

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

Held January 21, 1997⁸ *Jul 9/19/06*

Present were Chairman Ballagh, Secretary Wheeler, Treasurer Garber, Director Lewis, and Director Teal. Staff present were Dale Tooker, Larry Robinson, and Cindy Day-Biondich. Guests present were Chris Johnson, Clark Johnson, and Curt Robinson with Capital Investment Counsel.

Chairman Ballagh called the meeting to order at 7:30 p.m. Director Ballagh noted that the bid for the new vehicle had been properly advertised and the time for accepting bids on the 1998 pickup was closed. The bids were opened and were: Ed Bozarth - \$18,252.00, Western Slope Auto Company - \$17,194.00, and Jim Fuoco Motor Company - \$19,889.00.

MINUTES OF DECEMBER 12, 1997: Director Wheeler moved to accept the minutes of the December 12, 1997, meeting. Director Lewis seconded the motion. The motion to accept the minutes as presented passed unanimously.

MINUTES OF DECEMBER 17, 1997: Director Wheeler moved to accept the minutes of the December 17, 1997, meeting. Director Lewis seconded the motion. On page three under **INVESTMENT MANAGEMENT FIRM** it should state that the Clifton Water District will "contract" with Capital Investment Counsel rather than to "employ" in lines three and five. Also on page three in the fourth paragraph, it was the consensus of the Board of Directors that rate evaluations be completed within the next six to eight months. The motion to accept the minutes as corrected passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Lewis moved to approve the financial report paying the \$109,942.19 as shown on the report, \$24,422.08 as itemized on the supplemental report, a transfer of funds of \$12,400.00, and \$771.00 from the ColoTrust account to pay for invoices related to the nanofiltration plant and the garage/shop. Director Wheeler seconded the motion. After some discussion, the motion to approve the financial report passed unanimously.

EXPRESS AGENDA AND MANAGER'S REPORT: The Directors reviewed the following express agenda items, and they were accepted as presented.

Project 96-02 - Nanofiltration Project: The construction aspect of 96-02 has been completed. Osmonics has submitted an invoice for the remaining \$20,000 left on their contract. There are still some minor problems that are persisting of which Osmonics has been and will be addressing until completed. It is expected that Osmonics will remedy these situations so that final payment can be made in February. A summary of the Nanofiltration project is included in the Manager's Report.

Project 97-01 - Garage/Shop Project: Final payment was made to Ashley Construction on January 6. The actual construction cost was \$147,629.00 of which \$8,064.00 was change orders. Additional projects costs were \$5,110.59 for a total of \$152,739.59. The project is complete and the distribution personnel have moved in. A summary of the garage/shop project is included in the Manager's Report.

Project 97-02 - Whitewater Water Line Project: Wood Construction Company began mobilizing equipment on Monday, January 12 in preparation for 97-02. A time line for the project has been included in the Manager's Report. A letter has been sent to each customer in the Whitewater area explaining the project and the potential to interrupt their water service. This process of communication and timely press releases will continue throughout the project.

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GVICo Auction: The annual GVICo Auction was held December 11, 1997. Manager Tooker and Cindy Day-Biondich attended the auction. The District did not purchase any water shares which were sold at \$300 to \$230 per share.

Clifton Water District's Orchard Mesa Property: The appropriate contracts have been signed with Ward Scott from ReMax 4000. A 'For Sale' sign was placed on the property, and Mr. Scott has proceeded with advertising the property.

Pitney Bowes Contract: A copy of the letter that was prepared by Attorney Bechtel addressed to the Pitney Bowes Corporation has been included in the Board packets. At this time the equipment is not being used, and the District is waiting for a response from the Pitney Bowes Corporation.

CAPITAL INVESTMENT COUNSEL: Investment Management Contract: Tooker stated that before Chris Johnson started speaking he would like the Board to ratify the signatures on the Investment Agreement and the transfer forms. Director Garber moved to ratify the signing of the Contract with Capital Investment Counsel. Director Lewis seconded the motion and it passed unanimously.

Chris Johnson - scheduled from 7:45 to 8:00 p.m.: Mr. Johnson introduced Clark Johnson and Curt Robinson who also work for Capital Investment Counsel. Mr. Johnson continued by explaining how Capital Investment Counsel does their trading and stated that the District should expect a monthly report from Capital on its investments. Mr. Johnson also outlined the District's future course of action and recapped the status of the District's investments.

Revise Investment Policy: Tooker told the Directors that presented in the Board packet were two copies of the Investment Policy -- one copy had Attorney Fry's suggestions redlined and the other copy was a corrected copy which he was presenting for approval. Director Lewis moved to approve the Investment Policy as tendered to the Board. Director Garber seconded the motion. Mr. Johnson discussed the policy and explained that the policy defines the District's investment practices and also provides a guideline for Capital Investment Counsel to follow when investing the District's money. Mr. Johnson continued by stating that Capital Investment Counsel will present proposed changes to the Investment Policy when they see it is necessary. The motion to approve the Investment Policy as presented passed unanimously.

MANAGER'S PRESENTATION: Manager's Goals for 1998: Tooker reiterated his memorandum of January 16, 1998, to the Board of Directors outlining his goals as the Manager of the District. The Board consensus was that the goals were in line with what they foresaw as needing attention. Tooker stated that he would like to wait until the executive session to discuss his plans for staff restructuring and the hiring of an Assistant Manager.

STATUS REPORT - NANOFILTRATION PLANT AND WATER QUALITY: Larry Robinson reiterated his memorandum to Manager Tooker of January 8, 1998, which had been included in the Board packets. Robinson summarized the operations, explained the difficulties of the plant staff in getting the blend worked out, and stated that Osmonics was still working with District staff to correct the bugs in the system. Robinson will keep Tooker and the Board informed of the progress.

AWARD 1998 VEHICLE BID: Lewis moved to award the bid for a 1998 4-wheel drive pickup to Western Slope Auto, the low bidder, for a 1998 Ford 150, 4x4, regular cab truck. Garber seconded the motion. After a brief discussion the motion passed unanimously. When questioned, Tooker stated that he did not want to proceed with disposing of any of the District vehicles until the new vehicle is received.

NEW WATER DISTRICT OFFICE CONSTRUCTION: Director Lewis moved that the Manager be authorized to start planning for a new Water District office at the Charles A. Strain Water Treatment Plant (CASWTP). Director Garber seconded the motion. After some discussion, Tooker stated that he would like to re-evaluate the space requirements and preferences from staff and present this information to the Board. After that presentation, Tooker will then request direction from the Board concerning the type of building to construct and a plan to proceed. During the discussion, Director Garber stated that he saw no reason for a room just for Board meetings, and he felt that a dual purpose room would be more practical. The motion for the Manager to start the planning for a new Water District office to be located at the CASWTP passed unanimously.

DESIGNATE PUBLIC PLACE FOR MEETINGS AND PLACES WITHIN THE DISTRICT BOUNDARIES FOR POSTING OF NOTICES OF PUBLIC MEETINGS: Director Wheeler moved that the designated meeting place for the regular monthly meeting be at the Water District Office at 137 Third Street in Clifton. Director Wheeler further moved that notices for public meetings be posted at the Clifton Fire Station, Clifton Branch of the Mesa County Clerk's office, and the Clifton Sanitation #2 office. Director Lewis seconded the motion and it passed unanimously.

CLIFTON'S GENERAL CONSTRUCTION WORK: Tooker stated that as an informational item only, he will be putting the District's general construction work out for bid with the expected opening in February and award at the February Board of Directors meeting. Tooker stated that Attorney Bechtel will be contacted concerning the preparation of a contract for the successful bidder.

COLORADO WATER CONGRESS: Tooker stated that the information the District has been receiving from the Colorado Water Congress has been very timely and worth the participation fee. Tooker further stated that he hoped that the hiring of an assistant manager would free-up staff time to enable some attendance of the Colorado Water Congress meetings. Director Garber moved that the District continue its participation in the Colorado Water Congress in the amount of \$1,000. Director Lewis seconded the motion and it passed unanimously.

FILE PHOTOGRAPHS FOR BOARD MEMBERS AND STAFF: Tooker stated that on numerous occasions the District has needed to submit file photographs of staff and/or Board members for press releases, news articles, and newsletters. Tooker said that he had contacted a number of photographers and was requesting that the Board of Directors approve an expenditure of up to \$500 for photographs of the Board and staff. Director Garber suggested that the photographs be scheduled after the May election. There was no further discussion on this matter.

CHANGE DATE FOR FEBRUARY MEETING: Tooker stated that because of conflicts in the scheduling for the February meeting due to his attendance at a conference and the audit information, he was recommending that the February meeting be rescheduled. Director Wheeler moved to reschedule the February meeting to Tuesday, February 24, 1998, at 7:30 p.m. at the Water District Office. Director Lewis seconded the motion and it passed unanimously.

RANDY GARCIA AND RONNIE REED: Director Lewis moved to enter into an executive session to discuss the opinion of the District's attorney in this regard and also for personnel matters. Director Garber seconded the motion and it passed unanimously.

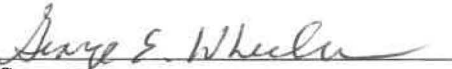
Director Lewis moved to exit from the executive session. Director Garber seconded the motion and it passed unanimously.


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

The meeting adjourned at 11:20 p.m.

ATTEST:


Secretary









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

Held February 24, 1998

Present were Chairman Ballagh, Secretary Wheeler, Treasurer Garber, Director Lewis, and Director Teal. Staff present were Dale Tooker, Larry Robinson, Tom Shawler, Tyler Lehmann, and Cindy Day-Biondich. Guests present were Chris Johnson with Capital Investment Counsel.

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

CHRIS JOHNSON - CAPITAL INVESTMENT COUNSEL, INC. (CIC). Mr. Johnson explained to the Directors that the Charles Schwab account had been opened for the District and that CIC had been cleaning up the issues that the District has in their investment portfolio. Mr. Johnson stated that the District's portfolio was down to 29 issues from 71 when the portfolio was turned over to CIC. Mr. Johnson will be in attendance at the March Board meeting to explain the District's portfolio and talk to the Directors about the direction of the District's investments.

MINUTES OF JANUARY 21, 1998. Director Garber moved to accept the minutes of the January 21, 1998, meeting. Director Lewis seconded the motion. The motion to accept the minutes as presented passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE. Director Garber moved to approve the financial report paying the \$73,404.38 as shown on the report, \$7,210.41 as itemized on the supplemental report, and a transfer of funds of \$12,400.00. Director Wheeler seconded the motion. After some discussion, the motion to approve the financial report passed unanimously.

EXPRESS AGENDA AND MANAGER'S REPORT. The Directors reviewed the following express agenda items, and they were accepted as presented.

Project 97-02 - Whitewater Water Line Project. Wood Construction has progressed with Project 97-02 as scheduled and the project is expected to be completed before the February 28 deadline. A change order was issued to relocate the water line around the City of Grand Junction's raw water flow lines. The City of Grand Junction's plan to relocate their flow lines were not available prior to our bid. The project has continued with only minor problems associated with Wood Construction's lack of experience at installing waterlines. The District has been successful in communicating with the Whitewater residents concerning the project.

Cellular Antenna Lease. AirTouch Cellular is planning to resume work on the antenna beginning the week of February 9. The completion of the project (painting the materials attached to the tank) will have to wait until the weather is warmer. When completed a report will be provided to the Board.

Meter Replacement Program Update. Currently the District has replaced 48% of its meters with the automatic touch-read (electronically read with a wand) meter system. The District's distribution system is divided into four groups - A, B, C, and D. The percent of meters that have been replaced in each of the four groups is as follows: Group A - 50%; Group B - 26%; Group C - 17%; and Group D - 100%. We have purchased an additional 2,000 meters for 1998 which

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have been delivered. Upon the installation of these meters, we will have approximately 71% of the system converted to the new touch-read units.

Status of Orchard Mesa Property. Ward Scott has reported that he has had approximately five inquiries concerning the Orchard Mesa property and the interest so far has been below his expectations. Any changes in the status of the Orchard Mesa property will be reported to the Board.

Status of Investment Portfolio. The District's investments have been transferred from A.G. Edwards to the Charles Schwab account. Capital Investment Counsel (CIC) sold approximately \$513,000 in investments. In return, \$450,000 of short-term treasuries were purchased. The investments sold were many of the longer term investments and those which had principal balances of less than \$3,000. Chris Johnson will be scheduled for the March 18 Board meeting for a complete update on the District's portfolio.

Impromptu Customer Survey. Between the dates of January 5 and February 6, 1998, the office staff performed an impromptu customer survey. There were 276 people who were asked the following questions: 1) Are you aware of the District's new nanofiltration plant? 59% said yes, 41% said no. 2) Have you noticed any improvement in the water? 40% said yes, 60% said no. 3) Do you like the taste of the water? 54% said yes, 46% said no. We also received numerous comments - many of them stated that the water tasted great, there were less spots, and they use less soap. In the survey, positive comments outweighed the negative comments two-to-one.

AWARD CLIFTON'S GENERAL CONSTRUCTION WORK. Tooker told the Directors that bids for Clifton's 1998 General Construction Work had been opened and read aloud on Monday, February 23, 1998, at 10:00 a.m. Tooker presented a bid recap and spreadsheet showing a projected annual cost for each of the three companies submitting a bid. Tooker stated that based upon his calculations, the difference between the low bidder (Stanley Construction) and the second low bidder (Ben Dowd Excavating) was approximately \$45,000 per year. Tooker continued by stating that there is a value associated with the knowledge that Ben Dowd Excavation has pertaining to the District's distribution system. However, there was no way for staff to place a monetary value on Dowd's knowledge. Tooker informed the Board that he had called a number of references for Stanley Construction and had received no negative comments. After reviewing the bids, Tooker stated that the projected difference between the low bid and the second low bid was substantial and he would recommend that the District award the bid for Clifton's General Construction Work to Stanley Construction. Director Garber moved that the District accept the low bid from Stanley Construction and hire them for performance of the District's General Construction Work. Director Teal seconded the motion. During the discussion distribution employee Shawler stated that it was his feeling that the District's costs would increase significantly by hiring Stanley Construction because of the time involved by the distribution employees inspecting work and showing Stanley where District lines were and how the District wanted the work done. After some more discussion, the motion to accept the bid of Stanley Construction for the District's General Construction Work passed unanimously. At this time Tooker explained he had prepared some very rough calculations concerning the cost to the

District if we were to hire our own crew for repair and maintenance of the distribution system. Tooker stated that he thought it would be financially beneficial for the District to consider hiring two employees for this task and stated that the District could potentially save several thousand dollars annually by doing this. After a lengthy discussion it was the consensus that Tooker will explore these possibilities for presentation at a later date.

