

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

Held January 10, 2001

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods, and Assistant Secretary Rupp. Staff present were Manager Tooker and Assistant Manager Reinertsen.


Chairman Garber called the meeting to order at 7:30 p.m., noting the time and place for said Special Meeting were posted in accordance with C.R.S. 20-1-106 (3)(a).

Secretary Teal then moved to enter Executive Session to discuss personnel matters pertaining to issues with Mesa County. Vice-Chairman Ballagh seconded the motion which passed unanimously.

The Board exited Executive Session at 8:35 p.m. at which time the meeting was adjourned by mutual consent.

ATTEST:

  
Secretary

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

Held January 17, 2001

Present were Chairman Garber, Vice-Chairman Ballagh, Treasurer Woods, and Assistant Secretary Rupp. Secretary Teal was excused. Staff present were Dale Tooker, David Reinertsen, David Payne and Ruth Kubin. Nate Keever from Dufford, Waldeck, Milburn, and Krohn and Mr. John Whiting of the Hidden Valley Water Company were present as guests.

At 7:30 p.m., Chairman Garber called the regular meeting to order.

Director Ballagh presented a 20 year service award to Manager Tooker on behalf of the Clifton Water District.

**NATE KEEVER** - From 7:35 p.m. until 8:10 p.m., Nate Keever of Dufford, Waldeck, Milburn, and Krohn briefed the Board about the status of several water issues that concern the District. He covered topics relating to the Biological Opinion regarding the Endangered Fishes Act, current status of the Colorado River Water Conservation District and Northern Water Conservancy District discussions, and the current status of the Sulfur Gulch proposal.

**HIDDEN VALLEY WATER COMPANY AGREEMENT** - Manager Tooker presented the revised Hidden Valley Water Company Agreement for Board approval. Manager Tooker reviewed the changes with the Board and also showed a map designating the area that the District is agreeing not to service without the consent of Hidden Valley Water Company. Mr. Whiting reiterated his request for the larger master meter and his willingness to abide by the conditions of the new Agreement. Director Ballagh moved to accept the Agreement and to authorize the Chairman to sign said Agreement. Director Rupp seconded the motion. After some discussion and revisions that were mutually agreed upon by the Board and Mr. Whiting, the motion passed unanimously. Director Ballagh moved to have Assistant Secretary Rupp sign the Agreement in place of the excused Secretary. Director Woods seconded the motion which passed unanimously.

**MINUTES OF DECEMBER 20, 2000** - Director Woods moved to accept the minutes of the December 20, 2000, meeting. Director Ballagh seconded the motion. The motion to accept the minutes with corrections passed unanimously.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE** - Director Ballagh moved to approve the financial report paying the \$183,070.85 as shown on the report and \$6,067.55 as itemized on the supplemental report for a total of \$189,138.40. Director Woods seconded the motion. After discussion, the motion to approve the financial report passed unanimously.

**EXPRESS AGENDA** - The Directors reviewed the express agenda items. The following items were accepted as presented:

**Project 99-02 (4 MG Raw Water Settling Pond Phase II)** - A status report has been included in the Board packet and Skyline Contracting, Inc. is progressing on schedule.

Customer Service Update - For the past 7 months staff has been collecting data pertaining to the use of the payment drop boxes located at the Clifton City Market, Albertsons and the Safeway store located at 29 and F Roads. On average, 765 customers per month use one of the drop boxes for their water bill payment. Of that average, 88% utilize City Market, 8% Albertsons, and 4% use Safeway. These numbers indicate that the payment drop boxes are a regularly utilized payment service option by the District's customers.

Whitewater Pump Station - Staff has completed the construction of the Whitewater Pump station. The pump station will be operational the week of January 22, 2001.

Employee Health Insurance Changes - Effective January 1, 2001 changes were made to the Employee's Health Insurance. Because of a 22% increase in health insurance premiums the employees voluntarily changed coverage from RMHMO FITT B (\$15 co-pay) to RMHMO FITT C (\$20 co-pay). The change was necessary to remain within 2001 FY Budgeted amount. A Staff Report is included in the Board packet.

The Board conveyed their appreciation to staff for recognizing the increase in health insurance costs and their efforts to reduce coverage and premium costs.

Colorado River Water Users Association Conference - Manager Tooker attended the Conference held December 13-15 in Las Vegas, Nevada. The Conference covered many aspects of Colorado River Water Law and Regulations. The high-light of the Conference was the keynote address by the Secretary of the Interior, Bruce Babbitt. The Conference was very well attended and extremely informative.

**CLIFTON WATER DISTRICT'S MONEY PURCHASE PLAN AND TRUST** - A Staff Report was included in the Board packet explaining the proposal to enter into a new contract with Lincoln National for the Clifton Water District Money Purchase Plan and Trust (Plan). The new Plan will replace the District's current retirement plan for the employees. Attorney Frey reviewed the Plan and the accompanying contract and provided the District with his opinion. Director Ballagh moved to accept the Clifton Water District Money Purchase Plan and Trust Contract with Lincoln National. Director Rupp seconded the motion. Director Ballagh moved to amend his original motion to include:

1. The Plan will be reviewed with Staff annually.
2. The Manager will work with Attorney Frey to develop a document for staff that identifies the conditions and limitations of the plan.
3. The language in the first three sentences of the Plan in Section 3.14 is omitted to clarify that the District is responsible for payment of the Asset Charges.
4. The Manager will develop written procedures for employee requests pertaining to the investment selections.
5. The District is not responsible for any self directed investment losses.
6. Obtain an opinion from Attorney Frey whether or not the plan meets the requirements of the Employee Retirement Income Security Act (ERISA).

The amendment to the original motion was seconded by Director Woods and passed unanimously. The original motion to accept the Clifton Water District Money Purchase Plan and Trust as amended passed unanimously.

**WESTERN SLOPE COMMUNICATION AGREEMENT** - This item was tabled until Staff makes additional revisions to the Agreement addressing District Policies and Board concerns regarding limitations in the area to be used.

