In Ms. Henwood's letter she stated that the term would need to be at least 25 years in duration and that the School District would have exclusive use of the property for educational purposes. Assistant Manager Tooker told the Board that there were some restricted areas that would not be available for School District use. Director Ballagh strongly opposed the idea of the exclusivity of the agreement. Director Ela questioned if the agreement with the Soil Conservation District was negotiable as far as the duration of the lease, size of acreage or exclusivity of the use of the land. Director Ela moved to accept the concept of the lease to the School District with the understanding that the Board has concerns on the amount of land, length of time of the lease and the exclusive nature of the lease. Director Lewis seconded the motion. Director Garber expressed some concern on what an

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appropriate buy-back price of the lease would be should the District want to utilize the land for other projects prior to the end of the lease agreement. The motion passed with four "ayes" and Director Garber voting "nay".

**ANDY RUSSELL PROPERTY:** One of the Water District customers brought to Manager Schuster's attention that the property south of Whitewater belonging to Andy Russell was listed for sale. There was some concern over the availability of water and whether there may be some illegal usage of Clifton Water District water such as a "midnight tap". Manager Schuster told the Board that he had contacted the realtor and was informed that currently that property only has use of a cistern for water, however, a tap could be purchased from the Clifton Water District. Director Wheeler questioned if the District had the capacity to serve all of the people in that area. Manager Schuster told him that the District had the capability to serve water to that area and would produce a report showing how much water the District could serve to the number of households in the area.

**ORCHARD MESA CHECK:** Manager Schuster explained to the Directors how the objectors to 91CW247 want to reduce the Cameo call to 1,700 cfs from 2,260 cfs. Manager Schuster stated that this could effect the District's Colorado River Pipeline decree. The discussion took about fifteen minutes with the consensus of the Directors advising Manager Schuster to keep abreast of the developments.

**SUPPLEMENTAL REPORT:** Manager Schuster informed the Board that the Supplemental Report to the 1992 Planning Report would be finished within the next week. Manager Schuster gave the Board some ideas of what to expect in the Supplemental Report as far as alternatives for the Water District.

**WHITING BROTHERS GRAND MESA WATER:** Director Wheeler moved to table any discussion on the Whiting Brothers Grand Mesa Water for another year. Director Lewis seconded the motion. Director Garber asked if there were any new developments. Manager Schuster told the Board that Merle Goodwin had called to discuss the prospect of the District buying that water again. Manager Schuster told Mr. Goodwin that at this time the District was still not interested. The motion to table this passed unanimously.

**OTHER OLD BUSINESS:** Manager Schuster told the Board that as a safety feature, he felt that 110 power should be installed at the 34 Road Gatehouse. This would enable people working there to have lights and electricity to operate pumps and machinery. Manager Schuster told the Board that this would come to a total of \$3,400, which was not in the budget as a line item, however, the funds were there. The Board consensus was to install power to the Gatehouse.

**INVESTMENT OF DISTRICT'S CASH RESERVES:** Manager Schuster informed the Board that the District had funds that needed to be invested. Manager Schuster had called several Mesa County financial institutions and found that the District could receive a higher rate of interest from Western Community Bank in Cedaredge than in any place in Mesa County and stay within the FDIC/FSLIC insurance limit. The District has a policy that District funds will be



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invested in Mesa County and Manager Schuster asked if the Board wanted to make a variance to the investment policy or invest at a lower rate of interest. Director Garber moved to waive the District policy in regard to investments and further moved that the following resolution be adopted:

**Whereas** it is in the best interests of the Clifton Water District to invest monies on hand at a good rate of interest when not needed in the present conduct of business, and

**Whereas** the Manager has been authorized to make these investments in the best interest of the District.

**Now therefore be it resolved** that the Board of Directors authorize the Manager to invest a portion of the District's cash reserves in a financial institution (Western Community Bank) secured by an agency of the United States of America in amounts to not exceed the insurance limits of either the F.D.I.C. or the F.S.L.I.C.

**Be it Further Resolved** that any one of the Directors or Manager be able to make the investment and that signatures of any two of the Directors or any one of the Directors along with the Manager be able to withdraw the funds.

Director Lewis seconded the motion and it passed unanimously.

**WORLD SAVINGS RESOLUTION:** Manager Schuster explained to the Board that World Savings Bank had contacted him because they did not have a current resolution on hand. Director Lewis moved to sign a new resolution for World Savings Bank for their files. Director Ela seconded the motion and it passed unanimously.

**GROUND WATER AT STONEGATE SUBDIVISION:** Manager Schuster told the Board that the developers of Stonegate Subdivision have a ground water problem that they think is from a leak in Clifton's distribution system. Manager Schuster informed the Board that the Laboratory had taken several samples from the suspected leak site. Samples of the leak substance were analyzed by our laboratory as well as Ute's laboratory for trihalomethanes (THM's). All samples were negative for THM's. Assistant Manager Tooker explained to the Board that THM's are present only when chlorinated water is present, thus, the water tested was not water from the Clifton Water District distribution system. Assistant Manager Tooker also explained that other tests on the suspected leak were performed and all data indicated that the water was ground water and not potable water.

**NEXT YEAR'S BUDGET:** Director Ela moved to appoint Manager Schuster to prepare the District budget for 1995 for preliminary presentation at the September 21, 1994 Board meeting. Director Wheeler seconded the motion and it passed unanimously.

**SDA ANNUAL MEETING:** Manager Schuster told the Board that he would like to know who was planning on attending the SDA Annual Meeting at Estes Park September 14 through September 16, 1994. Director's Ballagh and Garber are planning on attending. Director Lewis moved to nominate Director Ballagh for the position of Director of the Special District Association of Colorado. Director Ela seconded the motion and it passed unanimously. It was the Board consensus that a special meeting for debriefing on the SDA

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Annual Meeting would only take place if time did not allow for it at the next regular Board Meeting.