NEW WATER DISTRICT OFFICE CONSTRUCTION. Tooker reiterated his memorandum to the Board of February 20, 1998, wherein he presented the square footage requirements for the new office and asked for direction from the Board concerning the type of building. After an extended discussion, it was the consensus of the Board that Tooker and staff will design a basic floor plan for the office, and Tooker will have drawings made of the possible building choices. Tooker will present these items at the next meeting. During the discussion Director Lewis stated that he would like to see Board information presented via computers and floppy disks rather than using notebooks and paper and thought it should be considered when designing the new office.

ELECTION ISSUES. Tooker stated that at this time there were not any other individuals to run for the Board of Directors and asked what the direction of the District would be with or without a contested race. After some discussion it was the consensus of the Board that the election issues of term limits and de-brucing will not be placed on the May 1998 ballot, and if no one else runs for a Board position, the election shall be canceled.

WILLOW BEND EAST. Tooker explained to the Directors that Ms. Randy Garcia had presented a request for the Willow Bend East (11 lots) subdivision to be included in the out-of-District service area. Her request also included a proposal to have the District abandon the existing water line that runs across several of the lots in the proposed development and that she had gotten approval from Mr. Ronnie Reed to relocate the line within an easement of the existing El Ranchos Dos Rios entrance. Tooker added that as long as all of the conditions stated in the proposal were met, he would recommend that the District accept the area as an out-of-District service area determined by the presented map. Director Lewis asked to be excluded from the discussion because of a conflict of interest. Director Wheeler moved to approve out-of-District service for Willow Bend East as long as the conditions stated are satisfactorily met. Director Garber seconded the motion. After a brief discussion the motion passed with Director Lewis not voting.

OTHER UNFINISHED BUSINESS: Tooker told the Directors that he had given notice to Bill Bellman that he must vacate the property where he is residing by June 1, 1998. Tooker stated that he had also sent a copy of this letter to Ms. Lillian Nichols and Sid Nichols, Jr. After Mr. Bellman vacates the property, clean-up will commence.

ELECTRONIC PAYMENT PLAN FOR CUSTOMERS. Tooker stated that a number of District customers have been asking for electronic payment capabilities to pay for their water bills and that Palisades National Bank was now set up to handle these payments. Tooker has received the necessary information from Palisades National Bank, Cybernetics, and American Development (company which makes the software). The cost to the District to provide this

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customer service is \$99 for the Auto-Draft software, approximately \$600 for Cybernetics computer programming, and an on-going cost of \$25 per month paid to Palisades National Bank. An article in the March newsletter is planned to notify our customers of this development. Tooker told the Board that a policy in regard to electronic payments would be forthcoming. A short discussion took place with the Board stating that they were interested in the number of customers intending to use this service and if the cost of the service was justifiable.

FINAL PAYMENT TO OSMONICS. Tooker stated that the District had retained \$20,000 of the original contract with Osmonics. Tooker said that evaluation of the Osmonics equipment supplied and the completion of work to be performed under the scope of the contract had been completed, and based upon his determination, Osmonics had fulfilled the requirements of the contract and he was recommending that the Board authorize final payment to be made to Osmonics. Director Garber moved that the District make the final payment to Osmonics after the Advertisement of Final Payment and the 10 day waiting period. Director Lewis seconded the motion and it passed unanimously.

AWWA PARTICIPATION REPORT. Tooker presented an itemized breakdown of the costs associated with his participation in the RMS AWWA chairs. The Board approved of the report and its detail and, after some discussion moved on to discuss Plant Superintendent Larry Robinson's participation in the Leadville Operator's School. The Board stated that they appreciated the reports from Tooker and Robinson and warned staff not to exceed a reasonable amount of time devoted to outside, non-District interests. During the discussion the Board identified the need to develop a policy on travel and expense reimbursements. Tooker will begin working on a policy for later presentation.

RELAXATION OF SHOSHONE CALL ON THE COLORADO RIVER. Tooker stated that recent articles in The Daily Sentinel have indicated that there is an effort to relax the Shoshone call on the Colorado River. Tooker said that relaxation of the Shoshone call would result in storing winter water in Williams Fork Reservoir (that would normally be used for power generation at the Shoshone Plant) to be released during the spring flows for the benefit of the endangered species, and at this time the proposal is backed mostly by environmental groups. Tooker had authorized Attorney Ogle to write a letter to Tom Pitts, Colorado Water Congress, Colorado River Project, and Eric Kuhn, Colorado River Water Conservation District, stating the District's opposition to this proposal. Tooker will keep the Board informed of any future developments in this proposal.

OTHER NEW BUSINESS: Tooker told the Board that Steve Rocha with Mt. Garfield Outdoor Classroom had spoken with Plant Superintendent Robinson concerning the beginning of the re-vegetation project approved by the Board last fall. This was informational only and was intended to keep the Directors informed concerning the outdoor classroom. Tooker added that Mr. Rocha had presented the 1998-99 school year projects to Robinson for review and these will be presented to the Board at a later date. Tooker continued by stating that the communication procedures that were outlined last year had been very effective in overseeing the outdoor classroom activities.

Tooker stated that Dan Crabtree from the Bureau of Reclamation had contacted him about the District supporting a program entitled "Learning to be Water Wise and Energy Efficient." The program is presented to 5th graders at various schools in the Valley. Tooker briefly described the conservation nature of the program and the request for the District to sponsor a classroom at a cost of \$900. After some discussion it was the consensus of the Board that the District's \$1,000 participation in the Water Festival contacts hundreds of children whereas this project would only contact 30 students and it was the desire of the Board not to participate in this program at this time.

Director Wheeler moved that the District reimburse Director Lewis for the cost of the Director's retirement dinner for Bill Ela. Director Garber seconded the motion and it passed unanimously.

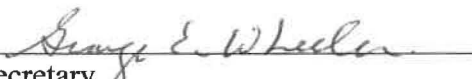
EXECUTIVE SESSION. Director Lewis moved to enter into executive session for discussion of legal matters and personnel matters at 10:47 p.m. Director Garber seconded the motion. It passed unanimously.

At 11:15 p.m. Director Lewis moved to exit from the executive session. Director Garber seconded the motion and it passed unanimously.

Director Lewis moved to adjournment. Director Teal seconded the motion and it passed unanimously.

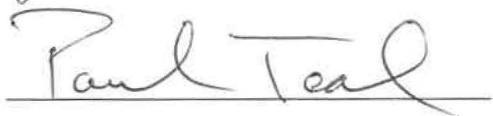
The meeting adjourned at 11:25 p.m.

ATTEST:


Secretary









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

Held March 18, 1998

Present were Chairman Ballagh, Secretary Wheeler, Treasurer Garber, Director Lewis, and Director Teal. Staff present were Dale Tooker, Larry Robinson, Tom Shawler, Tyler Lehmann, and Cindy Day-Biondich. No guests were present.

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

MINUTES OF FEBRUARY 24, 1998. Director Garber moved to accept the minutes of the February 24, 1998, meeting. Director Lewis seconded the motion. On page three under Willow Bend East, it should state that the water line that is abandoned will not be used for water delivery ever again. The motion to accept the minutes with said correction passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE. Director Wheeler moved to approve the financial report paying the \$48,261.06 as shown on the report, \$33,760.93 as itemized on the supplemental report, and a transfer of funds of \$12,400.00 and \$20,000.00 from ColoTrust. Director Garber seconded the motion. After some discussion, the motion to approve the financial report passed unanimously.

STATUS OF INVESTMENT PORTFOLIO - CHRIS JOHNSON - 7:45 TO 8:05 P.M. A telephone conference was arranged to allow Mr. Johnson from Capital Investment Counsel (CIC) to briefly explain the status of the District's investment portfolio. Mr. Johnson stated that CIC has been working in accordance with the District's Investment Policy to "clean up" the portfolio. Mr. Johnson explained the most current status report and stated that he would be present at the April 15 meeting for additional questions.

EXPRESS AGENDA AND MANAGER'S REPORT. The Directors reviewed the following express agenda items, and they were accepted as presented.

Moving Power Poles at the Entrance of the Charles A. Strain Water Treatment Plant (CASWTP). Manager Tooker has contacted Dale Clawson from Public Service Company of Colorado, and the District will be submitting a site plan and a proposal for the relocation of the power poles at the CASWTP entrance. Any future developments with this project will be reported when available.

Oscar Massey - Callow Creek Subdivision. Oscar Massey completed the first phase (10 taps) of his Callow Creek Subdivision. By our contract, Mr. Massey was allowed to install his own water system. Water District staff inspected the job and it was successfully completed, disinfected, and pressure tested by March 2, 1998.

PROJECT 97-02 - WHITEWATER WATER LINE PROJECT. Manager Tooker stated that Wood Construction had completed Project 97-02. After some discussion Manager Tooker recommended that the Water District make final payment in the amount of \$14,865.92 to Wood Construction. The total project cost was \$91,637.18. Director Lewis moved that the District advertise to make final payment to Wood Construction and, after the publication and 10 day waiting period, pay Wood Construction their final payment of \$14,865.92. Director Wheeler seconded the motion and it passed unanimously.

NEW WATER DISTRICT OFFICE CONSTRUCTION. Manager Tooker presented staff's design and drawing of a 3500 square-foot office to the Directors for their approval. After some discussion, Director Lewis moved that the Board authorize the initiation of construction of the building with

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parameters to be set by the Directors. Director Garber seconded the motion. The Directors discussed the design and building parameters and agreed that the project should incorporate staff's basic plan and the building should be 3500 to 4000 square feet. The motion to authorize the initiation of construction of the building passed unanimously. Director Teal moved that a committee be formed to define the remaining building parameters of the office. Director Lewis seconded the motion and it passed unanimously. Directors Lewis, Teal, and Wheeler along with Manager Tooker will serve as the committee.

PLAQUE FOR NANOFILTRATION PLANT. Manager Tooker presented the following proposed wording for a plaque to be located on the nanofiltration plant commemorating its completion.

Clifton Water District
NANOFILTRATION PLANT

Dedicated October 16, 1997

Board Members

John L. Ballagh William M. Ela
George E. Wheeler Dickie D. Lewis
Martin Garber

Manager/Engineer: Raymond J. Schuster

The wording and plaque were approved by consensus of the Board. Staff will have the plaque made and mounted on the nanofiltration plant building.

CANCELLATION OF ELECTION. Pursuant to 1-5-208(1.5), C.R.S., Manager Tooker, acting as the District's Designated Election Official, canceled the District's May election. Director Wheeler moved to adopt the following resolution.

**RESOLUTION - CANCELLATION OF ELECTION
DECLARATION DEEMING CANDIDATES ELECTED**
(If the Designated Election Official cancels the election)

CLIFTON WATER DISTRICT
MESA COUNTY, COLORADO

WHEREAS, the Designated Election Official of the District has been duly authorized by the Board of Directors to cancel and declare candidates elected at the close of business on the sixty-third day before the election to be conducted on May 5, 1998, **AND WHEREAS**, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates. Now **THEREFORE**, pursuant to 1-5-208(1.5), C.R.S. the Designated Election Official **HEREBY** cancels the regular election to be conducted on the 5th day of May, 1998.

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

John L. Ballagh, 557 Eastbrook Street, Grand Junction, CO 81504, Mesa County, 4-year term
Martin Garber, 148 Short Street, Whitewater, CO 81527, Mesa County, 4-year term
Paul A. Teal, 3129 D 3/4 Road, Grand Junction, CO 81504, Mesa County, 4-year term

Signed by: _____
Member of the Board of Directors of the District

Contact Person for the District: Dale Tooker
Telephone Number of the District: (970) 434-7328
Address of the District: PO Box 100; 137 Third Street, Clifton, CO 81520

Director Lewis seconded the motion and it passed unanimously. The oath of office will be administered to Director Ballagh, Director Garber, and Director Teal at the May Board meeting.

GENERAL CONSTRUCTION CREW. Manager Tooker reiterated the memorandum that had been included in the Board packet justifying the Clifton Water District hiring a general construction crew for repairs and maintenance. Manager Tooker explained the spreadsheet figures and the financial justification that indicated that the District could save money by hiring its own crew to perform repairs and maintenance. After a lengthy discussion, Director Garber moved that, based upon the recommendation of the manager, the District hire a two-man construction crew for repairs and maintenance. Director Wheeler seconded the motion. The motion failed with Directors Garber and Wheeler voting for the motion and Directors Teal, Lewis, and Ballagh voting against. Director Lewis stated that he was not against the idea but did not have enough information at this time.

COST OF SERVICE RATE STUDY. Manager Tooker stated that the information he had presented to the Board in his memorandum regarding his participation in the AWWA sponsored Cost of Service Rate Analysis Workshop was informational only. Manager Tooker continued by stating that he recommends that the Board appoint a rate evaluation committee. It was the consensus of the Directors that Directors Wheeler, Garber, and Ballagh will form this committee.

SELECTION OF ENGINEERING FIRM FOR RETENTION POND PROJECT. Manager Tooker stated that he was requesting a consensus of the Board of Directors to begin the search for an engineering firm to perform preliminary design for the construction of a new raw water retention pond at the Charles A. Strain Water Treatment Plant. Director Lewis moved that the Board authorize the manager to select an engineering firm to design the new retention pond. Director Teal seconded the motion and it passed unanimously.

NEW LEGISLATION FOR AUGMENTATION AND EXCHANGES. Manager Tooker explained that there was a proposed legislative bill that could potentially set a precedent concerning the ability of junior water diverters to take water and augment or exchange it with an equal flow without consideration of water quality issues of the senior water user. Manager Tooker stated that there wasn't much information available on the proposed bill at this time but that he would keep the Board informed of this issue.