**PALISADES NATIONAL BANK WIRE TRANSFER AGREEMENT** - Manager Tooker presented the revised Wire Transfer Agreement for approval. Director Ballagh moved to accept the Agreement and authorized the Chairman to sign. Director Woods seconded the motion which passed unanimously.

**PROJECT 01-01 MAIN LINE UPGRADE 31 ROAD FUNDING** - Staff requested direction from the Board concerning funding for this project. The two funding options are: Re-prioritize the FY 2001 Line Upgrade line item budget projects to include Project 01-01; or, Transfer funds from the FY 2001 Contingency budget line item to the Line Upgrade Budget line item to fund Project 01-01. Director Woods made a motion to move \$32,500 from the Contingency line item to the Line Upgrade line item. Director Ballagh seconded the motion. After discussion the motion failed 3-1. Director Ballagh then moved to have Staff reprioritize identified upgrade projects in the FY 2001 Line Upgrade line item to include Project 01-01. Director Woods seconded the motion which passed 3-1.

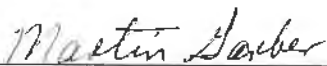
**AUTHORIZE ADVERTISEMENT FOR BID FOR PROJECT 01-01 MAIN LINE UPGRADE 31 ROAD** - Director Ballagh moved to authorize staff to advertise for bids for Project 01-01, Main Line Upgrade on 31 Road. Director Rupp seconded the motion which passed 3-1.


**OTHER NEW BUSINESS** - Chairman Garber polled the Board members whether or not to reinstate monthly planning meeting for the Board and Staff. By mutual consent, it was agreed that the planning meetings provided a beneficial avenue for the Board and Staff to discuss planning issues and should reconvene starting on February 7, 2001 at 7:30 p.m. at the District main office.

The meeting was adjourned at 10:25 p.m.

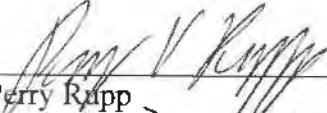
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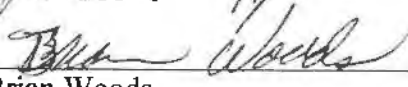
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Martin Garber

  
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John Ballagh

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Perry Rupp

  
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Brian Woods

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

Held February 7, 2001

Present were Chairman Garber, Vice Chairman Ballagh, Treasurer Woods, and Vice Secretary Rupp. Staff present were Dale Tooker and David Reinertsen.

Chairman Garber called the meeting to order at 7:30 p.m. noting that the time and place for said planning meeting was published in accordance with C.R.S. 29-1-106 (3)(a).

Manager Tooker presented information for Board review that addressed proposed legislative changes in State election schedules. This was presented for information only and no Board action was taken.

Chairman Garber asked for a Board member to assist him in the evaluation of the recently completed Employee Survey. Director Woods stated he would assist in the evaluation.

Assistant Manager Reinertsen presented an overview of the capabilities of the District's Geographic Information System (GIS) that is now being used by field crews and in discussions with property owners and developers. The system enables staff to quickly access the District's customer database, distribution system main line and valve locations, Mesa County Tax Assessor's property data, and other relevant informational data via electronic means.

Manager Tooker presented for discussion the proposed Inter-Governmental Agreement (IGA) between the Clifton Water District and Mesa County. Because of recent problems encountered between the District and Mesa County Manager Tooker stated that this would be a good opportunity to work cooperatively with the County. The Board requested that several components be revised to reflect a more positive approach and that the IGA should work in concert with all Mesa County departments and staff. The Board questioned if the IGA was a County Wide Agreement or specifically for the Planning Department. Manager Tooker stated that it was his understanding that this was a County wide Agreement that it would be applicable to all County Departments. Further clarification of this point will be obtained from Mesa County. It was the consensus of the Board to proceed with the IGA and that by State Statute the District does not have to develop or submit a Service Plan. The District Statement of Purpose satisfies the requirements of the State Statutes.


Manager Tooker also presented an updated Clifton Water District Statement of Purpose for review. After discussion, Manger Tooker will make some changes to the presented Statement of Purpose and resubmit for Board acceptance at a future Board Meeting. It was the Board consensus to have staff update the Statement of Purpose to submit to the County.

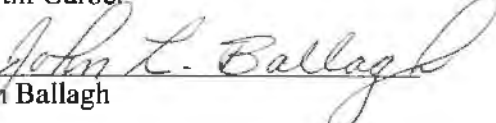
Manager Tooker presented a summary sheet of the 2006 - 2010 Capital Projects for planning purposes and future discussions.

Chairman Garber suggested that a future planning meeting should revisit the unification issues of the Grand Valley water purveyors.

By unanimous consent, the meeting was adjourned at 9:33 p.m.

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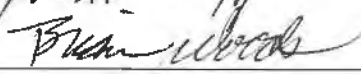
  
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John Ballagh

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Paul Teal

  
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Brian Woods

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

Held February 21, 2001

Present were Chairman Garber, Vice-Chairman Ballagh, Treasurer Woods, and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, David Payne, and Ruth Kubin. Chris Johnson of Capital Investment Council was present as a guest.

At 7:30 p.m, Chairman Garber called the regular meeting to order.

**CHRIS JOHNSON - CAPITAL INVESTMENT COUNCIL** - Mr. Johnson gave a brief explanation of the District's current financial picture and how the District's portfolio is performing. He concluded his presentation at 7:45 pm.

**MINUTES OF JANUARY 10, 2001** - Director Ballagh moved to accept the minutes of the January 10, 2001 special meeting. Director Woods seconded the motion. The motion to accept the minutes passed unanimously.

**MINUTES OF JANUARY 17, 2001** - Director Woods moved to accept the minutes of the January 17, 2001 meeting. Director Ballagh seconded the motion. The motion to accept the minutes passed unanimously.

**MINUTES OF FEBRUARY 7, 2001** - Director Woods moved to accept the minutes of the February 7, 2001 planning meeting. Director Ballagh seconded the motion. The motion to accept the minutes passed unanimously.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE** - Director Ballagh moved to approve the financial report paying \$93,075.12 plus \$ 5,515.56 on the supplemental statement for a total of \$98,590.68 as shown on the report. Director Woods seconded the motion. After discussion, the motion to approve the financial report passed unanimously.