**COLORADO WATER AND RESOURCES POWER DEVELOPMENT AUTHORITY (CWRPDA) LOAN:**

Manager Schuster told the Board that signing a irrevocable letter of commitment was premature at this time and that such a letter, if signed by the Board, would cause the District to be liable for costs incurred by the CWRPDA. Director Garber moved to not commit to the CWRPDA at this time for a loan. Director Lewis seconded the motion and it passed unanimously. Manager Schuster told the Board that since the District was not committing at this time, the selection of a bond attorney would not be necessary.

**OTHER NEW BUSINESS:** Director Garber informed those present that he had the 1993 Annual Report for the Colorado Special District's Liability Pool if anyone wanted to see it. Director Garber stated that the Pool was in excellent shape, that it was continuing to grow and that the coverage was increasing.

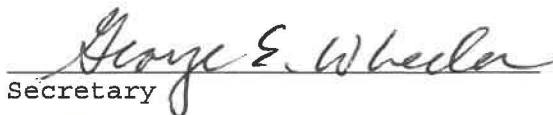
Assistant Manager Tooker pointed out to the Board that while Tom Shawler and Tyler Lehmann had attended a class for backflow prevention, they had both passed the tests to become Certified Backflow Prevention Technicians. Director Ballagh said that the Board commended them on a good job.

Director Ballagh asked if the abandoned storm water retention pond by Valle Vista had "NO TRESPASSING" signs around it. Manager Schuster stated that there were signs on two sides, however no sign was on the Highway 141 side. Manager Schuster told the Board that he would have someone get the signs posted.

Director Lewis moved to adjourn. Director Garber seconded the motion and it passed unanimously.

The meeting adjourned at 11:15 p.m.

ATTEST:

  
Secretary









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

Held September 21, 1994

Present were Chairman Ballagh, Treasurer Garber, Secretary Wheeler and Director Lewis. Vice-chairman Ela's absence was excused. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount and Stenographer Day-Biondich. Guests present were Lillian Stretch, Vere and Leona Williams and Ann and Gene Baughman.

Chairman Ballagh called the meeting to order at 7:35 p.m.

**LILLIAN STRETCH:** Mrs. Stretch was in attendance to ask for relief on the three \$1.00 penalties on her water bills that she had received this summer. Mrs. Stretch started out with a \$17.70 water bill in June and, being on a fixed income, was unable to pay the full bill before the next billing cycle and she had been assessed a \$1.00 penalty. Mrs. Stretch was also unable to pay the full bill for the next two months and was also assessed two other \$1.00 penalties for a total of \$3.00. Mrs. Stretch asked the Board to please remove the penalties which had been charged to her account since she was "... at least paying on the bill." Director Garber informed Mrs. Stretch that it had been Board policy for several years to assess a penalty on accounts not paid in full and that the penalty would not be removed. However, he offered to pay the \$3.00 in penalties with funds that he personally had unexpectedly received from another source. Mrs. Stretch thanked Director Garber with a big hug and thanked the other Director's verbally and left the meeting.

**VERE AND LEONA WILLIAMS:** Mr. and Mrs. Williams appeared before the Board to request a master meter to be installed on Blair Road to serve ten water taps on the Williams' property and one water tap for the Baughmans. Director Garber stated that considerably more detail would have to be presented to the Board before he could make a determination of whether to favor her request but accepted the concept of a master meter to serve eleven taps with the details to be worked out later. Director Garber then moved to accept the concept of a master meter on Blair Road for Williams' ten taps and Baughman's one tap at this time with the details of the agreement to be worked out by Manager Schuster and the Williams. Director Lewis inquired as to the similarity between the Williams' request and the agreement in place with Hidden Valley Water Company. Manager Schuster stated that the details of both cases were very similar. At that, Director Lewis seconded the motion. The motion passed unanimously and Manager Schuster was instructed to prepare a mutually agreeable written agreement between the District and the Williams' for presentation at the October meeting.

**MINUTES OF AUGUST 21, 1994:** Director Lewis moved to accept the minutes of the July 20, 1994 meeting as presented. Director Garber seconded the motion. Director Wheeler suggested a small change be made to the minutes and the motion to approve the minutes passed with said correction.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE:** Director Garber moved to approve the financial report paying the \$72,159.08 as shown on the report, \$7,997.38 itemized on the supplemental report and a transfer of funds of \$176,992.15.

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The motion was seconded by Director Lewis. The motion to approve the financial report and accounts payable passed unanimously after a brief discussion.

**MANAGER'S REPORT:** Manager Schuster told the Board that there had been a rash of poly leaks in August. There had been no apparent reason for all of the leaks, however, the time put into repairing the leaks had delayed the installation of improvements in several new subdivisions. Director Lewis questioned if there was any way to check on whether the batch of poly where the leaks were occurring was bad. Manager Schuster told the Directors that there were batch numbers on each roll of poly. Initially, it was thought that the District had received a bad batch of poly pipe, but later on it was discovered that regardless of the batch number, the poly failed.

**1994 SUPPLEMENTAL REPORT:** Director Ballagh said that he was personally offended at the supplemental report as it was his opinion that the staff had already identified reverse osmosis as the optimum method of treating water for drinking purposes and did not know why the purchase of raw water from the City was a part of the report. Director Garber echoed Director Ballagh's sentiments. Manager Schuster stated that reverse osmosis is the optimum in treating water for drinking purposes as it not only removes the dissolved solids but also removes approximately 97% of the organics that form disinfection by-products. Manager Schuster went on to state that he would be remiss if he had not informed the Directors of all alternatives in reducing the dissolved solids in Clifton's drinking water and stated further that with flocculation and sedimentation preceding filtration, that Clifton could reduce the organics in the City's raw water, and therefore the disinfection by-products. The City does not have the capability of flocculation and sedimentation and therefore, Manager Schuster feels that they could have problems meeting EPA's proposed disinfection by-products rule. Directors Lewis and Wheeler agreed that the supplemental report was what they wanted as it gave the District an alternative to study. Manager Schuster also stated that the City was having a study prepared by Black and Veatch Engineers to determine the City's cost to deliver water to Clifton at the crossover. The previous cost given to the District by the City, and considered to be firm at the time, may be changed. Manager Schuster further said that he had been approached by the consulting engineer preparing the plans and specifications for Ute's new flowline to see if Clifton would be interested in purchasing treated water from Ute. Manager Schuster told him that the District had not ruled out any possibilities and was open to looking at other alternatives. Director Ballagh asked Manager Schuster to write down the pros and cons concerning reverse osmosis and the City of Grand Junction's water.