NEW EMPLOYEE: Manager Tooker stated that Dennis Carlson has been hired as the new Water Treatment Plant Operator. Mr. Carlson is a State of Colorado Class "A" Water Works Operator and he will begin on Monday, February 23, 1998.

Director Garber moved that the District schedule an annual public meeting to be held approximately the same time each year. Director Garber stated that he believed this would be good public relations to keep the District's customers updated on what the District is doing. Director Lewis seconded the motion and it passed unanimously after some discussion. After some discussion it was the consensus that staff and Board will work together to schedule a date for the annual meeting.

Director Ballagh questioned if Manager Tooker had an opportunity to write Greg Trainor, Utility Director for the City of Grand Junction, concerning the Water Purchase Agreement between Clifton and the City. Manager Tooker said that he had already written a letter to Mr. Trainor and he had received a response requesting that the District list our specific concerns and proposed changes. After some discussion, it was decided that Directors Ballagh and Lewis will work with Manager Tooker to present proposed contract changes to Mr. Trainor.

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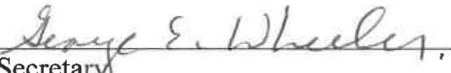
Manager Tooker stated that he had begun reviewing all of the policies of the District and was presenting a new structure for the District policies. Manager Tooker explained that it was his desire to have all the District policies included in one booklet under one cover instead of having several individual policies. Manager Tooker presented a preliminary draft of the policy book to the Directors. Manager Tooker continued by stating that he had prepared a New Construction Policy that he would like the Board to consider at this time. The New Construction Policy would: allow developers to pay for and install water lines for a subdivision; require developers to purchase a wet tap with the cost based upon size; require developer/contractor to warranty work for 365 days after completion; and require developer to assign easements to the District. After some discussion, Manager Tooker requested approval of the presented policy with the changes that had been discussed. It was the consensus of the Board that staff would make changes to the policy and Manager Tooker could take a telephone poll for approval of the policy. Ratification of a telephone poll could take place at the next Board meeting.

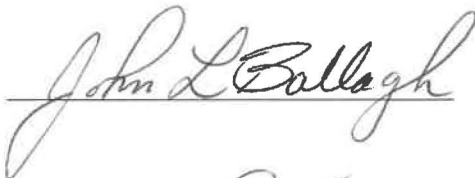
Manager Tooker asked the Directors to review the draft copy of the 1997 Audit that had been given to each of them. The Directors will contact Manager Tooker if they have any questions or concerns about the draft audit.


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

The meeting adjourned at 10:25 p.m.

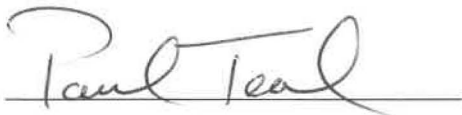
ATTEST:


Secretary









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

Held April 15, 1998

Present were Chairman Ballagh, Secretary Wheeler, Treasurer Garber, Director Lewis, and Director Teal. Staff present were Dale Tooker, Tom Shawler, Tyler Lehmann, Mark Dalley, and Cindy Day-Biondich. Guests present were David Reinertsen, the new Assistant Manager, Chris Johnson from Capital Investment Counsel, Inc., and Mary Brenes from Chadwick, Steinkirchner, Davis, and Co., P.C.

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

MINUTES OF MARCH 18, 1998. Director Garber moved to accept the minutes of the March 18, 1998, meeting. Director Wheeler seconded the motion. The motion to accept the minutes as amended with minor corrections passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE. Director Wheeler moved to approve the financial report paying the \$67,488.54 as shown on the report, \$29,255.18 as itemized on the supplemental report, and a transfer of funds of \$12,400.00. Director Garber seconded the motion. After some discussion, the motion to approve the financial report passed unanimously.

STATUS OF INVESTMENT PORTFOLIO - CHRIS JOHNSON. Chris Johnson explained the "Fixed Income Distribution" report that he presented to the Directors which gives an overview of the District's investments. Mr. Johnson also covered the portfolio and discussed with the Directors the economy and how Capital Investment Counsel, Inc. will handle the District's investments should the interest rates change. Mr. Johnson left at 8:20 p.m.

1997 AUDIT. Ms. Brenes from Chadwick, Steinkirchner, Davis & Company, presented the District's 1997 audit. Ms. Brenes explained the audit and notes attached to the audit.

EXPRESS AGENDA AND MANAGER'S REPORT. The Directors reviewed the following express agenda items, and they were accepted as presented.

Property and Liability Insurance Request for Proposals. Manager Tooker has prepared a Request for Proposal (RFP) for the District's property and liability insurance. The legal notice for the RFP was published in The Daily Sentinel on March 31, April 2, and April 4. The Proposals must be submitted by May 13. The District's policy period is 5/20/98 to 5/20/99. This will be an agenda item to review the RFP's and select an insurance carrier at the May 20th Board of Directors meeting. A copy is available for the Board.

Statement of Qualifications for Engineering Services for Raw Water Retention Pond. A Statement of Qualification for engineering services to perform the design stage of the raw water retention pond located at the Charles A. Strain Water Treatment Plant was published in The Daily Sentinel on March 29, 30, and 31. Pre-qualification letters must be received by the District by April 15. After April 15, Manager Tooker will review the pre-qualification letters and request an RFP from each of the firms pre-qualifying for the project.

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Final Payment of Project 97-02. Final payment in the amount of \$14,865.92 was made to Wood Construction for the completion of Project 97-02. Manager Tooker is in the process of submitting the appropriate paperwork to the Colorado Department of Transportation for reimbursement of construction costs for Project 97-02.

New Legislation for Augmentation and Exchanges - C.R.S. 37-92-305(5). At the previous Board of Director's meeting Manager Tooker relayed information concerning new legislation that could set a precedent for future augmentation and exchanges. Included in the Board packet is a letter drafted by Manager Tooker and Attorney Ogle addressed to Senator Bishop concerning the proposed legislation. This is informational at this time and any further information will be forwarded to the Board.

NEW WATER DISTRICT OFFICE CONSTRUCTION. Manager Tooker stated that the office construction committee consisting of Directors Lewis, Teal, Wheeler, and himself, met on March 26. Manager Tooker stated that the committee had come to consensus concerning building parameters and that the floor plan had been adjusted to accommodate several committee suggestions. After some discussion it was decided that the committee will meet again and present its recommendations in writing to the other Directors at the next Board meeting.

RATIFY NEW CONSTRUCTION POLICY. The New Construction Policy, that was presented at the last Board meeting, was revised and included in the packets. Manager Tooker had taken a telephone poll of the Directors for the adoption of this policy which was approved unanimously. After some discussion Director Lewis moved to ratify the telephone poll to accept the New Construction Policy with a change in Section .011 stating the option for the District to install water distribution systems in subdivisions would last only until December 31, 1998 and after that time the District would no longer install distribution systems in subdivisions. Director Teal seconded the motion and it passed unanimously.

UPDATE ON GENERAL CONSTRUCTION CONTRACT WITH STANLEY CONSTRUCTION. Manager Tooker told the Directors that District staff had some concerns with the repair and maintenance crew of Stanley Construction. Specifically, Manager Tooker stated that there were concerns with the quality of work being performed, the length of time it was taking to complete jobs, and the number of employees working at any particular job site. Manager Tooker will continue to work with Stanley Construction to resolve problems and will keep the Directors informed.

OTHER UNFINISHED BUSINESS: Director Lewis questioned if Mr. Bellman had begun vacating the District's property at 510 34 Road. Manager Tooker stated that according to the letter Mr. Bellman had been presented on January 29, 1998, he has until June 1, 1998, to vacate the premises.

NEW ASSISTANT MANAGER. Manager Tooker informed the Board that he had completed his search for an Assistant Manager and has selected David Reinertsen to fill the position. Mr. Reinertsen will officially begin Monday, April 20, 1998. Mr. Reinertsen gave the Directors a synopsis of his work experience and his background and stated that he was looking forward to working for the District.

MONEY PURCHASE PLAN AMENDMENT. Manager Tooker stated that an amendment to the Clifton Water District's Money Purchase Pension Trust (employees retirement account) needed to be signed by Chairman Ballagh. This amendment changes the entry date from "first day of the plan" to

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"first day of each month." Chairman Ballagh signed the amendment to the Money Purchase Pension Trust.

OTHER NEW BUSINESS: Manager Tooker stated that he had met with Bob Norman from the Bureau of Reclamation concerning the Bureau's plans to construct a fish ladder around the Price/Stubb Diversion Dam on the Colorado River. During the construction process of the fish ladder, portions of the Diversion Dam will need to be removed and the Bureau is concerned about the effect this may have on District operations. Manager Tooker informed Mr. Norman that removing the Diversion Dam would subsequently release years of sediment accumulated above and below the structure. Manager Tooker requested that the Bureau test the sediment prior to removal of the dam and report the results to the District so that necessary steps could be taken at the water treatment plant. District staff will wait for the results of the sedimentation testing and then evaluate the data before making any recommendations. In addition, Manager Tooker requested that the Bureau work closely with the District concerning the schedule for this project.

Manager Tooker also reported that he had discussed with Mr. Norman the possibility of the District and the Bureau working together to build a fish screen on the Colorado River intake structure and/or utilizing the District's property for a "grow-up pond" for endangered species. Manager Tooker's intentions were to initiate discussion regarding future requirements of the Fish Recovery Program as they pertain to the District. The Directors discussed this as an informational item only.


EXECUTIVE SESSION: At 10:20 p.m. Director Lewis moved to enter into executive session to discuss the general construction contract and the contract with Pitney Bowes Corporation. Director Garber seconded the motion and it passed unanimously.

Director Garber moved to exit from the executive session. Director Teal seconded the motion and it passed unanimously.

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

The meeting adjourned at 11:35 p.m.


ATTEST:


Secretary









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

Held May 20, 1998

Present were Chairman Ballagh, Secretary Wheeler, Treasurer Garber, and Director Lewis. Director Teal was absent from the meeting. Staff present were Dale Tooker, David Reinertsen, Larry Robinson, and Cindy Day-Biondich. Mr. Jamie Hamilton from Home Loan and Investment Company was present as a guest.

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

DIRECTOR'S OATH OF OFFICE. Chairman Ballagh turned the meeting over to Director Wheeler for the administration of the Director's Oath of Office. Director Wheeler requested that Director Lewis administer the Oath of Office to John Ballagh and Martin Garber for Directors of the Board of the Clifton Water District for four year terms. Directors Lewis, Ballagh, and Garber signed the appropriate "Oath of Office" forms for submittal to the correct government agencies. For good cause shown, Director Teal was allowed to extend the period for taking the Oath of Office until the June Board Meeting.

MINUTES OF APRIL 15, 1998. Director Wheeler moved to accept the minutes of the April 15, 1998, meeting. Director Garber seconded the motion. After some discussion, the motion to accept the minutes as amended passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE. Director Wheeler moved to approve the financial report paying the \$91,937.68 as shown on the report, \$29,651.22 as itemized on the supplemental report, and a transfer of funds of \$12,400.00. Director Lewis seconded the motion. After some discussion, the motion to approve the financial report passed unanimously.

EXPRESS AGENDA AND MANAGER'S REPORT. The Directors reviewed the following express agenda items, and they were accepted as presented.

AirTouch Cellular - North Tank. During the week of April 27, AirTouch Cellular finished their construction project of installing and painting the antenna and related equipment on the North Tank. Manager Tooker has inspected the inside of the tank and did not observe any damage to the coating from the attachment of the equipment. The installation project is complete and is now functioning.

Statement of Qualifications (SOQ's) for Engineering Services for Raw Water Retention Pond. Manager Tooker has received five SOQ's from engineering firms for services to design a raw water retention pond. A Request For Proposal (RFP) will be prepared and sent to each firm that responded to the SOQ. The RFP's will be received and reviewed by staff with a recommendation to the Board at the June 17, 1998, Board of Directors meeting.

Update on General Construction Contract with Stanley Construction. Manager Tooker and Assistant Manager Reinertsen have met numerous times with representatives from Stanley Construction. Adjustments in the crews have been made and there has been some progress observed. Staff will continue to monitor the situation and provide the Board with progress reports.

Orchard Mesa Property Progress Report. Ward Scott reported to Manager Tooker on Thursday, April 30, concerning the Orchard Mesa property. There have been inquiries, however, to date, no offers.

City of Grand Junction Water Exchange. Due to the City's construction project to relocate their raw water flow lines, the District has been delivering water to the City of Grand Junction. The City anticipates needing 2 MGD until their project is complete at the end of May.

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Stopping Nanofiltration Production Due To Run-off. Due to the beginning of the run-off and low TDS, the nanofiltration plant temporarily shut down production of water on Thursday, April 30, 1998. The nano skids have been thoroughly washed and stored in sodium metabisulfite to reduce biological growth. The skids will remain out of service until after run-off.

PROPERTY AND LIABILITY INSURANCE REQUEST FOR PROPOSALS - REVIEW AND SELECT. Each Director had a copy of the District's Property and Liability Insurance RFP, RFP responses, and a summary spreadsheet. After reviewing the information provided, Director Wheeler moved the approval of Home Loan and Investment Company to serve as the District's insurance carrier for the Property and Liability Insurance needs of the District for the policy period of May 21, 1998, to May 21, 1999. Director Lewis seconded the motion. The Directors questioned Mr. Hamilton on a number of issues concerning the District's current and future coverage. After the discussion, the motion passed unanimously. Director Wheeler moved to approve Home Loan and Investment Company to provide the District's Public Officials Liability Insurance effective upon the renewal date of August 3, 1998. Director Garber seconded the motion, and it passed unanimously.

ADOPT REVISED NEW CONSTRUCTION POLICY. Manager Tooker stated that each Board member had a copy of the revised New Construction Policy, with corrections as suggested by the Board. Director Garber moved that the New Construction Policy as presented be adopted. Director Lewis seconded the motion, and it passed unanimously.