**STAFF REPORT** - Assistant Manager Reinertsen provided a historical review of the impact of the adoption of the New Construction Policy on the number of new service taps sold and installed. In 2000, monthly tap sales were more uniform than have been experienced in the past where seasonal 'highs and lows' were evidenced.

**EXPRESS AGENDA** - The Directors reviewed the express agenda items. The following items were accepted as presented:

**Project 99-02 (4 MG Raw Water Settling Pond Phase II)** - A status report has been included in the Board packet and Skyline Contracting, Inc. is progressing on schedule.

**Wire Transfer Agreement Palisades National Bank** - At the January meeting the Board approved a revised Wire Transfer Agreement from Palisades National Bank. The Agreement was submitted to Palisades National Bank. Because of the revisions the Agreement was not accepted by the bank's auditors. Palisades National Bank officials stated that they will continue to perform wire transfers for the District without the Agreement.

50 Year Anniversary of Clifton Water District - On March 5, 2001 the Clifton Water District will be celebrating its 50 Year Anniversary. Staff has planned a 50 Year Anniversary News Letter and some public relations advertising to commemorate the anniversary.

Clifton Water District Money Purchase Pension Plan and Trust - The Contract approved at the January meeting has been completed and sent to Lincoln National. All employees attended an informational meeting concerning the changes of the Lincoln National Plan and as directed by the Board. All information, enrollment forms, receipt information and disclaimer notice have been collected from each employee.

WESTERN SLOPE COMMUNICATIONS AGREEMENT - Staff presented the revised Agreement for Board approval. After discussion regarding additional revisions, Director Ballagh moved to accept the Agreement with Western Slope Communications and have Vice Secretary Rupp sign in place of Secretary Teal after additional revisions were been made to the Agreement. Director Woods seconded the motion which passed unanimously.

MESA COUNTY PERCEPTION SURVEY - The Public Perception Survey results for year 2000 were reviewed and discussed by the Board. The review and discussion were informational only and required no Board action at this time.

INTER GOVERNMENTAL AGREEMENT (IGA) WITH MESA COUNTY - The Board reviewed and commented on the draft IGA and District Statement of Purpose. Items were identified that require modification. Staff was directed to address those items with County staff before presenting for approvals.

AVAILABILITY OF SERVICE CHARGE POLICY #430 - According to Policy #430, the Board of Directors must annually redetermine the Availability of Service Charge. Director Ballagh moved to adopt a Resolution pertaining to the 2001 Fiscal Year Availability of Service Charge, which was seconded by Director Woods.

**RESOLUTION PERTAINING TO 2001 FISCAL YEAR AVAILABILITY OF SERVICE CHARGE**

*WHEREAS* the District has reviewed the Availability of Service Charge Policy; and  
*WHEREAS* the Availability of Service charges are equitable revenue contribution toward the repayment of debt incurred by the District; and  
*WHEREAS* the Availability of Service Charge Policy is for those customers who benefit from the availability of water service; and  
*WHEREAS* all revenue generated by the Availability of Service Charge shall be used to repay the principle and interest on bonds and other outstanding indebtedness; and  
*WHEREAS* in the 2001 fiscal year the District still has indebtedness for the Water Revenue Bonds; and  
*WHEREAS* the said percentage of Availability of Service charge shall be redetermined annually by the Board.  
**NOW THEREFORE BE IT RESOLVED** that the Board of Directors of the Clifton Water District will set the Availability of Service Charge for the 2001 fiscal year to 33.6% of the average water bill in 2000 which is equal to \$8.00 per month.

The motion to adopt said Resolution passed unanimously.

**TRANSFER OF FUNDS FOR PROJECT 99-02** - Due to contractor performance delays attributed to weather, actual performance completed in 2000 was below budget estimates. The unspent funds from the FY 2000 Budget have been spent to Reserves. In order to complete scheduled remaining work in 2001, staff requested a transfer of funds from the 2001 Contingency line item to the CAS Plant Construction expense budget line item. Director Woods moved to transfer \$80,000 from the 2001 Contingency line item to the CAS Plant Construction line item to complete Project 99-02, Phase II. Director Ballagh seconded the motion which passed unanimously.


**AWARD PROJECT 01-01, 31 ROAD LINE UPGRADE** - Valid bids were received from 5 contractors. The apparent low bidder was rejected based on incomplete submitted bid documents. Staff recommended award of the project to the valid low bidder, Palisade Constructors, Inc. Director Woods moved to award Project 01-01, 31 Road Line Upgrade to the valid low bidder, Palisade Constructors, Inc. in the amount of \$24,309.00. The motion was seconded by Director Ballagh and passed unanimously.

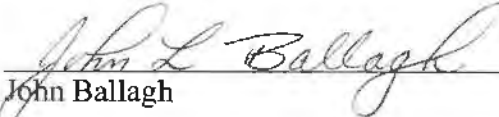
**OUT-OF-DISTRICT SERVICE REQUEST FROM ROBERT B. KNOUSE, REEDER MESA ROAD** - Assistant Manager Reinertsen reviewed the request made by Mr. Robert Knouse regarding inclusion of his property on Reeder Mesa Road, also known as the Knouse Subdivision into the District's Out-of-District service area boundary. Director Ballagh moved to accept the Knouse Subdivision into the District's Out-of-District service area. The motion was seconded by Director Rupp and passed unanimously.

**OTHER NEW BUSINESS** - Staff received a letter from Mr. Bruce Milyard of Constructors West stating that the Mesa County Engineering Department notified him that there has been road surface settlement in Filing 2 of the Grove Creek Subdivision. He stated that the settlement appears to be limited to that part of the roads where the District's main lines are located. Staff has verified that the road surface settlement is confined to those areas where the main lines are located. The original work that was performed by the District's construction contractor is beyond the one year warranty period. Director Ballagh suggested that future budgets identify funding to correct these types of issues based upon the District's experience of failure rates. Staff is arranging for necessary repairs.