**DENVER WATER'S VISIT:** Manager Schuster told the Board that the meeting with Denver Water had gone well. In the meeting, Chips Berry, Manager of Denver Water, stated that Denver was in the process of firming up contracts with other metropolitan water users and would only be looking at from 45,000 to 90,000 acre feet of Colorado River water for the future. Mr. Berry went on to state that the Metropolitan Water Providers, not Denver, would be the more likely entity to pursue transmountain diversions to meet their needs.

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**ORCHARD MESA CHECK - CASE 91CW247:** Manager Schuster informed the Board that at the Orchard Mesa Check meeting, Orchard Mesa was asking for moral and financial support for their cause. Manager Schuster recommended that the Board instruct Attorney White to enter the District's appearance in the case in favor of the applicants and to contribute financially to Orchard Mesa to assist them with their attorney fees to protect the quality of the District's water right in the Colorado River. Manager Schuster told the Board that if Orchard Mesa lost the case, the salinity in the river could be increased due to reduced flows at Cameo and therefore the District's water quality could suffer. Director Lewis moved to accept the Manager's recommendation and authorized Attorney White to enter the District's appearance in the case in favor of the applicants at a cost not to exceed \$1,000, and further to make a contribution to Orchard Mesa of \$5,000 to defray their attorney fees for the express purpose of protecting the District's water quality. Director Garber seconded the motion and it passed unanimously.

**GROUND WATER AT STONEGATE:** Manager Schuster told the Directors that the source of the ground water in Stonegate Subdivision was from an irrigation ditch approximately 1/8 mile from where it surfaced over the water line.

**WATER FOR WHITEWATER AREA:** At the Directors request, Manager Schuster had prepared a report on the amount of water available to customers in the Whitewater area and south of Whitewater. The report stated that there was sufficient water for at least fourteen more customers over and above the number of customers already committed, but not necessarily drawing water from the system at this time. The Directors asked how many more taps could be serviced if the District would relocate the existing 100,000 gallon tank from Plant #1 to somewhere near the Whiskey Flats area. Manager Schuster will make a study of the best place to relocate the tank and provide an estimated cost for moving the tank for the October meeting.

**CITY'S ANNEXATION PLANS:** The general consensus of the Board was that the District as an entity cannot stop the annexation of the Clifton area by the City of Grand Junction. Director Lewis stated that the Pinkerton's (Pinkerton Floors in Clifton) are working toward incorporating Clifton.

**INVESTMENT POLICY:** Director Wheeler moved to accept the revised Investment Policy. Director Garber seconded the motion and it passed unanimously.

**1995 BUDGET:** Director Lewis moved to set a hearing date for the 1995 Clifton Water District budget for October 19, 1994. Director Wheeler seconded the motion and it passed unanimously after some discussion.

**AGREEMENT WITH WESTERN STATES WATER AND POWER, INC.** Director Garber stated that he had not received any information on this agreement and that it should be placed on the agenda for a year from now.



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**EASEMENT FOR LOT 4, BLOCK 1 OF CHRISTINA MEADOWS SUBDIVISION:** Manager Schuster explained to the Directors that in order to loop our system and provide better fire protection, the District needed to have an easement along the south edge of Lot 4, Block 1 of Christina Meadows. Lot 4 belongs to a Mr. Cooper. Mr. Cooper told Manager Schuster that he would sign an easement in exchange for a reduced price on his water tap. Manager Schuster made a telephone poll of the Directors and received three affirmative votes for allowing Mr. Cooper to pay the old rate (\$1,500) for a water tap. Director Garber moved to ratify the telephone vote of allowing Mr. Cooper to pay \$1,500 for his water tap. Director Lewis seconded the motion and it passed with three ayes and Director Ballagh voting nay.

**OUT-OF-DISTRICT TAP FOR BLM:** Manager Schuster told the Board that BLM had contacted him regarding an out-of-District tap on Whitewater Hill near the Department of Transportation barn presently under construction. Director Wheeler moved to allow an out-of-District tap to the BLM at that location. Director Lewis seconded the motion and it passed unanimously.

**SPECIAL ITEMS:** Director Garber moved to withhold the special items listed on the agenda until the next regularly scheduled meeting or a special meeting if so called. Director Lewis seconded the motion and it passed unanimously.

Director Garber moved to adjourn the meeting. Director Lewis seconded the motion and it passed unanimously.

The meeting adjourned at 9:40 p.m.

ATTEST:

  
Secretary

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

Held October 19, 1994

Present were Chairman Ballagh, Vice-Chairman Ela, Treasurer Garber, Secretary Wheeler and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount and Stenographer Day-Biondich. Guests present were Vere and Leona Williams, Mark Hermundstad and Larry Hicks.

Chairman Ballagh called the public hearing on the budget to order noting that the time and place for said hearing was published in accordance with C.R.S. 29-1-106 (3)(a) at 7:35 p.m. Hearing no opposition to the budget the chair asked for a motion to adjourn the public hearing. Director Lewis moved to close the public hearing on the budget. Director Ela seconded the motion and it passed unanimously.

Director Ballagh called the regular meeting of the Board of Directors to order at 7:40 p.m.