NEW WATER DISTRICT OFFICE CONSTRUCTION. Director Lewis stated that the Board had been given the Office Construction Committee recommendations for the construction of the new office. After a brief discussion, Director Lewis moved that the District authorize the construction of a new office building within the parameters presented and that staff be authorized to draft the design/build documents for approval by the Board prior to being put out to bid. Director Garber seconded the motion. After some discussion the motion passed unanimously.

CUSTOMER SERVICE ELECTRONIC PAYMENT PROGRAM. Staff has received approximately 160 customers responses interested in the electronic payment program. To initiate the electronic payment program, agreements with Palisades National Bank and the Automated Clearing House (ACH) will need to be signed. Director Lewis moved to authorize Manager Tooker to sign agreements with Palisades National Bank and Automated Clearing House for the District and to proceed with the electronic payment program. Director Wheeler seconded the motion and it passed unanimously.

DILLON REFILL CASE - 87CW376. Manager Tooker explained the request from Mr. John Currier via Attorney Ogle requesting additional payment to cover engineering expenses regarding the Dillon Refill Case - 87CW376. After some discussion Director Garber moved to pay an additional \$150 to fulfill the District's original motion from the July 17, 1996, Board Meeting to pay up to \$1,150. Director Wheeler seconded the motion. After more discussion Director Lewis moved to amend the original motion and for the District to pay an additional \$903.20 for a total payment of \$1,903.20 as a pro-rata portion of 1/15th of the entire bill from Mr. Currier. Director Wheeler seconded the motion. The amendment to the motion passed unanimously and the motion passed unanimously.

OUT-OF-DISTRICT INCLUSION REQUEST. Fulfilling the requirements of the District's Inclusion and Out-of-District Construction Policy, Ms. Holly Windolph requested that Ute Trail Estates AFT Major Subdivision be included in the District's Out-of-District service area. After a brief discussion, Director Lewis moved that the District include Ute Trail Estates AFT Major Subdivision in the District's out-of-District service area. Director Garber seconded the motion and it passed unanimously.

GRAND JUNCTION PIPE & SUPPLY COMPANY REQUEST TO SELL DIRT. Manager Tooker explained that Grand Junction Pipe & Supply Company had requested the right to sell the overburden soil from the gravel pit operation on Gunderson Island at a price of \$0.50 per yard. Director Lewis moved to sell the excess dirt from the gravel pit operation for \$0.50 per yard up to 30,000 yards subject to staff's discretion. Director Garber seconded the motion which passed unanimously.

CITY OF GRAND JUNCTION WATER PURCHASE AGREEMENT REVISION. Manager Tooker stated he had received a written proposal from Terry Franklin from the City of Grand Junction concerning the water purchase agreement and he had not had an opportunity to review or have the District attorneys' review the proposed changes. This item will be discussed at the next Board meeting.

OTHER NEW BUSINESS: Manager Tooker showed the board the plaque for the nano building. The plaque will be placed near the entrance of the control room.

Manager Tooker informed the Directors that he had agreed to allow Elam Construction and Colorado Department of Transportation to use the Plant 1 site for their construction trailers in exchange for maintaining the access road to the Plant.

EXECUTIVE SESSION: At 10:18 p.m. Director Lewis moved to enter into an executive session to discuss the contract with Pitney Bowes Corporation. Director Wheeler seconded the motion and it passed unanimously.


Director Wheeler moved to exit from the executive session. Director Lewis seconded the motion and it passed unanimously.

Director Lewis moved to authorize staff to draft a policy regarding relationships between District staff and minor-aged individuals that may be involved with the District in any capacity. Director Wheeler seconded the motion and it passed unanimously.

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

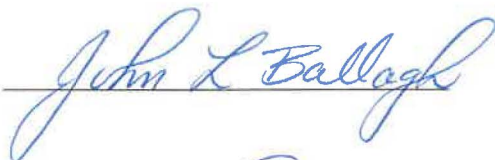

The meeting adjourned at 10:22 p.m.

ATTEST:


Secretary





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

Held June 17, 1998

Present were Chairman Ballagh, Secretary Wheeler, Treasurer Garber, Director Lewis, and Director Teal. Staff present were Dale Tooker, David Reinertsen, and Cindy Day-Biondich.

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

DIRECTOR'S OATH OF OFFICE. Chairman Ballagh requested that Director Lewis administer the Oath of Office to Paul Teal for Director of the Board of the Clifton Water District for a four year term. Directors Lewis and Teal signed the appropriate "Oath of Office" forms for submittal to the proper government agencies.

MINUTES OF MAY 20, 1998. Director Wheeler moved to accept the minutes of the May 20, 1998, meeting. Director Garber seconded the motion. After some discussion, the motion to accept the minutes, as amended, passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE. Director Garber moved to approve the financial report paying the \$37,851.94 as shown on the report, \$53,899.98 as itemized on the supplemental report, and a transfer of funds of \$13,400.00. Director Lewis seconded the motion. After some discussion, the motion to approve the financial report passed unanimously.

EXPRESS AGENDA AND MANAGER'S REPORT. The Directors reviewed the following express agenda items, and they were accepted as presented.

Grand Junction Pipe & Supply Company Request to Sell Dirt. Grand Junction Pipe and Supply will be purchasing 25,000 yards of the overburden soil from the Gunderson Island gravel pit at a cost of \$0.50 per yard.

Water Rates Committee. The Water Rates Committee, consisting of Directors Ballagh, Garber, Wheeler, and Manager Tooker, met on Tuesday, June 9, 1998, to review the water rate analysis as prepared by Manager Tooker. Manager Tooker will revise the analysis and provide a recommended rate structure to the committee for presentation at a later Board meeting.

Electronic Payment Program. Staff is proceeding with the implementation of the electronic payment program. We have 190 customers interested in the program which should be fully implemented by August 1998.

MR. BILL BELLMAN. Manager Tooker reiterated the Board's motion of the December 17, 1997, Board meeting, where he was authorized to spend up to \$4,500 toward relocating Mr. Bellman. Manager Tooker stated that he had agreed to pay \$3,750 to Mrs. Laura Nichols to assist with the purchase of a mobile home for Mr. Bellman. Staff has earmarked \$750 to cover the cost of demolition and removal of the buildings left by Mr. Bellman. Mrs. Nichols wished for Manager Tooker to express the Nichols' gratitude to the District for assisting in the relocation of Mr. Bellman.

RETENTION POND. Manager Tooker stated that five proposals were received for the Retention Pond Project. The firms responding to the RFP were Boyle Engineering, Burns and McDonnell, Red Mesa Consulting, Weston Engineers, and Westwater Engineering. Manager Tooker stated that staff had reviewed the RFP's and recommends that Westwater Engineering be hired to design the retention pond. Director Garber moved that the District accept staff recommendations to

accept the proposal of Westwater Engineering for the design through bid-documents phase of the retention pond project. Director Teal seconded the motion and after a brief discussion it passed unanimously. Director Garber moved that Manager Tooker be authorized to sign the contract documents with Westwater Engineering for their services. Director Lewis seconded the motion which passed unanimously.

CITY OF GRAND JUNCTION WATER PURCHASE AGREEMENT REVISION. Manager Tooker explained that Attorney Bechtel had reviewed the draft Agreement to amend the Water Purchase Agreement with the City of Grand Junction eliminating the exchange of \$75,000 payments between the City and the District. The amended Agreement retains the procedures for charging each utility for water use in excess of the contract. Director Lewis moved approval of the Agreement which will be prepared and ready for Board signature at a later meeting. Director Wheeler seconded the motion and it passed unanimously

CONSTRUCTION POLICY. Manager Tooker explained that, in regard to the New Construction Policy, there would be taps purchased in 1998 that would not be installed until 1999. Manager Tooker stated that according to District policy, taps may only be purchased for projects that have received final approval from Mesa County and that have addresses. In addition, taps sold in 1998 would be allowed to be installed under the current Construction Policy. This will extend the District's General Construction Contractor into 1999 until all new subdivision work has been completed. The consensus of the Board was to allow any purchased taps on or before December 31, 1998, to fall under the current Construction Policy.

1998 HEALTH INSURANCE PREMIUMS. Manager Tooker stated that the renewal date for the District's employee health insurance policy was May 1, 1998, and Blue Cross/Blue Shield had proposed a 25% increase in premiums. Manager Tooker explained that a District-wide staff meeting was held to discuss the increase and present options to the staff. Manager Tooker said that staff agreed to take a "step down" in coverage so that the increase in premiums remained within the 1998 budget line item of Wages and Benefits.

INVESTMENT POLICY EXCEPTION. Manager Tooker presented the following:

Investment Policy Exception:

This Exception serves as an amendment to the Clifton Water District Investment Policy effective January 21, 1998.

In accordance with the Clifton Water District Investment Policy, the Board of Directors recognize that the District owns four investments each having a maturity date that exceeds five years. The District's Investment Policy prohibits investments with maturity dates greater than five years unless specifically approved by exception by the Board of Directors of the Clifton Water District. The four securities with maturity dates greater than five years are:

- 1) FNMA at 8% due 7/25/20;
- 2) FNMA at 7% due 1/25/21;
- 3) FHLMC at 7.7% due 7/15/18; and
- 4) FHLMC at 6% due 10/15/05

This Exception to the Investment Policy states that the Clifton Water District's Board of Directors approves of these four securities beyond the five-year maturity limitation as stated in the District's Investment Policy.

Director Lewis moved to adopt the Investment Policy Exception as read by Manager Tooker. Director Garber seconded the motion and it passed unanimously.

BUS TOUR OF UPPER COLORADO RIVER WATER FACILITIES/COLORADO RIVER WORKSHOP. Manager Tooker asked if any Board members were interested in attending a two-day bus tour of the upper Colorado River water facilities on July 27 and July 28 or the 23rd Annual Colorado Water Workshop to be held in Gunnison on July 29-31, 1998. Any Board members interested in either event will notify the office of their plans.

OTHER NEW BUSINESS. Director Ballagh proposed a policy adoption wherein the District would use a resolution stating the reasons for adopting or changing any policies to enable future Directors and staff to know the reasons behind new policies or changes in existing policies. After some discussion it was decided that this item will be placed on the agenda for the next meeting.

Manager Tooker stated that there was some question as to the amount that the District charges to a customer when a check is returned on an account. Currently the District charges \$2.00 for an insufficient funds check. Director Lewis moved that the District charge \$15.00 on a bad check or electronic fund rejection. Director Garber seconded the motion. After some discussion, the motion failed unanimously.

Director Lewis had previously provided staff with information packets regarding laptop computers. Discussion has taken place among the Board members in regard to using laptop computers in place of having all the paper and notebooks. After some discussion Director Teal moved that the District purchase one laptop computer for the Board of Directors of the Clifton Water District to test on an experimental basis. Director Lewis seconded the motion and it passed unanimously.

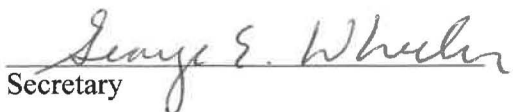
EXECUTIVE SESSION. At 9:00 p.m. Director Lewis moved to enter into executive session to discuss the District's General Construction Contract and personnel issues. Director Garber seconded the motion and it passed unanimously.

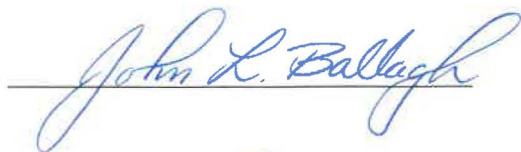
Director Wheeler moved to exit from the executive session. Director Lewis seconded the motion and it passed unanimously.

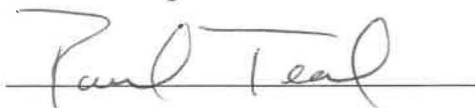
Director Lewis moved to adjourn. Director Lewis seconded the motion and it passed unanimously.

The meeting adjourned at 9:50 p.m.

ATTEST:


Secretary









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

Held July 15, 1998

Present were Chairman Ballagh, Secretary Wheeler, Treasurer Garber, and Director Teal. Director Lewis' absence was excused. Staff present were Dale Tooker, David Reinertsen, Larry Robinson, and Cindy Day-Biondich. Guests present were Stan Seligman and Rob DeBaca from Great New Homes and Attorney Flint Ogle from Dufford, Waldeck, Milburn, and Krohn.

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

GUESTS: Mr. Stan Seligman from Great New Homes was requesting a policy variance for the Irish Walk development. Mr. Seligman explained that, in the interest of public safety (fire flows and water quality), he was requesting that the District vary its policy and install the water system for the future filings of Irish Walk Subdivision before January 1, 1999. The District is currently installing the water lines for Phase I of the subdivision which contains 42 home sites. Mr. Seligman stated that he would pay the current rates to have the District install the water lines for Filings 2 and 3 of Irish Walk Subdivision (including parts that have not been recorded in Mesa County). After some discussion, Director Ballagh told Mr. Seligman that this item was on the agenda for discussion later in the meeting and he was welcome to come back around 9:00 p.m. where it was determined the topic would be discussed.

ATTORNEY FLINT OGLE. Attorney Ogle explained that during the Dillon Refill Case, wherein the District paid an initial contribution of \$1,000 to enlist the services of an engineer (John Currier), he had communicated to the previous Manager the fact that the case would cost more than the initial contribution from the District and that he had the approval from previous Manager Schuster to proceed. Attorney Ogle stated that the three groups he represents had each paid a total of \$1,903.20 as a pro-rata portion of 1/15th of the entire bill from Mr. Currier. Attorney Ogle has sent the additional funds to Mr. John Currier and expected that there would be no further charges.

95CW296 and 95CW297. Director Wheeler moved to enter into executive session at 8:07 p.m. to discuss ongoing litigation with the District's attorney. Director Garber seconded the motion and it passed unanimously.

Director Garber moved to exit from the executive session at 8:55 p.m. Director Teal seconded the motion and it passed unanimously.

MINUTES OF JUNE 17, 1998. Director Wheeler moved to accept the minutes of the June 17, 1998, meeting. Director Garber seconded the motion. The motion to accept the minutes as presented passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE. Director Garber moved to approve the financial report paying the \$105,560.09 as shown on the report, \$39,652.63 as itemized on the supplemental report, and a transfer of funds of \$13,400.00. Director Teal seconded the motion. After a brief discussion, the motion to approve the financial report passed unanimously.