By mutual consent, the meeting was adjourned at 9:52 p.m.

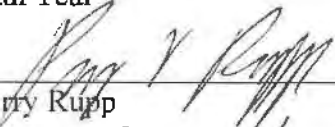
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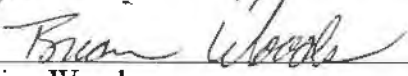
  
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Paul Teal

  
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Perry Rupp

  
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Brian Woods



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

Held March 7, 2001

Present were Chairman Garber, Vice Chairman Ballagh, Secretary Teal, Treasurer Woods, and Vice Secretary Rupp. Staff present was Assistant Manager Reinertsen. Manager Tooker entered the meeting at 8:15 p.m.

Chairman Garber called the meeting to order at 7:30 p.m. noting that the time and place for said planning meeting was published in accordance with C.R.S. 29-1-106 (3)(a).

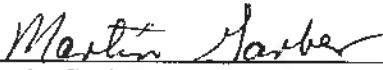
Chairman Garber stated that the meeting would deal with Grand Valley water unification issues and the District's 10-year planning document. He asked Vice Chairman Ballagh to provide a historical recap of the previous unification discussions and previous Board concerns to the newer Board members. After discussion, Chairman Garber called for a 'straw vote' of the Board members whether or not to actively pursue unification of the Grand Valley water purveyors. The consensus of the Board was to listen to and participate in discussions and evaluations as other Grand Valley water purveyors address unification options, but to not actively take the lead in those discussions. Director Ballagh identified several areas in which staff has been moving toward similar operational procedures that are used by the Clifton, Ute, and City of Grand Junction water organizations and the Board recommended proceeding with those efforts.

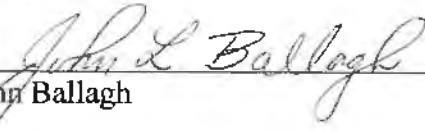
Manager Tooker provided a review of the District Planning Report, dated May 3, 2000. He provided estimated cost information as well as possible revenue sources for the capital projects identified. It was the consensus of the Board to review this document and update as necessary based on actual system-wide growth percentages on an annual basis.

Manager Tooker informed the Board that Laboratory Analyst Brian Shelley was selected for the District's Laboratory Supervisor position. Efforts are underway to fill the vacated Laboratory Analyst position.

By unanimous consent, the meeting was adjourned at 9:30 p.m.

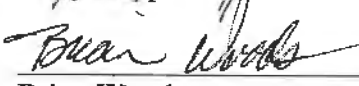
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Perry Rupp

  
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Brian Woods

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

Held March 21, 2001

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, and Treasurer Woods. Staff present were Dale Tooker, David Reinertsen, David Payne, Ruth Kubin, and Lori Cosslett.

At 7:30 p.m, Chairman Garber called the regular meeting to order.

**MINUTES OF FEBRUARY 21, 2001** - Director Ballagh moved to accept the minutes of the February 21, 2001 meeting. Director Teal seconded the motion. The motion to accept the minutes passed unanimously.

**MINUTES OF MARCH 7, 2001** - Director Teal moved to accept the minutes of the March 7, 2001 planning meeting. Director Woods seconded the motion. The motion to accept the minutes passed unanimously.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE** - Director Ballagh moved to approve the financial report paying \$129,223.94 plus \$2,646.89 on the supplemental statement for a total of \$131,870.83 as shown on the report. Director Teal seconded the motion. After discussion, the motion to approve the financial report passed unanimously.

**STAFF REPORT** - Manager Tooker and Treatment Plant Supervisor Payne provided a briefing on their recent attendance at the AWWA sponsored Membrane Conference. Several emerging membrane technologies may have application potential during future treatment plant capacity expansion studies. A binder containing conference materials is available for reference at the District offices.

**EXPRESS AGENDA** - The Directors reviewed the express agenda items. The following items were accepted as presented:

**Project 99-02 (4MG Raw Water Settling Pond Phase II)** - A status report has been included in the Board packet and Skyline Contracting, Inc. is progressing on schedule.

**SDA Insurance Pool Refunds Check** - In the financial statements for this month's Board Meeting you will notice a check from the Special Districts Property and Liability Pool in the amount of \$3,234. When the Special Districts pool was first formed the District participated by submitting additional premiums for funding. Since the pool is now on their own they have refunded the surplus to the founding participants.

**Clifton Water District 2000 Audit** - Chadwick, Steinkerchner & Davis have delivered the draft audit for staff review. Chadwick, Steinkerchner & Davis is scheduled to meet with the Board at the next regularly scheduled Board Meeting on April 18, 2001.

**Plant Optimization Study From Burns & McDonnell** - Manager Tooker met with Paul Fischer and Vincent Hart from Burns & McDonnell to finalize the plans for the Plant Optimization Study. In the next few months Burns & McDonnell will begin collecting data for a future presentation to the Board concerning upgrade to the water treatment plant.

**AWARD PROJECT 99-02 PHASE III, SETTLING POND LINER** - Bids were received from two offerors. Staff recommended award of the project to the valid low bidder, Simbeck and Associates. Director Ballagh moved to award Project 99-02 Phase III Settling Pond Liner Installation to Simbeck & Associates in the amount of \$49,901.00. Director Teal seconded the motion which passed unanimously.

**WATER FOR THE MILLENNIUM III WORKSHOP** - President Garber presented registration information for the Water for the Millennium III Workshop to be held on March 30, 2001 in Aurora, CO. The Workshop is scheduled to address present and future water storage needs, ground water and conjunctive use, and status and content of water related bills for the 2001 Colorado General Assembly. Directors Garber and Teal were selected to represent the District at the Workshop. After discussion, Director Woods moved to authorize Directors Garber and Teal to provide a monetary support donation up to \$500 to the Water for the Millennium III organization. Director Teal seconded the motion which passed unanimously.