Director Garber moved to reposition item numbers 2 and 5 under Old Business on the agenda to the Guest section of the agenda to expedite the guests present. Director Wheeler seconded the motion and it passed unanimously.

**VERE AND LEONA WILLIAMS:** Director Lewis moved to accept the proposed agreement between the Williams' and the District. Director Ela seconded the motion. Leona stated that they may want to put in a 1 1/2" tap rather than just a 1" tap. Manager Schuster told the Williams' that he doubted they would need a 1 1/2" tap since a 1" tap would supply 50 gallons per minute. Manager Schuster explained that 50 gallons per minute would be enough to supply the proposed development. The motion to accept the proposed agreement with some minor changes and corrections passed unanimously.

**VALLE VISTA HOMEOWNERS ASSOCIATION:** Attorney Mark Hermundstad asked the Board to extend the time of the agreement between the Valle Vista Homeowners Association and the District from November 1, 1994 to a later date. Attorney Hermundstad told the Board that his clients did plan on returning the Rolling Hills Note, Deed of Trust and Financing Statement to the District. In the Note Purchase Agreement of November 17, 1993, certain terms had to be met before the Homeowners Association would be released from any further liability on the Note they signed with the District. Attorney Hermundstad asked the Board to extend the time of the agreement which the District had with the Homeowners until early spring 1995 to allow all of these terms to be met. Director Lewis moved to extend the agreement between the District and the Valle Vista Homeowners Association to March 13, 1995. Director Wheeler seconded the motion and it passed unanimously. Attorney Hermundstad will prepare an addendum to the agreement. Manager Schuster asked Attorney Hermundstad about the delinquent taxes on said property. Attorney Hermundstad explained that he would be advising his clients to pay the 1993 taxes as well as the 1994 taxes on the property in order to keep them current.

**WHISKEY FLATS WATER USERS:** Larry Hicks was representing water customers on the City's flowline in the Whiskey Flats area. The Whiskey Flats area is the area in the approximate location of the SW 1/4 of the SW 1/4 of Section 17, T 2 S, R 2 E of the Ute Meridian - or about 3 miles on Reeder Mesa Road from Highway 50. Mr. Hicks explained to the Board that there were five water users receiving water from the Purdy Mesa flowline and filtering it through "point-of-use" devices for domestic purposes. The City of Grand Junction was desirous of having these water customers obtain an alternative source of water so that the City could be in compliance with the requirements of the Colorado Primary Drinking Water Standards (which is the State's version of the Federal Safe Drinking Water Act). After some discussion, Chairman Ballagh told Mr. Hicks to prepare a written proposal for the Board's consideration at the November meeting and that said proposal should be coordinated with Manager Schuster. It was the general consensus of the Board members that this was satisfactory and that they would make a decision based on the proposal at the November meeting.

**MINUTES OF SEPTEMBER 21, 1994:** Director Wheeler moved to accept the minutes of the September 21, 1994 meeting as presented. Director Lewis seconded the motion. The motion to accept the minutes as prepared passed unanimously. Director Ballagh stated that he felt the District should notify the developer in Stonegate Subdivision that acknowledgement should be given to the District stating that the source of the groundwater had been found. Director Ballagh continued by stating that the developer needed to be made aware of the fact that the Clifton Water District was not responsible and that the developers were aware of the amount of time and cost the District had incurred because of this problem. Director Ela moved that Manager Schuster write a letter to J.P. White, who is the developer of Stonegate, to make sure that he is aware of the expense the District incurred in light of the District first telling the builder that it was not our water. It was suggested that a copy of this letter be mailed to all parties involved. Director Ela also stated that it should be noted that the Clifton Water District staff has an unsurpassed expertise in this area. This expertise was not acknowledged and for the most part discounted by the involved parties. Director Garber seconded the motion and it passed unanimously.

**CHECK CASE:** Director Ela asked Manager Schuster to explain how the salinity in the river would increase if the opponents to 91CW247 prevailed. Manager Schuster explained the case to Director Ela. Manager Schuster informed the Board that the Grand Valley Irrigation Company objected to allowing the District into the case. Attorney White had not been able to contact Attorney Aldridge representing GVIC to find out what their reason for opposing the District's intervention in the case. Manager Schuster was asked to express Clifton's displeasure to GVIC for their objection to Clifton entering the case.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE:** Director Garber moved to approve the financial report paying the \$52,324.05 as shown on the report, \$11,679.18 itemized on the supplemental report and a transfer of funds of \$1,500.00. The motion was seconded by Director Lewis. Director Wheeler said he would give all pertinent information of the poly piping to Manager Schuster to get in touch with the proper individuals to see what the District can do about recouping some of the expenses of the poly pipe leaks. The motion to approve the financial report and accounts payable passed unanimously.

**MANAGER'S REPORT:** Director Ballagh told the staff that Community Hospital had a program on lifting safety. Director Ballagh said that they would come to the Office and do the program if the staff would contact them. The staff told the Board that a Red Cross volunteer had just completed a lifting safety program for the District during the month of October. Assistant Manager Tooker stated that he would look into the program at Community Hospital.

**MANAGER'S OCTOBER 7, 1994, MEMORANDUM:** Manager Schuster asked the Board if they would like to continue with the testing of reverse osmosis water for the District in light of his October 7, 1994 memorandum. Director Ballagh stated that after reading said memorandum, he felt that RO was the most positive way to meet all the requirements of the Safe Drinking Water Act including the Disinfection By-Products Rule (DBP's). Director Ballagh continued by telling Manager Schuster that his biggest concern was having enough information so that the Board as a whole could make a decision to proceed with whatever alternative treatment was selected. This information was essential if they were to respond to their constituents questions about their decisions. Director Garber was concerned about the taste of the water when blending Grand Mesa water with river water as compared to blending RO water with river water. Manager Schuster responded by saying that whatever blend is used, the TDS will still be around 265 ppm and that the difference in taste, if any, from either blend would not be detectable. Manager Schuster recommended continuing testing of reverse osmosis and nanofiltration. Manager Schuster answered Director Wheeler's question about how long our current system could meet the standards by saying that as long as the standards did not change, the District could meet current regulations indefinitely. However, Manager Schuster went



on to state that it was the uncertainty about the forthcoming standards that the staff was concerned about. It was the consensus of the Board to continue the membrane testing for nanofiltration and reverse osmosis and continue to explore alternative means of obtaining softer water with less DBP's potential.