Director Ballagh stated that, in honoring the previous commitment to Mr. Seligman and because it was 9:00 p.m., discussions would move to item 4 under unfinished business, Irish Walk.

IRISH WALK. Director Garber moved that the developers of Irish Walk Subdivision be permitted to proceed with their proposal of paying for the taps and having the lines installed prior to the development being recorded with the stipulation that the proposal be made in writing. Director Teal seconded the motion. Manager Tooker stated that he was concerned that if a variance was granted to Irish Walk Subdivision, the District could have numerous other requests of this type prior to January 1, 1999, when the District's Construction Policy changes. Manager Tooker explained that several developers are attempting to get their developments recorded prior to January 1, 1999, to enable them to make a deposit on their taps and have the District install the water lines for the development. Manager Tooker foresees a variance in the policy with Irish Walk as a situation that would set a precedent for other developers. Manager Tooker did recognize that looping the system would benefit the District's distribution system. After additional discussion the question was called and failed unanimously. Director Ballagh suggested to Mr. Seligman that he work with District staff to write a proposal detailing his request to present to the Board of Directors for formal action.

EXPRESS AGENDA AND MANAGER'S REPORT. The Directors reviewed the following express agenda items, and they were accepted as presented.

Year 2000 Compliance. Staff has been evaluating the District's software and hardware capabilities for the Year 2000 compliance by requesting certification from vendors. The District's computer network, utility billing, meter reading, NF Wonderware, and general use programs are Year 2000 compliant. District staff continues to assess other aspects of the District's operation and will make the necessary changes and updates for the Year 2000 compliance.

Repair and Maintenance Crew. The District has started its own repair and maintenance crew with the hiring of Tino Villarreal. Mr. Villarreal worked June 29 and 30 but because of previous commitments, he will start work full time for the District beginning Monday, July 13, 1998. The repair and maintenance crew will be responsible for all emergency repairs and maintenance as well as special projects.

Orchard Mesa Property. There has been no offers on the Orchard Mesa Property.

City of Grand Junction Water Purchase Agreement Revision. City of Grand Junction attorneys were unavailable to review and complete the City of Grand Junction Water Purchase Agreement revision. This item will be placed on the agenda for the August 1998 Board meeting.

Retention Pond Project. Manager Tooker has contacted WestWater Engineering and is preparing an Agreement for the design through bid-document stage of the project. WestWater will begin with a survey of Gunderson Island for topographical reasons and to prepare a drainage plan. Staff met with WestWater Engineering on July 9, 1998, to discuss preliminary scope and scheduling. Staff will continue to provide updates to the Board concerning this project.

PUBLIC SERVICE MOVING POWER LINES AT GUNDERSON ISLAND. Public Service has quoted a price of \$9,764 to relocate the power lines on the 34 Road alignment between E 1/4 Road and the Charles A. Strain Water Treatment Plant. Grand Junction Pipe and Supply has stated that they will pay for one-half of the relocation costs. The District cost is estimated at \$4,882. This project has been scheduled for the second week in August. Director Ballagh asked if

this was a budgeted project. Manager Tooker stated that the funds for this project were included in the New Office Construction budget. Director Ballagh continued by stating that the funds for this project need to be appropriated as well as budgeted for before the expenditure can take place and that a New Office Construction cost sheet should be started.

BILL BELLMAN. As of June 30, 1998, Mr. Bellman has vacated the District's Gunderson Island property. The remaining structures were razed Thursday, July 9, 1998, with the participation of the Clifton Fire Department. Assistant Manager Reinertsen informed the Directors that the approximate total cost for cleaning the area up was \$2,200.

NEW OFFICE CONSTRUCTION. Staff was expected to prepare bid documents for the new office construction for approval at this meeting. The documents and drawings have not been completed. Director Wheeler expressed his concerns about the Directors having input into the design and layout of the new office. Manager Tooker reassured the Directors that the successful Bidder will work closely with staff as well as the Board on any design or layout before the actual construction. Manager Tooker continued by stating that staff will prepare bid documents and preliminary drawings for Board approval at the August meeting.

GENERAL CONSTRUCTION CONTRACT. The last official day for Stanley Construction, Inc. as the District's General Construction Contractor was June 30, 1998. Directors Ballagh and Wheeler have signed the appropriate documents to hire Sorter Construction to replace Stanley Construction as the District's General Construction Contractor for the remainder of the Contract. Sorter Construction mobilized a crew for the District on July 9, 1998. Director Garber moved to ratify the signatures of Directors Ballagh and Wheeler on the Agreement with Sorter Construction to provide the District with its general construction work. Director Teal seconded the motion and it passed unanimously

POLICY ADOPTION USING RESOLUTIONS FOR RATIONALE. At the June meeting Director Ballagh proposed a policy for using resolutions to identify the reasons for adopting or changing policy. It was up for discussion at this meeting. Director Ballagh suggested delaying discussion on this item until the full Board was present. It will be on the agenda for the August meeting.

WATER USAGE FEE POLICY. Manager Tooker stated that a copy of the revised Water Usage Fee Policy and Plant Investment Fee Policy had been included in the packets. The objectives in the revisions of both policies are: 1) identify two types of customers (residential and non-residential); 2) provide a more equitable tap fee structure for multiple use residential taps; 3) clean-up the confusion between the two policies; and 4) secure a fair contribution to plant investment and infrastructure demands by all users of the District. After some discussion, Director Wheeler moved to accept the proposed Water Usage Fee Policy. Director Garber seconded the motion which passed unanimously with a few minor corrections. Director Wheeler moved to accept the proposed Plant Investment Fee Policy. Director Garber seconded the motion and it passed unanimously.

COLORADO WATER CONGRESS. Manager Tooker explained that the District was a member of the Colorado Water Congress Colorado River Project but was not a member of the Colorado Water Congress. The additional cost of becoming a member of the Congress is \$2,500. After some discussion it was the consensus of the Directors that the District would not become a member of the Colorado Water Congress at this time.

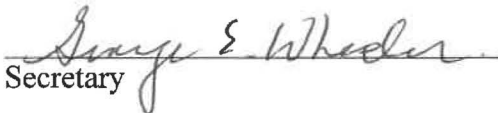
SPECIAL DISTRICT ASSOCIATION (SDA) CONFERENCE. The SDA Conference will be held in Vail on October 1 and 2, 1998. Manager Tooker stated that if anyone was interested in attending, registration forms for the rooms were in the packets and as the other information became available it would be passed on to the Board members.

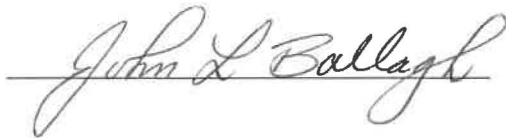
OTHER NEW BUSINESS. Assistant Manager Reinertsen stated that he and Manager Tooker had met with Pete Baier, Mesa County Public Works Director, in an attempt to improve the communications with the District and Mesa County staff. Mesa County and the District will work on opening the lines of communication and creating a better working relationship between the two entities. During the discussion, Mr. Baier asked that the District track the costs of moving the water line at D ½ and 30 Roads and submit these costs for reimbursement from Mesa County.

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

The meeting adjourned at 11:05 p.m.

ATTEST:


Secretary







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

Held August 19, 1998

Present were Chairman Ballagh, Secretary Wheeler, Treasurer Garber, Director Lewis, and Director Teal. Staff present were Dale Tooker, David Reinertsen, and Cindy Day. There were no guests present.

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

MINUTES OF JULY 15, 1998. Director Garber moved to accept the minutes of the July 15, 1998, meeting. Director Wheeler seconded the motion. The motion to accept the minutes with minor corrections passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE. Director Wheeler moved to approve the financial report paying the \$41,062.48 as shown on the report, \$76,985.58 as itemized on the supplemental report, and a transfer of funds of \$20,400.00. Director Teal seconded the motion. After some discussion, the motion to approve the financial report passed unanimously.

EXPRESS AGENDA AND MANAGER'S REPORT. The Directors reviewed the following express agenda items, and they were accepted as presented.

Retention Pond Project. District staff has met numerous times with Westwater Engineering to develop preliminary plans for the new retention pond. Merritt Dismant has been retained to survey the Gunderson Island property to provide topographical maps for the site plan as well as information to be used in the development of a drainage plan. A proposed retention pond design should be available at the September meeting.

Water Festival Costs. At a previous Board of Directors meeting, the Board committed up to \$1,000 to participate in the Children's Water Festival. The 1998 costs have been compiled and the District's share of the total cost is \$624.37. A letter is included in the Board member packets thanking the District for their participation.

Automatic Transfer of Funds (ATF) For Water Bills. The ATF program began with the first billing in August. Staff will update the Board concerning the progress of this program.

Job Description Manual. Job descriptions have been updated and are now contained in a Job Description Manual. Each employee has reviewed his or her job description, signed it, and a copy has been placed in their personnel file. The annual employee evaluations were completed in June.

CITY OF GRAND JUNCTION WATER PURCHASE AGREEMENT REVISION.

Manager Tooker presented the Board with the City of Grand Junction Water Purchase Agreement Revision for their approval. Director Wheeler moved to approve the Agreement Revision as presented. Director Lewis seconded the motion which passed unanimously. Board President Ballagh and Board Secretary Wheeler signed two copies of the Agreement.

GRAND JUNCTION PIPE LEASE ADDENDUM. Manager Tooker presented the Board with an Addendum to the Lease Agreement with Grand Junction Concrete Pipe Company for their approval. The Addendum allows for the sale of up to 30,000 cubic yards of topsoil from the gravel pit on Gunderson Island. Director Wheeler moved to approve the Addendum to the Lease Agreement with Grand Junction Concrete Pipe Company. Director Lewis seconded the motion and it passed unanimously. Board President Ballagh and Board Secretary Wheeler signed two copies of the Addendum to the Lease Agreement with Grand Junction Concrete Pipe Company.

NEW OFFICE CONSTRUCTION. Manager Tooker stated that the Board packets included a copy of the proposed design/build Request for Proposal and project description. After some discussion concerning changes to the documentation, Director Lewis moved to authorize staff to request proposals for the new office construction. Director Garber seconded the motion and it passed unanimously.

IRISH WALK AGREEMENT. Manager Tooker presented the Board with an Agreement between Stan Seligman of Great New Homes and the District for their approval. The Agreement accomplishes looping the distribution system without compromising District policy concerning the installation of water taps in an unrecorded development. Director Garber moved to approve the Irish Walk Agreement with the following corrections: Item #5 will state that WALK will provide at their cost all necessary permanent recorded easements. Director Teal seconded the motion which passed unanimously with said corrections. The Board emphasized to staff that taps can only be sold in a subdivision that is officially recorded and this Agreement does not change this policy.

POLICY ADOPTION USING RESOLUTIONS FOR RATIONALE. Director Ballagh stated that his reasoning for this suggestion was to enable future Board members, staff, and public to understand the reasons the Directors may change, make exception to, or adopt new policies. Director Lewis moved that in the future the District, by resolution, layout the rationale for any exceptions to policy, policy changes, or adoptions of new policy to enable future Directors, staff, and the public aware of the reasons for the acts of the Board. Director Wheeler seconded the motion and it passed unanimously after a brief discussion.

ORCHARD MESA PROPERTY. Manager Tooker presented a letter from Ward Scott, ReMax 4000, describing the Orchard Mesa property status and future options. The Board discussed its options and it was the consensus of the Board to leave the property listed as is.

OTHER UNFINISHED BUSINESS: Director Ballagh questioned the status of the Pitney Bowes equipment. Manager Tooker stated that there was nothing to report in this regard.

FREQUENCY OF BOARD MEMBER PAYMENTS. Manager Tooker explained to the Members that Director Garber had requested monthly compensation for attendance at the Board meetings. Manager Tooker stated that there was no direction in the law concerning frequency of

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compensation so long as it was performed after the meeting. Manager Tooker continued by stating that it would not be a problem for staff to accommodate compensation of Board members at whatever intervals they preferred. After some discussion it was the consensus of the Board that each member be compensated according to his own desire. Each Board member will inform staff of their own preference.

GOVERNMENTAL IMMUNITY (METER PITS). Manager Tooker stated that some recent information concerning personal damage lawsuits and water utilities claiming Governmental Immunity had been included in the Board packets. A brief discussion ensued where the Directors acknowledged receipt of the information.

INDIAN CREEK ESTATES (DAN BROWN). Manager Tooker reiterated his memorandum to the Board of August 14, 1998, wherein he reported that Mr. Brown is expected to provide to the District all of the required easements for the water line serving Indian Creek Estates and, at that time, Mr. Brown will be requesting that the District accept the water line as agreed. Manager Tooker continued by stating that staff has concerns regarding pressure and supply problems that are related to the need to reconstruct the pump station serving Indian Creek Estates. Manager Tooker stated that a rough estimate to reconstruct the pump station would be \$10,000. After a discussion about the problems with the pump station, Director Garber moved that staff be authorized to make the necessary repairs and/or replacement of parts for the Indian Creek pump station. Director Lewis seconded the motion and, after a discussion in regard to recouping some of the costs to the District which will be further discussed at the September meeting, it passed unanimously.

MT. GARFIELD OUTDOOR CLASSROOM ANNUAL PLAN. Manager Tooker stated that Mr. Steve Rocha from Mt. Garfield Middle School had presented staff with an annual plan for the Outdoor Classroom. The proposal has a number of outdoor activities which have been reviewed by staff. Director Lewis moved that staff be authorized to work with Mt. Garfield Middle School Outdoor Classroom on the annual plan with deletion of items #2 (Construction of an Ancient Indian Ruins Village) and #4 (Challenge Course), with the clear understanding that on #5 (The Old Loafing Shed) there will be no further enclosure of the structure, with #7 (Bat Houses) placed on poles rather than trees, and on #8 (Canoe Access) all applicable water safety rules and regulations must be followed. Director Garber seconded the motion and it passed unanimously.