**JOSEPH LUMBARDY RIGHT OF WAY EASEMENT** - Staff presented the history and status of an unrecorded waterline easement that crosses property owned by Joseph Lumbardy at 160 Reeder Mesa Road in the Whitewater area. The original unrecorded easement, dated April 8, 1996, included compensation items that Mr. Lumbardy is now placing claim to. After discussion, Director Ballagh moved to have the District provide and install a single 3/4" domestic water service tap on the specific parcel the easement traverses in exchange for a properly recorded easement. The motion was seconded by Director Woods and passed unanimously. Director Ballagh then moved to vary Clifton Water District Policy #410 to allow for two service taps on a single parcel for the Lumbardy property located at 160 Reeder Mesa Road. The motion was seconded by Director Woods and passed unanimously.

**BEN DOWD CONSTRUCTION LETTER** - Staff presented a letter from Ben Dowd Construction which identified several issues of concern that this firm has regarding District Policy and Procedures which apply toward new construction activities. Staff also presented a response letter that addressed the identified issues and solutions for clarifying some of the procedures and Construction Specifications. After discussion, it was the consensus of the Board that District Policy regarding new construction activities are sound and directed staff to revise those in-house procedures that Staff deems necessary.

By mutual consent, the meeting was adjourned at 9:45 p.m.

ATTEST:

Martin Garber  
Martin Garber

John L. Ballagh  
John Ballagh

Paul Teal  
Paul Teal  
Excused

Perry Rupp  
Perry Rupp  
Brian Woods  
Brian Woods

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

Held April 4, 2001

Present were Chairman Garber, Vice Chairman Ballagh, Secretary Teal, Treasurer Woods, and Vice Secretary Rupp. Staff present were Manager Tooker and Assistant Manager Reinertsen.

Chairman Garber called the meeting to order at 7:30 p.m. noting that the time and place for said planning meeting was published in accordance with C.R.S. 29-1-106 (3)(a).

The Board members and staff toured the new Raw Water Settling Pond. Staff explained the progress to date, as well as, the schedule submitted for installation of the side slope liner materials. Staff plans to have necessary approvals from the State Engineer's office to place the facility in operation by the week of June 4, 2001. The tour was complete by 8:00 pm.

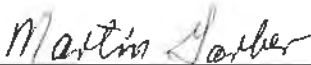
Staff requested Board approval to advertise for bids for Project 2001-02, Various Line Upgrades that were included in the 2001 Budget. Director Teal moved to authorize staff to advertise for bids for Clifton Water District Project 2001-02 as soon as the design package is complete. The motion was seconded by Director Woods and passed unanimously.

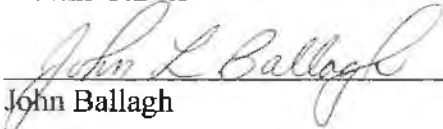
Board and staff discussed several planning issues that need addressing in the near future, some of which included: securing of additional water rights for the time frame greater than the next 20 years; possible future use of the Grand Junction Pipe gravel pit; evaluate and implement a "drought rate" for the District before one is needed during a drought period; possible uses for plant backwash water; and actual operational cost impacts that may result from future transbasin water diversions. Regarding the drought rate item, it was suggested to review the drought rate annually similar to the Availability of Service Charge, Policy #430.

Manager Tooker informed the Board that the open position for Laboratory Analyst has been filled by Allison Dederick and she started employment with the District on April 2, 2001.

By unanimous consent, the meeting was adjourned at 9:45 p.m.


ATTEST:

  
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Martin Garber

  
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John Ballagh

  
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Paul Teal

  
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Perry Rupp

  
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Brian Woods

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

Held April 18, 2001

Present were Chairman Garber, Vice-Chairman Ballagh, Treasurer Woods, Secretary Teal and Assistant Secretary Rupp. Staff Present were Dale Tooker, David Reinertsen, David Payne, Ruth Kubin and Lori Cosslett. Mary Brenes and Rev. Brenda Fhuere were present as guests.

At 7:30 p.m., Chairman Garber called the regular meeting to order.

**2000 CLIFTON WATER DISTRICT AUDIT** - Mary Brenes with Chadwick, Steinkirchner & Davis, Inc. presented Clifton Water District's 2000 audit. The 2000 audit includes a section titled "Management's Discussion and Analysis" which reflects format changes identified in the reporting requirements of the Governmental Accounting Standards Board 34 (GASB 34). Director Ballagh requested that in Note A of the Financial Statements #2 Reporting Entity should identify the District as operating as a Water Enterprise Fund. After discussion, approval of the 2000 audit as presented was tabled until the May 16, 2001 Board of Directors Meeting to review the revisions discussed.

**CHURCH OF THE NATIVITY REQUEST TO TEMPORARILY WAIVE PLANT**

**INVESTMENT FEE** - Rev. Brenda Fhuere with The Church of the Nativity provided clarification to her request to waive the Multiple Unit Plant Investment Fee for a one year period. Director Ballagh moved to grant postponement of payment of the Multiple Unit Plant Investment Fee for up to one year. Director Teal seconded the motion. After discussion, Director Ballagh amended his motion to include a time payment plan for a one year period with payments not less than \$50.00 per month (at 5% interest rate), with no pre-payment penalty, with the outstanding balance due in full on the 13<sup>th</sup> month and in accordance with all the other provisions of District Policy 410. Director Teal seconded the motion which carried unanimously. Staff was directed to develop a payment plan acceptable to all parties.

**MINUTES OF MARCH 21, 2001** - Director Teal moved to accept the minutes of the March 21, 2001 meeting. Director Ballagh seconded the motion. The motion to accept the minutes passed unanimously.

**MINUTES OF APRIL 4, 2001** - Director Ballagh moved to accept the minutes of the April 4, 2001 special meeting. Director Teal seconded the motion. The motion to accept the minutes passed unanimously.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE** - Director Teal moved to approve the financial report paying \$108,693.90 as shown on the report plus \$9,495.49 as itemized on the supplemental statement for a total of \$118,189.39. Director Ballagh seconded the motion. After discussion, the motion to approve the financial report as presented passed unanimously.