**SPOKESMAN FOR THE BOARD:** Director Lewis suggested that Director Ballagh be the spokesman for the Board of Directors if the media had any questions in regard to District operations and policies. Director Garber stated that if any Board member talked to the media, that conversation could be construed as representing the opinion of the Board and not just the personal opinion of the individual. After some discussion it was the consensus of the Board that technical matters should be referred to Manager Schuster. In the absence of Manager Schuster, Assistant Manager Tooker should respond to technical matters. Should a member of the Board wish to make statements to the press about the District's position on certain matters, they could.

**RELOCATION OF THE 100,000 GALLON STORAGE TANK:** Manager Schuster informed the Board that it would cost approximately \$30,000 to relocate the original 100,000 gallon storage tank (constructed in 1957) to be of service to the Williams property and Whiskey Flats area (this tank is not to be confused with the 100,000 gallon storage tank constructed in 1968 and moved from its original location at the Purdy Mesa pumping plant to Plant #1 in the Spring of 1994). Manager Schuster also stated that unless the District was able to loop the lines between the Whiskey Flats residents and the Williams line that the water may have a tendency to sit in the tank for long periods of time and become stale.

**C.A. STRAIN:** Manager Schuster told the Board that Assistant Manager Tooker had suggested doing something to honor the previous District Superintendent. Manager Schuster suggested that what is now called Plant #2 could be changed and dedicated as the Charles A. Strain Water Treatment Plant. Director Ela suggested that the Board have some time to think about the idea. Director Lewis suggested discussing it again next month.

**CRWCD WATER SEMINAR:** Manager Schuster asked if any of the Board members were planning on attending the Colorado River Water Conservation District Water Seminar on October 27, 1994, at the Hilton Hotel in Grand Junction. Directors Lewis and Wheeler said that they may want to go depending upon their schedules.

**TURKEY TRADITION:** Director Wheeler moved to continue the turkey tradition for employees of the District. Director Lewis seconded the motion. Director Garber amended the motion to include the Board and Director Lewis seconded the motion. The motion to approve the amendment to the motion passed unanimously. After a brief discussion about what was done last year, the motion passed unanimously.

**BY-LAWS:** Manager Schuster presented the Directors with one page of suggested By-Laws for the District to adopt in 1994. Manager Schuster informed the Board that the only By-Laws the District had were the ones prepared in 1951 when the District was formed and that these By-Laws were outdated by State Statutes. Manager Schuster also told the Board that the SDA had been pushing to have By-Laws for all special districts a few years ago. Director Wheeler moved to accept the new By-Laws to supersede the old ones. Director Lewis seconded the motion. Director Garber stated that he would have to oppose the motion to allow more time to study the proposed By-Laws and he also wanted to see recommended By-Laws from the Department of Local Affairs. Director Garber moved to table the motion to the next Board meeting. Director Ela seconded the motion and it passed unanimously.

**GLOSSARY OF TERMS:** Manager Schuster told the Board that the glossary of terms was just informational, and that some words may need to be added. Additions or deletions will be made as deemed necessary in the glossary.

**OTHER NEW BUSINESS:** Director Lewis questioned if the District had received any information about the two new mobile home parks that are in the works. Manager Schuster informed the Board that we had received information on both of them (one at 33 and G Roads and one across from Applewood) and that he had sent the planning reviews back to the County.

**RMS AWWA MEETING:** Manager Schuster gave a report on the Annual Rocky Mountain Section American Water Works Association meeting held in Crested Butte in September. Manager Schuster pointed out to the Board that the District is right on top of everything going on in the water world and that the District should be proud of where we are. Manager Schuster told the Board that Dale Tooker and Larry Robinson along with Terry Franklin from the City of Grand Junction and Ronald G. Schuyler from Denver had placed first in the Toilet Bowl contest at the annual meeting. The District employees have won this contest several times.

**SDA ANNUAL MEETING:** Pertinent information learned by Directors Ballagh and Garber at the SDA meeting in Estes Park was passed on to the Board members who were not able to attend. A discussion took place about some of the ballot issues for the November, 1994 election, their effects on the SDA and also on the Water District. Director Garber reported that the SDA Insurance Pool was alive and healthy.

**INSURANCE:** Manager Schuster suggested that since the District spends approximately \$65,000 per year on workers' compensation insurance and health insurance for the employees that the District may consider self insurance. There was some discussion about how the District may be self-insured for minor incidents but that they should have the backing of an insurance company for major incidents. Manager Schuster was instructed to study some of the possibilities of self insurance and report back to the Board at the November meeting.

**1995 BUDGET:** Director Lewis moved to adopt the following resolution:

WHEREAS, the DIRECTORS have adopted the annual budget for 1995 in accordance with the Local Government Budget Law, on the 19th day of October, 1994, 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.