RESCHEDULE SEPTEMBER 16, 1998, BOARD OF DIRECTOR'S MEETING. On September 16, 1998, Manager Tooker will be elected as the Chair of the Rocky Mountain Section American Water Works Association at an annual banquet held in Snowmass, Colorado. As a result, staff is requesting rescheduling of the September 16 Board of Director's meeting. Director Garber moved to change the regular September Board meeting to Tuesday, September 22, 1998, at the same time and place with appropriate notices posted. Director Lewis seconded the motion and it passed unanimously.

OTHER NEW BUSINESS. Manager Tooker stated that because of the rate study and the desire to print the outcome of the rate study in the bi-annual District newsletter, the newsletter will not be ready for mailing until October. Manager Tooker indicated that he would like to schedule a meeting with the rate study committee in the near future to proceed with this examination of the District's water rates.

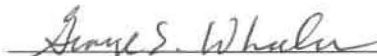
At 10:10 p.m. Director Garber moved to enter into executive session for discussion of personnel issues. Director Teal seconded the motion and it passed unanimously.

Director Lewis moved to exit from the executive session at 10:45 p.m. Director Garber seconded the motion.


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

The meeting adjourned at 10:50 p.m.

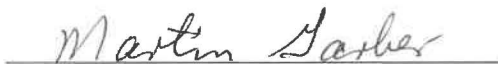
ATTEST:


Secretary









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

Held September 22, 1998

Present were Chairman Ballagh, Secretary Wheeler, Treasurer Garber, and Director Teal. The absence of Director Lewis was excused. Staff present were Dale Tooker, Larry Robinson, and Cindy Day. There were no guests present.

Chairman Ballagh called the meeting to order at 7:30 p.m. noting that the change of the date of the meeting had been posted in three public places within the Clifton Water District and one such notice posted in the office of the Mesa County Clerk and Recorder in accordance with C.R.S. 32-1-903(2).

MINUTES OF AUGUST 19, 1998. Director Teal moved to accept the minutes of the August 19, 1998, meeting. Director Garber seconded the motion. The motion to accept the minutes with minor corrections passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE. Director Garber moved to approve the financial report paying the \$80,640.12 as shown on the report, \$14,094.44 as itemized on the supplemental report, and a transfer of funds of \$20,400.00. Director Teal seconded the motion. After some discussion, the motion to approve the financial report passed unanimously.

EXPRESS AGENDA AND MANAGER'S REPORT. The Directors reviewed the following express agenda items, and they were accepted as presented.

Automatic Transfer of Funds (ATF) for Water Bills. The automatic transfer of funds program has been up and running for one full month with very few problems. Staff plans a press release and another article in the newsletter to encourage and inform customers of this option. Currently there are 215 customers signed up for this program.

New Office Construction. The RFP was published in The Daily Sentinel August 26, 27, 28, 29, and 30, 1998. There has been good interest in this project and 18 packets have been delivered. The deadline for submitting the response to the RFP is September 30. At that time staff will review the proposals for recommendations at the October meeting.

Wolford Mountain Report. Staff requested and received the water quality report for Wolford Mountain and will be reviewing its contents which will also be available to interested Board members.

Personnel Manual Changes (on-call procedures). Staff is beginning to work on specific changes to the Personnel Manual for presentation at the October Board meeting. As a result of establishing a District repair and maintenance crew, an amendment to the Personnel Manual describing on-call procedures and compensation levels is necessary.

Irish Walk Agreement. Staff received a copy of the recorded easement for installation of the water line in accordance with the Irish Walk Agreement.

INDIAN CREEK ESTATES (DAN BROWN). Manager Tooker stated that, in accordance with the Agreement between Q Enterprises and the District dated September 20, 1995, Mr. Brown had fulfilled the contract requirements and had provided the District with recorded copies of all easements for the water line serving Indian Creek Estates. Staff had prepared an additional Agreement with Mr. Brown to protect the District from errors and omissions that may have taken place on Mr. Brown's part. The additional Agreement holds Max E. Morris and Daniel K. Brown (acting as Q Enterprises) responsible for any monetary damages associated with correcting any error or omission in regard to the easements and location of the installed water line. Director Garber moved the approval of the Indian Creek Estates Agreement dated September 22, 1998, and signed by Max E. Morris and Daniel K. Brown. Director Teal seconded the motion and it passed unanimously. Director Wheeler moved that the water line installed by Q Enterprises from Desert Road to Indian Creek Estates be accepted with the stipulation that staff be directed to seek up to 50% of the cost of maintenance and repair on the Desert Road Pump Station located in the NE 1/4 of the NE 1/4 of Section 23, T 1 S, R 2 W of the Ute Meridian commonly referred to as 500 Desert Road from Q Enterprises. Director Teal seconded the motion which passed unanimously.

RETENTION POND PROJECT. Manager Tooker explained that through various meetings between staff and Bill Hamann from Westwater Engineers, a preferred design and cleaning method has been determined and two options had been presented for the location of the retention pond. Detailed information on the pros and cons of the location of the retention pond were discussed. Manager Tooker gave a detailed account of the project status and stated that he expects to present a final design for Board approval at the October 21, 1998, Board meeting.

APPOINT PERSON TO PREPARE NEXT YEAR'S BUDGET. Director Garber moved that Manager Tooker be appointed to prepare the 1999 Annual Clifton Water District budget. Director Teal seconded the motion which passed unanimously.

LOOK AT PURCHASING WHITING BROTHERS GRAND MESA WATER. Manager Tooker stated that this item was on the permanent agenda to be discussed each year at this time. After a brief discussion, Director Garber moved that this item be removed from the permanent agenda with Manager Tooker bringing it to the Board's attention in the future if he saw the need. Director Wheeler seconded the motion and it passed unanimously.

MEETING FOR DEBRIEFING ON SDA MEETING. Each year the Board has a debriefing after the annual Special District Association (SDA) meeting to discuss information they received while at the meeting. Director Garber moved to hold the SDA debriefing on Wednesday, October 7, 1998, at 7:30 p.m. at the Water District Office at 137 Third Street. Director Wheeler seconded the motion and it passed unanimously.

WATER RATES COMMITTEE REPORT. Manager Tooker presented a memorandum and a report from the Water Rates Committee recommending a water rate adjustment. The recommendation from the Committee increases: the minimum charge from \$7.00 to \$8.00 for up to 3,000 gallons; the cost per thousand gallons to \$1.85/1,000 gallons for anything over

3,000 gallons to 10,000 gallons; and establishes a new rate of \$2.00/1,000 gallons for any water usage over 10,000 gallons. Director Garber moved that the District adopt the following Resolution:

WHEREAS the District has performed a Cost of Service Water Rate Analysis Study indicating the necessity for a rate increase; and

WHEREAS the District desires to establish a fair and equitable rate for all customers, and

WHEREAS the rate adjustment shall be cost based, and

WHEREAS the rate adjustment shall be easy to understand and administer, and

WHEREAS the rate adjustment shall provide adequate funding for all operational functions of the District, and

WHEREAS the water rate adjustment shall provide revenue stability, and

WHEREAS the last rate increase was 1994 and the costs of providing water service has increased.

NOW THEREFORE BE IT RESOLVED that the Board of Directors of the Clifton Water District will raise the current water rates effective January 1, 1999, to an \$8.00 minimum which covers up to 3,000 gallons of water with over 3,000 gallons of water to 10,000 gallons additional use billed at \$1.85 per 1,000 gallons and any usage over 10,000 gallons billed at \$2.00 per thousand gallons.

The motion was seconded by Director Wheeler and passed unanimously. It was the consensus of the Board to hold a public meeting on December 1, 1998, at 7:00 p.m. which will be finalized at the October Board meeting.

FEBRUARY 4, 1998, FLUORIDE INCIDENT. Manager Tooker stated that staff had been in contact with the Colorado Department of Public Health and Environment in regard to the February 4, 1998, fluoride incident wherein District customers in the area east of 34 Road between E 1/4 Road and G Road, G Road east of 33 3/4 Road, and 33 3/4 Road between F 1/4 Road and G Road. may have been exposed to concentrations of fluoride up to 38 mg/L for a period of 25 to 30 minutes. Manager Tooker stated that the Colorado Department of Public Health and Environment has requested that the District notify the customers that may have been effected. Manager Tooker read to the Board a proposed notification letter to be sent to these customers. This was an informational report only and required no Board action. Staff will continue to keep the Board updated on this situation.

CSD 1998 ENGAGEMENT LETTER. The Board was presented an engagement letter from Chadwick, Steinkirchner, Davis & Co., P.C. (CSD) to perform the District's 1998 audit. Director Wheeler moved to hire CSD to perform the Clifton Water District 1998 Audit. Director Garber seconded the motion which passed unanimously. Chairman Ballagh signed the engagement letter hiring CSD to complete the audit.

DISTRICT CHRISTMAS PARTY. Manager Tooker stated that last year the Directors approved \$1,500 for an employee/Board Christmas party and he was requesting funds for the Christmas party this year. Director Garber moved to approve expenditures of up to \$1,500.00 for an employee/Board Christmas party. Director Teal seconded the motion and it passed unanimously.

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At 10:05 p.m. Director Wheeler moved to enter into executive session for discussion of the Pitney Bowes Contract and personnel issues. Director Teal seconded the motion and it passed unanimously.


Director Garber moved to exit from the executive session at 10:50 p.m. Director Teal seconded the motion and it passed unanimously.

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


The meeting adjourned at 10:52 p.m.

ATTEST:


Secretary









**MINUTES OF THE DEBRIEFING
ON THE SPECIAL DISTRICT ASSOCIATION CONFERENCE**

Held October 7, 1998

Present were Chairman Ballagh, Secretary Wheeler, Treasurer Garber, Director Teal, and Director Lewis. Staff present were Dale Tooker and David Reinertsen. There were no guests present.

Chairman Ballagh called the meeting to order at 7:30 p.m. noting that the special meeting had been posted in three public places within the Clifton Water District and one such notice posted in the office of the Mesa County Clerk and Recorder in accordance with C.R.S. 32-1-903(2).

Director Garber reported that Chairman Ballagh had been successfully re-elected to the Board of Directors of the Special District Association of Colorado.

DEBRIEFING. Debriefing presentations were made by Director Garber, Director Teal, Director Ballagh, and Assistant Manager Reinertsen. Overviews were given for many of the workshop and breakout sessions that were attended during the conference.

Handwritten notes and informational handouts will be compiled into a notebook available for review. The consensus of the group attending the Conference was that some very valuable information was received. The beneficial information was passed on to staff for consideration in the operation of the District.

ATTORNEY OGLE. Manager Tooker presented the Board with a letter from Attorney Bechtel and Attorney Ogle informing the District that Attorney Ogle will be leaving Dufford, Waldeck, Milburn & Krohn effective January 1, 1999. Manager Tooker suggested that Attorney Bechtel and Attorney Ogle attend the October 21, 1998, Board of Directors meeting with Attorney Nate Neever. Mr. Neever will be replacing Attorney Ogle. It was the consensus of the Board that all three attorneys attend the October 21, 1998, meeting and that expectations for Attorney Neever be spelled out at that time.

WHITEWATER PROPOSAL. Manager Tooker verbally presented a proposal from a potential customer in the Whitewater area that would require fire protection. After a short discussion, the Board requested that Manager Tooker prepare a map detailing the Whitewater area and the impacts of the project.

OTHER BUSINESS. Manager Tooker reported to the Board that Shirley Weaver, Office Manager, tendered her resignation effective October 14, 1998.

Manager Tooker stated that Ray Schuster, previous manager of the Clifton Water District, is designing a nanofiltration treatment plant for a development community near Montrose, Colorado. Mr. Schuster has asked current employee, Eric Pennal, to perform drafting for the project. Manager Tooker stated that he had briefed Mr. Pennal on the Clifton Water District policy prohibiting the use of District equipment, materials, and/or time to perform these duties. Manager Tooker continued by stating that this was informational at this time and he would continue to monitor the situation and update the Board concerning any developments in this area.

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At 10:10 p.m. Chairman Ballagh stated that by unanimous consent the meeting was adjourned.

ATTEST:

George E. Wheeler
Secretary

John L. Ballagh

Paul Teal

[Signature]

Martin Garber

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

Held October 21, 1998

Present were Chairman Ballagh, Secretary Wheeler, Treasurer Garber, Director Teal and Director Lewis. Staff present were Dale Tooker, David Reinertsen, and Cindy Day. Guests present were Attorney Bechtel, Attorney Ogle, and Attorney Keever from Dufford, Waldeck; and Bill Hamann from WestWater Engineering.

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

MINUTES OF SEPTEMBER 22, 1998. Director Wheeler moved to accept the minutes of the September 22, 1998, meeting. Director Garber seconded the motion. The motion to accept the minutes with modifications passed unanimously.

MINUTES OF OCTOBER 7, 1998. Director Garber moved to accept the minutes of the October 7, 1998, meeting. Director Teal seconded the motion. The motion to accept the minutes with minor corrections passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE. Director Garber moved to approve the financial report paying the \$101,726.97 as shown on the report, \$38,353.54 as itemized on the supplemental report, and a transfer of funds of \$20,400.00. Director Teal seconded the motion. After some discussion, the motion to approve the financial report passed unanimously.

WATER ATTORNEY. Attorneys Bechtel, Ogle, and Keever were present to discuss Attorney Ogle's departure from the Dufford, Waldeck law firm and the impact that his departure will have on the District. Attorney Ogle briefly explained that he has been working with Attorney Keever over the last few months to bring him up to speed on the water cases that Attorney Ogle believed needed extra attention. Attorney Keever gave a background on his education and what he had been doing up to this point in time. It is the belief of the Attorneys that the transition will be a smooth one from Attorney Ogle to Attorney Keever. Manager Tooker stated that in 1999 he expects the District will need to address the endangered species recovery program and status of the District's Federal permits.

RETENTION POND PROJECT - 98-01. Manager Tooker introduced Bill Hamann from WestWater Engineering whose company is doing the design work for the retention pond. Manager Tooker stated that the preliminary design work had been delivered to the Board members and Mr. Hamann was there to explain the next step in the design process to the Directors. Mr. Hamann stated that there were three major concerns on any project and these were: 1) was the project feasible; 2) could the project be completed with the budgeted funds; and 3) could the project be completed in the necessary time frame. Mr. Hamann addressed each of these issues stating the reasons behind decisions that staff had made in regard to the site for the pond (including the fact that it would encroach upon ground that is leased for gravel extraction), approximate costs for different materials to be used in the pond, and stated that the construction should be able to commence in mid-January. It was the consensus of the Board that WestWater Engineering continue to work with staff on this project.