Minutes  
April 18, 2001  
Page 2

**STAFF REPORTS** - Plant Supervisor Payne presented a summary of how well the District is doing in meeting the Water Quality Goals. After discussion, it was the consensus of the Board to re-evaluate the goals and update them as necessary based on actual performance of the Nanofiltration process.

**EXPRESS AGENDA** - The Directors reviewed the Express Agenda items. The following items were accepted as presented:

Project 99-02 (4 MG Raw Water Settling Pond Phase II) - A status report has been included in the Board packet. Skyline Contracting, Inc. has completed all contract work and has requested final payment (less retainage). Staff is in the process of testing the facilities. Final project completion and retainage release will be requested at a later date.

Project 99-02 Phase III Settling Pond Liner - Simbeck and Associates mobilized the week of April 16, 2001 to begin the Liner Installation Phase. Current schedule identifies the completion date of Phase III as April 28, 2001.

Project 2001-01 31 Road Main Line Upgrade - A status report has been included in the Board packet.

Meeting with City of Grand Junction Officials Concerning Water Purchase Contract - Dale Tooker and Dave Reinertsen met with Greg Trainor and Terry Franklin from the City of Grand Junction to discuss the reduced capacity of the Charles A. Strain Water Treatment Plant due to more stringent water quality regulations and its effects on the contract. The meeting was positive. Mr. Trainor and Mr. Franklin recognized the District's concerns, and stated that the City was open to future negotiations.

Vehicle Policy - Staff is working on a comprehensive vehicle policy for presentation at the May meeting.

Grove Creek Subdivision Warranty Repairs - Warranty repairs were completed to roads identified by Mesa County Engineer in Filing 2 of the Grove Creek Subdivision. The repairs were for subgrade settlement in areas of water mains installed under the previous construction policy by the District's contractor.

**LUMBARDY EASEMENT** - At the March 21, 2001 Board of Directors meeting, staff was directed to update the April 8, 1996 Easement with Mr. Joseph A. Lombardy. Staff prepared changes to the original Easement Agreement and is scheduled to meet with Mr. Lombardy to finalize the Agreement. This presentation was informational only and required no Board action.

**MESA COUNTY INTERGOVERNMENTAL AGREEMENT (IGA)** - The Draft IGA was distributed to the Board for review. Manager Tooker and Assistant Manager Reinertsen met with Mesa County staff and received verbal confirmation that the IGA is acceptable to Mesa County staff and officials. After discussion, it was the consensus of the Board to individually review the document and have further discussions at the May 2, 2001 Planning Meeting.

**EMPLOYEE SURVEY RESULTS** - Chairman Garber and Manager Tooker presented a summarized comparison of the results of the recently completed Employee Survey and last years Survey. At the time the 2001 survey was distributed, there were 17 full time employees with 12 returning the survey for a 71% response rate. Overall, the 2001 survey results indicate staff morale and job satisfaction has improved since the 2000 survey. Manager Tooker was directed to provide a summarized report of the results to distribute to staff.

**PROJECT 2001-03 CHLORINE FACILITY UPGRADE** - Staff requested authorization to advertise for Requests For Proposals (RFP) for a design/build to upgrade the treatment plant chlorine facility. Director Teal moved to authorize staff to advertise for a design/build project for Project 2001-03. The motion was seconded by Director Woods. After discussion, the motion was defeated, 5-0. Director Ballagh then moved to authorize staff to advertise for either a Request for Quote (RFQ) or Request for Proposals (RFP) to provide engineering services to design chlorine facility improvements. Director Teal seconded the motion which carried unanimously.

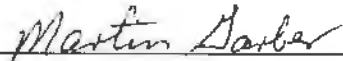
**WATER FOR THE MILLENNIUM III SEMINAR** - Chairman Garber and Director Teal presented summaries of the Water for the Millennium III Seminar that they attended in March. Information packets were given to the Board and staff to review. Director Garber reported that he and Director Teal presented a check for \$300.00 to the Water for the Millennium III organization in support of the group.

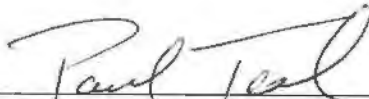
**SDA WORKSHOP, BATTLEMENT MESA** - The SDA is presenting a 2001 Regional Workshop on Wednesday, June 13, 2001 at Battlement Mesa Activity Center. Board members desiring to attend are to notify staff for registration requirements.

The meeting was adjourned at 10:24 p.m.

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April 18, 2001  
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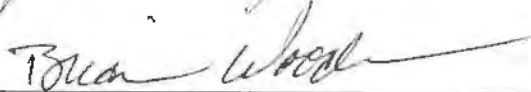
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**MINUTES OF THE PLANNING MEETING OF THE BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT**

Held May 2, 2001

Present were Chairman Garber, Vice Chairman Ballagh, Secretary Teal, Treasurer Woods, and Vice Secretary Rupp. Staff present were Manager Tooker and Assistant Manager Reinertsen.

Chairman Garber called the meeting to order at 7:30 p.m. noting that the time and place for said planning meeting was published in accordance with C.R.S. 29-1-106 (3)(a).

Manager Tooker briefed the Board on recent media attention on the proposed Arsenic regulation and how it may affect the District. The regulations effect should be minimal since the District's arsenic levels observed in the source and finished water are well below both the current standard of 50 parts per billion (ppb) and the 10 ppb level that is proposed. Additionally, Nanofiltration effectively removes arsenic during the process.

Assistant Manager Reinertsen briefed the Board on the current status of the liner installation project for the new Raw Water Settling Pond. Tentative schedule identifies placing the new pond in service by the first week of June 2001.

The Board and staff reviewed the final draft of the Mesa County Intergovernmental Agreement (IGA). During the discussion, the Board made some minor edits for clarification purposes in the IGA in preparation for the official approval at the May 16, 2001 Board meeting.

Staff presented the Terry's Agreement for the Installment Purchase of a Multiple Unit Tap for Board signature. After discussion, Director Ballagh moved to accept the Agreement with modifications to the legal description of the property. Director Teal seconded the motion which passed unanimously. Staff was directed to review the modifications with the Terrys prior to submittal for recording at the Mesa County Clerk's office.