NOW THEREFORE, BE IT RESOLVED by the DIRECTORS of the CLIFTON WATER DISTRICT, Mesa County, Colorado that the following sums are hereby appropriated from the revenue and reserves of the DISTRICT, for the purposes stated below:

**ESTIMATED EXPENDITURES:**

General Expenses	\$ 410,025
Wages & Benefits	
Exempt Personnel Wages	63,654
Non-Exempt Personnel Wages	347,596
Hourly Personnel Wages	17,760
Overhead & Benefits	145,075
Directors Fees & Overhead	4,875
Professional Fees	13,100
Operating Expenses	173,000
Office Expenses	66,400
Plant #2 Expenses, less Wage & Benefits	307,700
Water Quality Betterment	50,000
From Reserves	1,720,000
Emergency Fund	16,000
Contingency Fund	6,210

**TOTAL ESTIMATED EXPENDITURES . . . . . \$ 3,341,395**



ESTIMATED REVENUES:

Sale of Water	\$ 1,425,000
Sanitation District	9,000
City of Grand Junction	75,000
Penalty & Turn Fees	38,000
Plant Investment Fees	225,000
Availability of Service	0
Interest	130,000
Property Taxes	0
Miscellaneous	3,500
TOTAL ESTIMATED REVENUE	\$ 1,905,500
From Reserves	1,435,895
TOTAL FUNDS AVAILABLE	\$ 3,341,395

IT IS FURTHER RESOLVED, that there is appropriated from the funds of the DISTRICT, Three Million, Three Hundred Forty One Thousand, Three Hundred Ninety Five Dollars (\$3,341,395) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 1995 or thereafter.

Director Ela seconded the motion and it passed unanimously.

**MANAGER'S PERFORMANCE:** Director Lewis moved to go into executive session for a discussion with Manager Schuster about his job performance. Director Wheeler seconded the motion and it passed unanimously. Assistant Manager Tooker, Plant Superintendent Blount and Stenographer Day-Biondich left the meeting and Manager Schuster stayed. The Board went into executive session at 11:20 p.m. The Board emerged from the executive session at 12:15 a.m. Director Garber moved to increase Manager Schuster's salary by 3.5% effective September 1, 1994 and that said funds for the remainder of 1994 will come from the contingency fund. The motion was seconded by Director Lewis and passed unanimously.

The meeting adjourned at 12:16 a.m., 10/20/94.

ATTEST:

George E. Wheeler  
Secretary

John L. Ballagh

Martin Garber

[Signature]

[Signature]

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

Held November 16, 1994

Present were Chairman Ballagh, Vice-Chairman Ela, Treasurer Garber, Secretary Wheeler and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount and Stenographer Day-Biondich. Guests present were Ruth Hutchins and Larry Hicks.

Chairman Ballagh called the meeting to order at 7:38 p.m.

**MRS. RUTH HUTCHINS:** Mrs. Hutchins asked for Clifton Water District's support in voting for Fred Beyeler for Director of the Grand Valley Irrigation Company at the December 3, 1994, GVICo annual meeting. Mrs. Hutchins told the Board that Dr. Beyeler had requested that the GVIC Board drop their opposition to Clifton's entering the Check Case. Mrs. Hutchins asked that one of the Board members represent Clifton at the GVICo meeting.

**WHISKEY FLATS WATER USERS:** Mr. Larry Hicks attended the Board meeting as a representative of the Whiskey Flats residents (approximate location is the SW 1/4 of the SW 1/4 of Section 17, T 2 S, R 2 E of the Ute Meridian - or about 3 miles on Reeder Mesa Road from Highway 50). Mr. Hicks read a proposal that had been signed by four of the five Whiskey Flats land owners which stated that these residents would petition the Board of Directors for inclusion into the District and then become in-District customers of the District for water service purposes. Mr. Hicks continued by stating that the residents in the Whiskey Flats area would like to purchase ten taps for their area. Manager Schuster explained to the Board that the financing would be the same set-up as for the Meserve Fruit Tracts with half of the cost of the tap being paid up-front and the other half in payments over 60 months. Mr. Hicks asked if the District could put a fire hydrant at the area known as the "Christmas Tree." Manager Schuster told him that they would not have enough water pressure for fire protection at the Christmas Tree. Mr. Hicks stated that the City may be willing to sell them raw water for fire protection. Director Lewis moved to enter into a contract with the Whiskey Flats residents similar to the contract the District had with the Meserve Fruit Tract residents. Director Garber seconded the motion. Director Ela questioned if there was anything in the contract about rights-of-way for access to provide and maintain the water lines. Manager Schuster said there was none. Director Ela moved to amend the motion to provide that a right-of-way be required at the discretion of the Manager for adequate access and coincidental with the petition. Director Wheeler seconded the amended motion. The amendment to the motion passed unanimously. The amended motion passed unanimously.

**MINUTES OF OCTOBER 19, 1994:** Director Garber moved to accept the minutes of the October 19, 1994 meeting as presented. Director Ela seconded the motion. Director Garber stated that the increase in Manager Schuster's salary should be 3% and not 3.5% as stated in the last page of the minutes. Director Lewis moved to amend the minutes to read "... increase Manager Schuster's salary by 3.0% effective..." . Director Garber seconded the motion and it passed unanimously. The motion to accept the minutes with said correction passed unanimously.

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**FINANCIAL REPORT AND ACCOUNTS PAYABLE:** Director Garber moved to approve the financial report paying the \$97,747.57 as shown on the report, \$7,897.98 itemized on the supplemental report and a transfer of funds of \$99,072.00. The Directors questioned the fees charged by Attorney White in case 91CW252 (Wolford Mountain Reservoir Project). Manager Schuster told the Directors that the attorney fees from October, 1993, did not exceed the figure of \$3,500 as estimated by Attorney White at the October, 1993, Board meeting. Manager Schuster continued by stating that the attorney fees in the Check case (91CW247) were close to the \$1,000 authorized by the Board. The motion passed unanimously.

**MANAGERS OCTOBER 31, 1994 MEMORANDUM:** Manager Schuster had sent a memorandum to the Board of Directors addressing another alternative source of water containing less dissolved solids and concerning the Ute Water Conservancy District. A forty minute discussion followed. During this discussion the Directors were unanimous in that they owed it to their constituents to study all alternatives to obtain an economical source of less hard water for Clifton's water users. It was the consensus of the Board that Manager Schuster pursue this alternative source of water.