RETENTION POND CLEANING. Manager Tooker explained that because the CASWTP has experienced unusually high turbidities through the summer and early this fall it has resulted in more suspended solids being removed by the existing retention pond than in previous years. Even though the pond was manually cleaned at the beginning of the year, the increased suspended solids have created a situation that requires the pond to be cleaned again. District personnel flushed the City of Grand Junction supply line to enable the District to have the ability of utilizing the City of Grand Junction water if needed while cleaning the retention pond. Manager Tooker stated that this situation pointed out the importance of completing the new retention pond project so that the District's water supply is not interrupted while one pond is cleaned, the other would still be in service. Currently District personnel are taking water directly from the canal to the treatment plant, however, if need be, the District can access water from the City to finish the retention pond cleaning. This item was informational only.

EXPRESS AGENDA AND MANAGER'S REPORT. The Directors reviewed the following express agenda items, and they were accepted as presented.

Fluoride. The public notice concerning the fluoride incident on February 4, 1998, was sent to 170 people. The media was contacted and provided the information. To date, the District has been contacted by only one customer concerning the notice. There have been no reports of any health problems related to this situation.

Indian Creek Pump Station. District staff and Munro Pump have completed the engineering for the Indian Creek Pump Station. The equipment has been ordered and the project should be completed by the second week of November. On the weekend of October 10, the current pump burned up again. Residents in Indian Creek Estates were without water service for approximately 36 hours while the motor was repaired.

Public Service Moving Poles. Public Service Company has successfully relocated the power poles on the west side of the 34 Road entrance to the CASWTP and the new office site. The District is waiting for the charges from Public Service so that a portion can be passed on to Grand Junction Pipe and Supply.

Manager's Report - Projects 98-01 (Retention Pond) and 98-02 (New Office). Pages three and four have been added to the Manager's report. Page three is the cost sheet for Project 98-01 and page four is the cost sheet for Project 98-02.

PERSONNEL MANUAL CHANGES. Manager Tooker explained that a proposed addition to the Clifton Water District Personnel Manual, Policy 8.10.1, On-Call Requirements and On-Call Compensation for Non-Exempt Employees, had been included in the Board packets. This proposed addition addresses procedures for non-exempt employees that are required to respond to emergency maintenance and repair of the distribution system now that the District has its own repair and maintenance crew. Manager Tooker stated that it is imperative for the District to have a policy regarding on-call status (which will be rotated each seven days among the distribution

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employees) and that the proposed changes had been reviewed by Attorney Bechtel. Director Lewis moved that the District adopt the addition to the Personnel Manual as presented by staff. Director Garber seconded the motion. After a lengthy discussion in regard to employees driving District vehicles home, Director Lewis moved to amend the motion to include the discussed changes. Director Teal seconded the motion to amend the original motion. The amended motion passed unanimously.

NEW OFFICE CONSTRUCTION 98-02. Manager Tooker told the Directors that he and Assistant Manager Reinertsen had reviewed the RFP's received for the design/build new office construction project. A memorandum had been included in the Board packet that summarized staff's comments and scored each submitting company according to the scoring set up in the RFP. After careful review and consideration, Manager Tooker stated that it was his recommendation that the District hire FCI Constructors, Inc. to complete the design phase of the new office. Director Lewis moved to follow the recommendation of staff to employ FCI Constructors, Inc. for the design build new office construction project. Director Teal seconded the motion. After some discussion the motion to employ FCI Constructors, Inc. for the design of the new office passed unanimously.

CHRISTMAS PARTY. Manager Tooker stated that Director Lewis had requested him to place this item on the agenda for discussion purposes in reference to District purchases for the Christmas party. Director Lewis explained that he would prefer that the District did not purchase alcohol for the Christmas party with District funds. It was the consensus of the Board that District funds would not be spent for alcohol purchases for the Christmas party.

OTHER UNFINISHED BUSINESS. Manager Tooker stated that he and Assistant Manager Reinertsen had interviewed three individuals for the position of Office Manager and a decision should be made by October 29.

1999 BUDGET. Manager Tooker stated that the first draft of the 1999 Clifton Water District Budget and an itemized explanation worksheet showing each line item was included in the Board packet. Director Lewis moved to set a budget hearing date for the 1999 Budget for 7:30 p.m. on November 18, 1998, and to authorize Manager Tooker to publish notice of said hearing in accordance with C.R.S. 29-1-106 et. seq. Director Garber seconded the motion and it passed unanimously. After a lengthy discussion of different items in the 1999 Budget, Director Lewis stated that he felt we should move forward with the meeting since there was a budget hearing scheduled for November.

CONTINUE HOLIDAY TURKEY TRADITION. Manager Tooker stated that each year the Board approves the purchase of either a turkey or ham for the Board members and employees to be given during the holiday season. Director Teal moved to continue the holiday tradition. Director Lewis seconded the motion and it passed unanimously.

BUDGET ADJUSTMENT FOR PROFESSIONAL FEES. Manager Tooker explained that the 1998 budget amount for Professional Fees of \$33,600 was broken down into Legal Fees (\$20,000), Audit Expense (\$3,600), and Engineering Expense (\$10,000). Manager Tooker stated that with the inclusion of September's payables the District had spent a total of \$26,812 of the budgeted \$33,600 and with the invoices presented at this meeting, Attorney's Fees would be \$22,066.86 which exceeded the \$20,000 budgeted amount. Manager Tooker requested a \$10,000 adjustment to the Professional Fees line item to carry through the end of the year. Manager Tooker will present the adjusted figures at the November meeting.

EASEMENT FOR ELECTRIC SERVICE FOR CHUCK LEYDEN. Manager Tooker stated that Mr. Chuck Leyden had approached him on October 2, 1998, concerning a request for the District to provide an electric utility easement along the west and northwest property line of the District's Orchard Mesa property. Director Garber moved to approve the easement for Mr. Leyden. Director Teal seconded the motion. After some discussion, the motion to accept the Easement for Mr. Chuck Leyden failed unanimously.

OTHER NEW BUSINESS. Manager Tooker stated that the Board packets had included two maps of the District's water lines serving the Whitewater area, the first map showing the current lines and the second map showing proposed lines. Manager Tooker also passed out a copy of a letter from Kelly Ford of Ford Construction Company, Inc. to the Grand Junction Fire Department stating that the Rocky Mountain "C" Stores and the developer of the proposed Texaco Convenience Store in Whitewater had committed to pay the District for the identified upgrade in line sizes to provide fire protection to that area. This discussion was for informational purposes only at this time.

At 10:40 p.m. Director Garber moved to enter into executive session for review of the Manager's performance. Director Wheeler seconded the motion and it passed unanimously.

Director Garber moved to exit from the executive session at 11:45 p.m. Director Lewis seconded the motion and it passed unanimously.

Director Garber moved to increase Manager Tooker's salary to \$4,800.00 per month effective September 1, 1998. Director Lewis seconded the motion and it passed unanimously.

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

The meeting adjourned at 11:52 p.m.

ATTEST:




Secretary _____





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

Held November 18, 1998

Present were Chairman Ballagh, Secretary Wheeler, Treasurer Garber, Director Teal and Director Lewis. Staff present were Dale Tooker, David Reinertsen, Larry Robinson, Dave Payne, Ruth Kubin, and Cindy Day. Guests present were Chris Johnson, Capital Investment Counsel; Ward Scott, ReMax 4000; David Ash, Ed Forsman, and Daryl Becker, FCI Constructors; and Kreg Obergfell, DKO Architecture, PC.

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

Manager Tooker introduced Ruth Kubin, the new Office Manager.

INVESTMENT PORTFOLIO - Chris Johnson from Capital Investment Counsel explained what impact recent fluctuations in the market have had on the District's investment portfolio. Mr. Johnson stated that it had been a wise choice on the part of the District to clean up the portfolio.

MINUTES OF OCTOBER 21, 1998. Director Garber moved to accept the minutes of the October 21, 1998, meeting. Director Wheeler seconded the motion. The motion to accept the minutes with minor corrections passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE. Director Lewis moved to approve the financial report paying the \$117,303.35 as shown on the report, \$39,094.48 as itemized on the supplemental report, and a transfer of funds of \$20,400.00. Director Wheeler seconded the motion. After some discussion, the motion to approve the financial report passed unanimously.

ORCHARD MESA PROPERTY - Manager Tooker recommended that this item be discussed in executive session since it involved District property and a real estate contract. Director Garber moved to enter into executive session. Director Lewis seconded the motion and it passed unanimously. After a 25 minute discussion, Director Lewis moved to exit from the executive session. Director Garber seconded the motion and it passed unanimously.

NEW OFFICE CONSTRUCTION - Manager Tooker explained that David Ash, Ed Forsman, and Daryl Becker with Francis Constructors, Inc. (FCI) and Kreg Obergfell, with DKO Architects (DKO), the "Design Team," were present to explain where they were in the process of designing the new office. Mr. Obergfell explained reasons why changes had been made in the basic floor plan that had originally been presented to the Board by staff. A discussion ensued concerning the building orientation, roof design, wing extensions, and the size of the Board/break room. After a lengthy discussion it was the consensus of the Board to cut the proposed size of the Board/break room down by 240 square feet, to utilize a hip roof design rather than the original gable roof proposal, and have the building front face to the east with the covered drive-up window on the north. The Design Team will make the directed changes and proceed on schedule with the final design completed and presented to the Board with a guaranteed maximum

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price for construction for approval at the January Board meeting. These guests left at 9:15 p.m. at which time Manager Tooker stated that the District would need a contract signed between FCI and the District for the design of the new office. Director Lewis moved that the board authorize staff to present for signature the contract between FCI and the District for design of the new office. Director Wheeler seconded the motion and it passed unanimously. Staff will present the contract for signature to Directors Ballagh and Wheeler.

EXPRESS AGENDA AND MANAGER'S REPORT - The Directors reviewed the following express agenda items, and they were accepted as presented.

Public Service Power Pole Relocation - The District has received the bill for the relocation of the power poles at the entrance to the Charles A Strain Water Treatment Plant. The total cost for the relocation is \$7,811.00. The original proposed cost was \$9,764.00. Grand Junction Pipe and Supply has committed to a 50% cost share of the project and has been billed.

Customer Service Workshop - Mary Harris and Darryn Zuehlke from the City of Northglen presented an "Over the Edge Customer Service" training program to all District employees on October 26, 1998. The training was beneficial to all employees and it is staff's opinion that future customer service will improve because of this seminar.

November Newsletter - The November issue of Water Line will be mailed to District customers the week of November 24, 1998. The newsletter notifies customers of the District's Public Meeting scheduled for December 1, 1998, at the Western Colorado Area Health Education Center at 7:00 p.m.

INDIAN CREEK PUMP STATION - Staff has been working on the repair plan for the Indian Creek Pump Station located in the NE 1/4 of the NE 1/4 of Section 23, T 1 S, R 2 W of the Ute Meridian commonly referred to as 500 Desert Road. Munro Supply Incorporated has designed the pump equipment and construction will begin on a 10' by 12' structure the week of the November 23, 1998. Staff is projecting completion of the project by the end of December. After some discussion, Manager Tooker stated that Mr. Brown was not receptive to paying any money toward the rebuilding of the pump station and that staff would continue to work on this situation.

ELECTRICAL EASEMENT FOR LYDEN PROPERTY/ORCHARD MESA PROPERTY:

Director Garber moved to enter into executive session for this discussion. Director Teal seconded the motion and it passed unanimously. At 9:55 p.m., Director Garber moved to exit from executive session. Director Lewis seconded the motion and it passed unanimously.

NANOFILTRATION REPORT - Manager Tooker stated that October 16, 1998, completed one full year of operation of the nanofiltration plant. Plant Superintendent Robinson and Plant Foreman Payne made a presentation to the Board concerning the operation and costs observed in the one year operational period associated with the nanofiltration plant. Robinson discussed the water quality issues including the benefits of nanofiltration in removing hardness, sulfates, total

dissolved solids (TDS), and the substantial reduction of disinfection by-products, specifically trihalomethanes. Robinson presented to the Board graphs and his report stating that the nanofiltration plant has a greater impact on the overall water quality and that just reporting TDS may not identify the entire benefit observed by the project. Plant Foreman Payne continued by presenting the Board with data concerning the operational costs of the nanofiltration plant for the one year period. Payne presented the Board with the operational costs for electricity and chemicals for nanofiltration which were \$0.223 per 1,000 gallons. In addition, Payne demonstrated the effects of power management by the operation staff resulting in a reduction of the total cost per kilowatt hour at the treatment plant. The presentation was completed at 10:35 p.m. After the presentation, Manager Tooker stated that staff had completed the one-year warranty period walk through inspection of the nanofiltration plant. Manager Tooker had prepared a letter to Southwest Contracting and a letter to Osmonics describing the status of the one-year warranty that Chairman Ballagh was requested to sign. Staff recommended that Southwest Contracting be released from the one-year warranty for the construction of the nanofiltration treatment plant. Staff had identified three items that still remained open for Osmonics to correct before they would be released from the one-year warranty. Chairman Ballagh signed the letter to Southwest Contracting and the letter to Osmonics.

RETENTION POND PROJECT - Manager Tooker stated that because of revisions in the drawings of the retention pond, a final design was not ready for presentation at this meeting.

WHITEWATER COMMERCIAL DEVELOPMENT PROPOSAL - Manager Tooker stated he had received a letter from Mr. Gary Dean (Jurassic Development) requesting a commitment from the Board on a cost share arrangement to install and upgrade waterlines for fire protection to his development at the intersection of Highway 141 and Highway 50 in Whitewater more commonly known as 102 Desert Road with a legal description as follows:

A parcel of land situated in the SE 1/4 of the NE 1/4 of Section 14, T2S, R1E of the Ute Meridian, more particularly described as follows:

Beginning as a point 30 feet east of the southwest corner of the SE 1/4 of the NE 1/4 of said Section 14; thence North 330 feet; thence East 368.2 feet; thence southeasterly along the boundary line of U.S. Highway 50 right-of-way 406.2 feet; thence West 605 feet to beginning.