Staff briefed the Board concerning water service availability for 274 Reeder Mesa Road in Whitewater. Staff will present a formal Staff Report at the May Board Meeting.

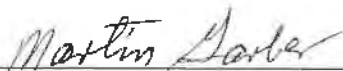
Chairman Garber asked for Board members to consider FY 2002 Budget Committee members for discussion at the next Board meeting.

At 9:10 p.m., Director Ballagh moved to enter Executive Session to discuss District liability issues. Director Teal seconded the motion which passed unanimously. The Board exited the Executive Session at 9:30 p.m.

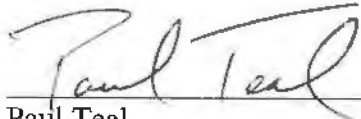
Planning Meeting Minutes  
May 2, 2001  
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By unanimous consent, the May Planning Meeting was adjourned at 9:31 p.m.

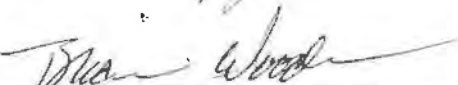
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**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT**

Held May 16, 2001

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods and Assistant Secretary Rupp. Staff Present were Dale Tooker, David Reinertsen, David Payne, Ruth Kubin and Lori Cosslett. Mesa County Commissioner Doralynn Genova, Bob Jasper and Kurt Larsen were present as guests.

At 7:30 p.m., Chairman Garber called the regular meeting to order.

**MESA COUNTY/CLIFTON WATER DISTRICT INTERGOVERNMENTAL**

**AGREEMENT** - Staff from both entities stated that the final version of the Agreement reflects a positive working relationship between the two groups. District Manager Tooker stated that the Agreement will continue to promote cost-efficient use of District and County resources for the betterment of District customers and County residents. County Administrator Jasper indicated similar sentiments saying that both groups serve mutual customers and that the County staff relies on the District's expertise on water issues. County Commissioner Genova stated that the willingness of the two staffs to work together indicates a cooperative atmosphere that will help both entities as they plan for future growth and associated service impacts. District Chairman Garber stated that the Agreement is a positive step in the right direction as both entities need to position themselves for the impacts to infrastructure created by growth related activities. Director Ballagh moved to adopt the InterGovernmental Agreement between the Clifton Water District and Mesa County and authorize the Chairman to sign the Agreement with the District's Secretary attesting said document. Director Teal seconded the motion which carried unanimously. The formal signing of the Agreement will be on Monday, May 21, 2001 at the Mesa County Administration Building.

**MINUTES OF APRIL 18, 2001** - Director Ballagh moved to accept the corrected minutes of the April 18, 2001 meeting. Director Rupp seconded the motion. The motion to accept the minutes as corrected passed unanimously.

**MINUTES OF MAY 2, 2001** - Director Teal moved to accept the minutes of the May 2, 2001 special meeting. Director Woods seconded the motion. The motion to accept the minutes passed unanimously.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE** - Director Ballagh moved to approve the financial report paying \$279,347.11 as shown on the report plus \$514.55 as itemized on the supplemental statement for a total of \$279,861.66. Director Woods seconded the motion. After discussion, the motion to approve the financial report as presented passed unanimously.

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May 16, 2001  
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**EXPRESS AGENDA** - The Directors reviewed the Express Agenda items. The following items were accepted as presented:

**31 ½ Road Update** - The 31 ½ Road upgrade has been complete. The to-date-cost for the project is \$23,777.03. Once a final cost of the project is obtained a cost share proposal will be submitted to Mesa County for reimbursement.

**Terry Agreement** - Staff completed the Agreement for a Installment Purchase of a Multiple Unit Tap for Rod and Kathy Terry as directed by the Board. The Agreement was recorded on May 8, 2001.

**Lumbardy Agreement** - The Easement Agreement with Joseph Lumbardy, 160 Reeder Mesa Road has been completed and signed by Mr. Lumbardy. Chairman Garber's signature is required and then the Agreement will be recorded.

**2000 Employee of the Year** - Eric Pennal was selected as the District's Employee of The Year for 2000. Mr. Pennal was the Watermark of Excellence Award recipient for July through December of 2000.

**EMPLOYEE SURVEY RESULTS** - Manager Tooker presented a memo for Board approval, to be distributed to the all employees summarizing the results of the 2001 Employee Questionnaire. After discussion, the Board initialed the memo and directed Manager Tooker to distribute the results to all employees.

**CLIFTON WATER DISTRICT 2000 AUDIT** - Director Ballagh moved to accept the Clifton Water District's 2000 Audit prepared by Chadwick, Steinkirchner, Davis & Co., PC. Director Woods seconded the motion. After discussion, during which the Board recognized that the 2000 Audit meets the requirements identified by the Governmental Accounting Standards Board (GASB) Statement 34, the motion passed unanimously.

**PROJECT 2001-02 LINE UPGRADES** - Assistant Manager Reinertsen reported to the Board that Project 2001-02 was properly advertised and four bid packages were obtained by interested contractors. No bids were received at the Public Bid Opening. Assistant Manager Reinertsen contacted two of the firms that had expressed interest in the packages and was informed that their firms were 100% utilized on other projects during the required package construction schedule. After discussion, it was the consensus of the Board for staff to complete the projects in a manner that is consistent with District procedures and State statutes.

**VALLE VISTA/UTE WATER INCLUSION** - The Ute Water Conservancy District (Ute) had recently discovered that the Valle Vista Subdivision, on Orchard Mesa, had not been included in their service area boundaries even though they had been providing potable water since its original

construction. Ute began the process to include the Valle Vista Subdivision in their service boundaries. There was an opportunity for the Clifton Water District to oppose Ute's inclusion of the Valle Vista Subdivision in to the Ute service boundary. Director Ballagh moved that the District not respond to this item. Director Woods seconded the motion. The motion passed unanimously.