**POLY PIPE LEAKS:** Manager Schuster told the Board that the number of poly pipe leak occurrences had slowed down somewhat since the middle of the summer. Manager Schuster had received a phone number and information from Director Wheeler to contact concerning the possible reimbursement for costs associated with replacement of the poly service lines. After calling and researching the problem, Manager Schuster was told that only the cost to repair leaks in a customer's yard or house were being reimbursed. Clifton did not qualify for reimbursement for replacing poly pipe.

**C. A. STRAIN:** Manager Schuster told the Directors that if they were to decide to name Plant #2 after Charles A. Strain, the previous Superintendent of the District, that a presentation could be made at the Christmas party as the Strain's had been invited. Plant Superintendent Blount suggested naming the habitat area after C. A. Strain since he had so desired the establishment of that area while he was working for the District. Director Ela moved to name the island the C. A. Strain Wildlife Habitat. Director Lewis seconded the motion and it passed unanimously. Manager Schuster will present a certificate to Chuck at the District's Christmas party.

**BY-LAWS:** Manager Schuster informed the Board that he had received some examples of by-laws from the Division of Local Government. Manager Schuster said most of them were many pages in length and were a regurgitation of the State Statutes. Director Garber suggested having copies of the example by-laws prepared by Jim Collins, attorney for the Special District Association, sent to each of the Board members and defer the topic to the next meeting. By consensus the Board agreed to Martin's suggestion.

**VALLE VISTA HOMEOWNERS ASSOCIATION:** Manager Schuster told the Board that the Statute of Limitations for foreclosing on the Rolling Hills Sanitation Company's first deed of trust ran until May of 1996, not May of 1995 as previously thought. Manager Schuster went on to say that if the Board

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wanted to, they could change the March 13, 1995, deadline set at the October meeting to a later time for the benefit of the Valle Vista Homeowners Association. Director Garber moved to amend the Note Purchase Agreement between the District and the Valle Vista Homeowners Association to extend the deadline date from March 13, 1995 to November 1, 1995 and to authorize the President and Secretary of the Board to sign said amendment when prepared. Director Lewis seconded the motion and it passed unanimously.

**WATER OFFICE/SHOP/STORAGE AREA SITE:** Manager Schuster gave the Directors a list of potential sites for a new office for the Water District. Director Ela questioned if it would be a wise decision to wait and see what the City was going to do about annexation. From conversations with the City, it was understood that the water district would survive the annexations. Director Garber said now is the time to find out what the District's property on Front Street is worth. Manager Schuster stated that another possible idea for the property currently owned by the District would be to set up two or three "double wides" and sell it as residential property. Manager Schuster was instructed to continue looking for an office/yard site.

**VILLA CORONADO ANNEXATION:** Manager Schuster informed the Board that the City's plans were to annex a one foot wide strip from the airport east along I-70 to I-70B, thence westerly along I-70B to pick up four of the five lots in Villa Coronado, continuing westerly along I-70 B to 29 Road. This annexation would virtually stop the plans of some to incorporate Clifton from 30 Road to 35 Road. This was for informational purposes only.

**GRAND VALLEY IRRIGATION COMPANY ANNUAL MEETING:** The Grand Valley Irrigation Company will be holding their Annual Meeting on December 3, 1994, at 1:00 p.m. at the Fruita Monument High School. Director's Lewis and Ballagh both said they may be able to attend. Director Ela stated that the District needed to have a unanimous vote. Manager Schuster said that since the District would have a representative at that meeting he would dispose of the proxy.

**SPECIAL DISTRICT ASSOCIATION ANNUAL MEETING:** The Special District Association of Mesa County's 1994 Annual Local Government Information Exchange Dinner and Meeting is being held Thursday, December 8, 1994 at the Holiday Inn in Grand Junction at 6:30 p.m. The Board members will be called to check on their attendance at this dinner/meeting on December 5, 1994.

**OTHER NEW BUSINESS:** Assistant Manager Tooker gave the Directors a copy of a tentative itinerary for the American Water Works Association satellite conference scheduled for March 9, 1995. This teleconference is formatted for elected officials to inform them of the significance of the Safe Drinking Water Act and the amendments thereto.

**MISCELLANEOUS:** Director Ballagh stated that the letter to the developers of Stonegate Subdivision was a little strong but the Stonegate consultant thought most of the problems experienced at Stonegate were because of poor judgement from a staff member of the Colorado Department of Health.

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Director Ela moved to adjourn the meeting and it was seconded by Director Lewis.

The meeting adjourned at 10:12 p.m.

ATTEST:

George S. Whalen  
Secretary

Wm. M. Ela

[Signature]

John L. Ballagh

Martin Garber



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

Held December 21, 1994

Present were Vice-Chairman Ela, Treasurer Garber and Secretary Wheeler. Director Ballagh had told the staff he would be about 30 to 45 minutes late. Director Lewis' absence was excused. Staff present were Manager Schuster, Assistant Manager Tooker and Stenographer Day-Biondich.

Vice-chairman Ela called the meeting to order at 7:32 p.m. and noted that no guests were present.

**MINUTES OF NOVEMBER 16, 1994:** Director Wheeler moved to accept the minutes of the November 16, 1994 meeting as presented. Director Garber seconded the motion and it passed unanimously.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE:** Director Garber moved to approve the financial report paying the \$55,238.17 as shown on the report, \$4,967.62 itemized on the supplemental report and a transfer of funds of \$1,500.00. Director Wheeler seconded the motion. Director Ela questioned if the diesel generator at the treatment plant was still in use and saving the District money. Manager Schuster informed the Board that the generator is operated at least once a month to make sure it will be operable when needed but could not recall the last time it was used due to power demand by Public Service Company of Colorado. Manager Schuster went on to say the diesel generator is saving the District approximately \$65,000 per year. A discussion ensued regarding an article in The Daily Sentinel published on Sunday, December 18, 1994 concerning Clifton's incorporation versus City annexation. The journalist had the incorrect rate for City water. Manager Schuster stated that he had contacted The Daily Sentinel about the mistake, however did not know if they would publish the correction or not. Director Ela asked that Cindy contact April Pinkerton so that she would be aware of the mistake made in the article and would know the correct information. The motion to approve the financial report passed unanimously after some discussion.