After some discussion, Director Garber moved to defer this discussion to the December 16, 1998, Board of Director's meeting so that staff would be able to provide the Directors with more information. Director Wheeler seconded the motion which passed unanimously.

PERSONNEL MANUAL CHANGES - Manager Tooker stated that an updated 8.10.1 On-Call Policy had been included in the Board packets for approval. Director Wheeler moved acceptance of the proposed changes to Section 8 of the personnel manual. Director Garber seconded the motion. After some discussion the motion passed unanimously with minor language changes. The new policy will become effective November 19, 1998.

1998 BUDGET ADJUSTMENTS - Manager Tooker requested that the Board approve an addition of \$10,000 to the Professional Fees line item for the 1998 Budget to accommodate additional charges. In addition, Manager Tooker requested that the 1998 budgeted amount for New Office Construction be reduced from \$500,000 to \$56,000 and the 1998 budgeted amount for Plant Construction be reduced from \$535,000 to \$52,000. Director Lewis moved that the District adjust the 1998 budget for Professional Fees to include an additional \$10,000. Director Teal seconded the motion and it passed unanimously. Director Lewis moved to amend the New Office Construction line item on the 1998 Budget by spending to reserves \$444,000 leaving \$56,000 in the New Office Construction budget. Director Wheeler seconded the motion which passed unanimously. Director Lewis moved to amend the Plant Construction line item by spending to reserves \$483,000 leaving \$52,000 in the 1998 budget for this line item. Director Garber seconded the motion and it passed unanimously.

1999 BUDGET - Manager Tooker stated that the 1999 Budget updates were included in the Board packets. Manager Tooker explained that at the October 24, 1998, meeting, a motion was made to set the Budget Hearing for the November meeting; however, staff was not prepared to have the November meeting as the Official Budget Hearing. After some discussion, Director Lewis moved to have the Budget Hearing at the December 1, 1998, public meeting at 6:30 p.m. at the Western Colorado Area Health Education Center just prior to the public meeting. Director Garber seconded the motion and it passed unanimously.

DRAINAGE PLAN GUNDERSON ISLAND - Manager Tooker explain that under the scope of the New Office project, Banner and Associates had prepared a proposal to FCI to provide a drainage plan for the immediate vicinity of the new office. Staff requested that Banner and Associates increase the scope of their initial proposal and include the water treatment plant, NF building, lab, garage/shop, old retention pond, and new retention pond areas. Banner quoted an additional \$4,850 to include the added area and develop a drainage plan for the entire identified area of Gunderson Island. Director Garber moved to approve the drainage plan contract with Banner and Associates for Gunderson Island. Director Lewis seconded the motion and it passed unanimously.

GVICO ANNUAL MEETING - The annual meeting of the GVICO is Saturday, December 5, 1998 at Fruita Monument High School Auditorium at 1:00 p.m. After a short discussion, Director Lewis moved that the Directors sign the proxy card for GVICO. Director Garber seconded the motion and it passed unanimously.

GVICO ANNUAL AUCTION - The annual auction is Thursday, December 10, 1998, at 10:00 a.m. at the GVICO office. Director Lewis moved to authorize staff to bid on shares up to \$205 per share. Director Teal seconded the motion and it passed unanimously.

Director Lewis stated that recognition is given to Cindy Day regarding the customer service letters that she had received from two separate customers during the previous month.

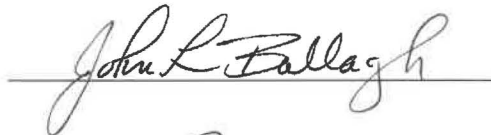
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At 11:45 p.m. Director Wheeler moved to enter into executive session for review of the Manager's annual performance. Director Garber seconded the motion and it passed unanimously.

Director Lewis moved to exit from the executive session at 11:50 p.m. Director Teal seconded the motion and it passed unanimously.

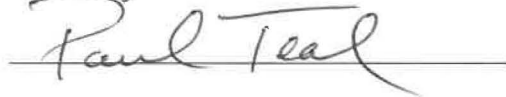
At 11:54 p.m. Chairman Ballagh stated that by unanimous consent the meeting was adjourned.

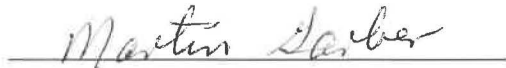
ATTEST:






Secretary





**MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS**

Held December 1, 1998 at the Western Colorado Area Health Education Center

Present were Chairman Ballagh, Secretary Wheeler, Treasurer Garber, Director Teal, and Director Lewis. Staff present were Dale Tooker, David Reinertsen, Larry Robinson, Dave Payne, and Ruth Kubin. Guests present were: Lois Beeson, Bill Christopher, Mary Huber, Lyman Hubbard, John Neill, and Linda Roper.

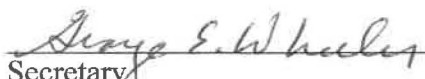
BUDGET HEARING FOR 1999 PROPOSED BUDGET: Chairman Ballagh called the Budget Hearing on the 1999 budget to order at 6:45 p.m. noting that the time and place for said hearing was published in accordance with C.R.S. 29-1-106 (3)(a). Seeing no public was present for comment, Director Garber moved to close the public hearing. Director Lewis seconded the motion and it passed unanimously.

PUBLIC MEETING: Chairman Ballagh opened the public meeting by introducing the Board and staff members to the guests. Manager Tooker presented the first year's operational data from the Nanofiltration Plant. After that presentation, Manager Tooker outlined the rationale for the water rate increase. Several topics were discussed including Year 2000 issues. The public meeting closed at 10:00 p.m.

RETENTION POND PROJECT 98-01: A Staff Report that was presented to the Board requested action on the design option of either 24" or 30" pipeline installation from the new pond to the treatment facility. During the discussion, it was requested of Manager Tooker to develop a long-range plan for plant expansion based on anticipated customer and tap growth over the next 16 years. Director Garber moved to approve the design for 30" pipe. Director Lewis seconded the motion which passed with Director Ballagh voting against it.


At 10:50 p.m. Chairman Ballagh stated that by unanimous consent the meeting was adjourned.


ATTEST:


Secretary









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

Held December 16, 1998

Present were Chairman Ballagh, Secretary Wheeler, Treasurer Garber, Director Teal, and Director Lewis. Staff present were Dale Tooker, David Reinertsen, Larry Robinson, and Cindy Day. Guests present were David Ash, FCI Constructors, and Kreg Obergfell, DKO Architecture.

Chairman Ballagh opened the public hearing at 7:30 p.m. noting that the hearing on the budget transfer had been published and posted in accordance with C.R.S. 29-1-106(3)(a). Hearing no comments on the 1998 budget transfer, Chairman Ballagh closed the public hearing and called the regular meeting to order.

NEW OFFICE CONSTRUCTION - PROJECT 98-02 - Mr. Obergfell explained the changes that had been made to the plans for the new office in accordance with the discussion at the last Board meeting. Mr. Obergfell continued by stating that the mechanical, electrical, and plumbing layouts were still being worked on but that the plans were approximately 80% complete. FCI will provide a guaranteed maximum price for the completion of the building at the January 20, 1998, Board meeting. Chairman Ballagh acknowledged that the presented plans met with Board expectations and Mr. Obergfell and Mr. Ash left the meeting at 7:55 p.m.

MINUTES OF NOVEMBER 18, 1998. Director Wheeler moved to accept the minutes of the November 18, 1998, meeting. Director Garber seconded the motion. The motion to accept the minutes failed unanimously. Staff will present the corrected minutes for acceptance at the January Board meeting.

MINUTES OF DECEMBER 1, 1998. Director Garber moved to accept the minutes of the December 1, 1998, meeting. Director Teal seconded the motion. The motion to accept the minutes passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE. Director Garber moved to approve the financial report paying the \$35,708.90 as shown on the report, \$85,405.39 as itemized on the supplemental report, and a transfer of funds of \$20,400.00. Director Wheeler seconded the motion. After some discussion, the motion to approve the financial report passed unanimously.

EXPRESS AGENDA AND MANAGER'S REPORT - The Directors reviewed the following express agenda items, and they were accepted as presented.

Indian Creek Pump Station - Staff has been working on the completion of this project by the end of December. Indian Creek customers may experience a temporary disruption in water service while the electrical and piping projects are completed. The cost of this project will exceed the original \$10,000 estimated by staff. Staff is pursuing Mr. Brown for a cost-share of the total project and a report detailing the costs will be provided to the Board upon completion.

Orchard Mesa Property - Staff has been collecting information concerning the District's options concerning the Orchard Mesa property. Staff is having a title search performed with information being reported to the Board at the January 20, 1999, meeting.

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Drainage Plan for Gunderson Island - Banner and Associates has begun initial work on the drainage plan of the Gunderson Island facilities. When completed, the plan will be presented to the Board of Directors and included in the construction description of the retention pond and new office construction.

Y2K Considerations - After the issues were raised at the public meeting concerning the Year 2000 compliance issues, staff has begun developing a contingency plan dealing with Y2K issues and the production and delivery of water to the District customers.

RETENTION POND PROJECT - PROJECT 98-01 - Manager Tooker presented a schematic of the proposed pipe layout for the retention pond and stated that he had given direction to WestWater Engineering that the size of the pipe should be 30" rather than 24". Final design plans will be ready prior to the January 20, 1998, Board meeting.

WHITEWATER COMMERCIAL DEVELOPMENT PROPOSAL - Manager Tooker stated that staff had prepared a report outlining the advantages and disadvantages of serving water to the proposed commercial development at the intersection of Highway 141 and 50 more commonly known as 102 Desert Road. Manager Tooker explained that staff was recommending that the District proceed with the cost share Agreement with Mr. Gary Dean, Jurassic Development, wherein Dean would pay for upgrading an existing line and installing a new line for the purpose of providing fire protection to the development. In addition, the District agrees to modify the existing system by upgrading the Southgate Booster Station located in the SW 1/4 of Section 34, T1S, R1E of the Ute Meridian. The upgrades will provide fire flows to the Dean development from one hydrant at 1,500 gallons per minute for a duration of one hour. Director Lewis moved that the District upgrade the Southgate Booster Station to provide fire flow of 1,500 gallons per minute for one hour to said area most commonly known as 102 Desert Road. Director Garber seconded the motion and after a lengthy discussion it passed unanimously. Staff was instructed to prepare a map depicting the influence of the improvements planned.

1998 BUDGET TRANSFER - A Budget Transfer Resolution for the 1998 Budget was delivered in the Board packets. Director Garber moved to amend the 1998 budget via the budget transfer. Director Teal seconded the motion and it passed unanimously. The Chairman and Secretary signed the budget transfer resolution and staff will send it to the appropriate organizations.

1999 BUDGET - The Board packet included the 1999 Budget, 1999 Budget Resolution, and 1999 Budget Message. Director Lewis moved that the District adopt the presented budget with changes to the Distribution Line Upgrade item, Directors Fees item, and Emergency Fund item. Director Garber seconded the motion and it passed unanimously.

ADOPTION OF PERSONNEL MANUAL POLICY REVISIONS TO SECTION 8 - Manager Tooker stated a Staff Report describing the desired changes in the Personnel Manual to accommodate a bi-weekly pay schedule had been presented in the packet. Director Lewis moved

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that the District adopt the amendments to Section 8 of the personal manual for Compensation. Director Teal seconded the motion and it passed unanimously with minor corrections.

AUTHORIZE BIDS FOR NEXT YEAR'S VEHICLES - The 1999 Budget contains the purchase of two vehicles for the District. Manager Tooker requested authorization to prepare bids for one four-wheel drive one-ton service vehicle and one four-wheel drive standard utility pick-up. Director Garber moved to authorize bids for the purchase of vehicles for the District. Director Lewis seconded the motion and it passed unanimously.

RATIFICATION OF HEALTH INSURANCE CARRIER CHANGE - Manager Tooker explained that Blue Cross/Blue Shield, the District's current health insurance provider, had increased premiums 65% for 1999. Manager Tooker stated that he had requested a quote from Rocky Mountain HMO and that the rates quoted were within the 1999 budget amount. Manager Tooker was requesting that the District change insurance carriers from Blue Cross/Blue Shield to Rocky Mountain HMO. Director Lewis moved to ratify the change of health insurance carriers for the District from Blue Cross/Blue Shield to Rocky Mountain HMO. Director Teal seconded the motion and it passed unanimously.

HIDDEN VALLEY WATER PROPOSAL - Manager Tooker explained that he had approached Mr. Whiting concerning the possibility of the Water District purchasing the Hidden Valley Water system. Mr. Whiting's attorney, Mr. Kelly Summers, sent a proposal to the District for the purchase of Hidden Valley Water Company. Staff will write an acknowledgment to Mr. Summers stating that the proposal is being evaluated.

WORKERS COMPENSATION INSURANCE - Manager Tooker stated that the District had just received the Worker's Compensation Insurance premiums for 1999. In a meeting with Jamie Hamilton from Home Loan Insurance Company, Manager Tooker inquired as to the possibility of Home Loan Insurance handling the District's Worker's Compensation Insurance. Currently the District receives this Insurance through Accordia of Colorado out of Colorado Springs. The cost would remain the same, however, the change would permit the District to do business locally. Director Wheeler moved to change the District's Worker's Compensation Insurance agency from Accordia of Colorado to Home Loan Insurance because Home Loan. Director Lewis seconded the motion which passed unanimously.

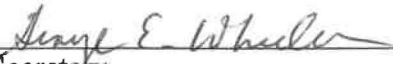
OTHER NEW BUSINESS - Director Garber moved that the Board commence having planning meetings on the first Wednesday of each month starting at 5:00 p.m. and ending at 7:00 p.m. until they are no longer necessary. Director Lewis seconded the motion. These meetings will be dinner meetings during which no minutes will be taken and no packets are presented. The motion to hold two meetings for the first few months of 1999 passed unanimously.

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

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At 10:35 p.m. the meeting was adjourned.

ATTEST:


Secretary