**MANAGERS REPORT:** Director Garber asked what the status was on the backhoe. Manager Schuster informed the Board that the Case Company had discontinued the trade-in program, however Case Company did want to talk to the District in January. Director Garber stated that it was more beneficial for the District to keep the same backhoe and amortize the cost over the ten or fifteen years of the life of the backhoe rather than trade for a new one every year at the rate of \$1,000 (about \$50.00 per hour). Director Garber further questioned if the District had a certification program for the employees of the District who were trained to operate the backhoe. Manager Schuster told the Directors that he would get a program put together for discussion at the January 18, 1995 meeting. Assistant Manager Tooker added that the District had planned a Safety Training Workshop for the backhoe. This was not, however, training for the operation of the backhoe. Director Ela questioned if the anodes attached to the District's 27" steel pipeline are in working order. Manager Schuster told the Directors that every spring a survey is conducted on the pipe to make sure the anodes are still working. Manager Schuster continued by saying that there was an anode in the West tank that was powered by a 12 volt battery charged by a solar panel which was also working very well.

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**BY-LAWS:** Director Garber stated that he preferred the By-Laws which stated all the operations of the Company as opposed to the shorter By-Laws dated October 19, 1994.

Director Ballagh entered the meeting at 8:15 p.m., however did not assume the position of Chair. Vice-Chairman Ela continued chairing the meeting.

Manager Schuster stated that he would call the SDA to confirm some of the language in their suggested By-Laws. Director Garber moved to table the By-Laws discussion until the January meeting. Director Wheeler seconded the motion and it passed unanimously.

**REPORT ON GVICO ANNUAL MEETING:** Director Ballagh represented the Clifton Water District at the GVICO Annual Meeting. Director Ballagh said there were only 25 to 30 other share holders present. The assessment on the "A" shares had been reduced so Clifton votes were affirmative for the 1995 assessment.

**WATER OFFICE/SHOP/STORAGE AREA SITE:** Manager Schuster reported that the Jayne's property or the property by the Assembly of God Church would be the two most ideal sites for the new office/shop/storage area. Manager Schuster stated that he would continue to look for different sites and investigate the current possible sites. Manager Schuster did not want to appear too anxious and inflate the cost of the property.

**VILLA CORONADO ANNEXATION/FRUITWOOD ANNEXATION:** Manager Schuster gave a brief description of the City's plans to annex Villa Coronado and the Fruitwood area.

**ALTERNATIVE WATER SOURCES:** Manager Schuster informed the Board that he had written a letter to Fuzzy Aubert at Ute Water Conservancy District and that a reply had not been received yet. Manager Schuster and Assistant Manager Tooker attended a stakeholders meeting at Two Rivers Plaza as a part of the environmental impact study required for Ute's proposed flowline. It was reported that the possibilities of the flowline being constructed looked good, but it was unknown which alternate route would be selected. Assistant Manager Tooker passed out literature explaining the meeting in more detail. After a twenty-five minute discussion Vice-Chairman Ela stated that there would be no official action taken at the current Board meeting concerning Ute's proposed flowline.

**RATIFY THE TELEPHONE DECISION FOR THE C. A. STRAIN WATER TREATMENT PLANT:** Director Ballagh moved to ratify the telephone vote to name the water treatment plant the Charles A. Strain Water Treatment Plant rather than the Charles A. Strain Wildlife Habitat. Director Garber seconded the motion and it passed unanimously.

**ORCHARD MESA CHECK CASE, 91CW247:** Manager Schuster informed the Board that the Judge in the Orchard Mesa Check Case, 91CW247, would not allow the District or the City to intervene in the case. Director Ela suggested that contact be made with Orchard Mesa Irrigation District to see if there was

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any practical way that the District could assist them in this case. Director Garber stated that it needs to be known that any help that would be or already has been given the Orchard Mesa Irrigation District is for the benefit of the water quality for Clifton.

**WHISKEY FLATS:** Manager Schuster informed the Board that all the petitions and rights-of-way needed for the Whiskey Flats residents to become in-District customers had been received. Director Ballagh moved to authorize Manager Schuster to advertise for a public hearing on January 18, 1995, at the regular Board of Directors meeting for including the Whiskey Flats area into the District, along with some property in the Meserve Fruit Tracts which had failed to be included in an earlier inclusion. Director Garber seconded the motion and it passed unanimously.

**AUTHORIZE BIDS FOR NEXT YEAR'S VEHICLE:** Director Ballagh moved to authorize Manager Schuster to seek bids for the purchase of a vehicle with the same specifications as last year. Director Garber seconded the motion. There was a brief discussion about purchasing a new vehicle for the meter readers to use which Manager Schuster will investigate and report about at the January meeting. The motion passed unanimously.

**ENGAGEMENT LETTER WITH CSD FOR 1994 AUDIT:** Director Wheeler moved to sign the engagement letter with Chadwick, Steinkirchner and Davis, P.C. for the estimated cost of \$3,390.00 for the 1994 audit for the District. Director Ballagh seconded the motion. Director Ballagh suggested that the District may want to seek bids for the audit for the 1995 year to assure that the District is being charged a competitive price. The motion passed unanimously and Chairman Ballagh signed the engagement letter.

**CHRISTMAS PARTY HORS D'OEUVRES:** Manager Schuster made it known that the vegetable trays at the Christmas party were paid for by Director Lewis and wanted the minutes to reflect the District's appreciation for this gesture.

The meeting adjourned at 9:27 p.m.

ATTEST:

George E. Wheeler  
Secretary

Wm. M. El

John L. Ballagh

Martin Garber