**OUT-OF-DISTRICT SERVICE REQUEST FOR 274 REEDER MESA ROAD** - Manager Tooker gave a brief overview of the request and background information. Director Ballagh moved to accept the inclusion of parcel 2967-132-00-209 (274 Reeder Mesa Road), presently owned by Herb & Katrina Pacheco, into the District's Out-of-District service area contingent upon the successful installation of a 6" distribution main line, within a one year period. Director Woods seconded the motion which passed unanimously.

**OUT-OF- DISTRICT SERVICE REQUEST FOR 371 AND 391 REEDER MESA ROAD** - Director Ballagh moved to accept the inclusion of parcels 2967-132-00-932 (371 Reeder Mesa Road) and 2967-132-00-933 (391 Reeder Mesa Road), presently owned by Darren Davidson, into the District's Out-Of-District service area contingent upon the successful installation of a 6" distribution line, within a one year period. Director Teal seconded the motion which passed unanimously.

**OUT-OF-DISTRICT SERVICE REQUEST FOR 1251 AND 1291 REEDER MESA ROAD** Director Ballagh moved to accept the inclusion of parcels 2967-131-00-934 (1251 Reeder Mesa Road) and 2967-131-00-936 (1291 Reeder Mesa Road), presently owned by Darren Davidson, into the District's Out-Of-District service area contingent upon the successful installation of an 8" distribution line, within a one year period. Director Woods seconded the motion which passed unanimously.

**DRUG FREE WORKPLACE POLICY** - Manager Tooker reviewed the proposed District Policy regarding a Drug Free Workplace. Director Ballagh moved to approve the Drug Free Workplace Policy. Director Woods seconded the motion. After discussion regarding testing methodology, Director Woods moved to table the original motion until a later Board meeting. Director Teal seconded the motion which passed unanimously.

**ACCESS AND USE OF ELECTRONIC MEDIA AND E-MAIL** - Manager Tooker reviewed the proposed District Policy regarding the use of electronic media and e-mail accounts. After discussion, Director Teal moved to adopt the Resolution pertaining to Access and Use of Electronic Media and E-Mail Policy with noted changes which was seconded by Director Rupp.

**RESOLUTION ADOPTING A PERSONNEL POLICY FOR ACCESS AND USE OF ELECTRONIC MEDIA AND ELECTRONIC MAIL**

*WHEREAS the Clifton Water District wishes to adopt a policy to establish acceptable use of the Electronic Media and District owned equipment; and*

*WHEREAS the District recognizes that the use of the Electronic Media is an essential tool in conducting day to day business in an efficient manner; and*

*WHEREAS the District recognizes the value of the Electronic Media and the ability of the employees to use the resources available to them in a manner that is acceptable; and*

*WHEREAS the District wishes to identify that the use of the Electronic Media using District owned equipment is for official District business only; and*

*WHEREAS the District wishes to identify a conduct and an Electronic Media use etiquette that is professional and non-harassing.*

**NOW THEREFORE BE IT RESOLVED** that the Clifton Water District Board of Directors hereby adopts the Access and Use of Electronic Media and Electronic Mail Policy for the Clifton Water District with an effective date of May 16, 2001.

The motion to adopt said Resolution passed unanimously with an effective date of May 16, 2001.

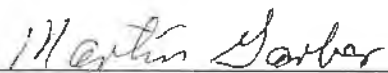
**ADVERTISE FINAL PAYMENT FOR PROJECT 99-02 PHASE II** - Staff recommended Board authorization to advertise for Final Payment of Project 99-02, Phase II, completed by Skyline Contracting, Inc. Director Woods moved to advertise for Final Payment of Project 99-02, Phase II and release of the contract retainage amount of \$40,235.97. Director Ballagh seconded the motion which passed unanimously.

**BUDGET COMMITTEE** - Board members Ballagh, Woods, and Teal and staff members Tooker and Reinertsen will comprise the 2002 Budget Committee.

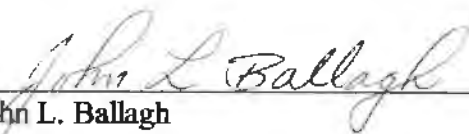
**PERSONNEL** - Manager Tooker informed the Board that Plant Operator, Roger Bulla, had resigned to take another position and that Troy Sweet had been hired to take his place.

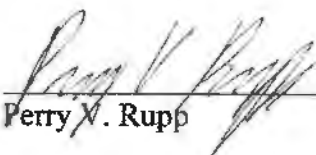
By mutual consent, the meeting was adjourned at 10:12 p.m.


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Brian Woods

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

Held June 20, 2001

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods and Assistant Secretary Rupp. Staff Present were Dale Tooker, David Reinertsen, David Payne, and Ruth Kubin. Jamie Hamilton of Home Loan & Investment Company was present as a guest.

At 7:30 p.m., Chairman Garber called the regular meeting to order.

**JAMIE HAMILTON** - Manager Tooker gave an overview presentation of the District's previous selection process of having Home Loan & Investment Company provide the District's various insurance coverages. Mr. Hamilton addressed the Board with a coverage overview, including claim limit amounts and policy exclusion areas. He pointed out that the premium cost for the next policy year is less than the previous year while having increased coverage. He also noted that the carrier he represents for the District's coverage is now The Kemper Group.

**MINUTES OF MAY 16, 2001** - Director Teal moved to accept the corrected minutes of the May 16, 2001 meeting. Director Woods seconded the motion. The motion to accept the minutes as corrected passed unanimously.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE** - Director Ballagh moved to approve the financial report paying \$165,521.76 as shown on the report plus \$1,982.95 as itemized on the supplemental statement for a total of \$167,504.71. Director Rupp seconded the motion. After discussion, the motion to approve the financial report as presented passed unanimously.

**EXPRESS AGENDA** - The Directors reviewed the Express Agenda items. The following items were accepted as presented:

**Financial Snapshot Brochure** - Included in the Board packet is a brochure that has been prepared by Staff displaying an overview of the financial health of the District for 2000. The Financial Snapshot Brochures are available to all customers at our Customer Service Windows in the main office.

**Colorado Water Workshop** - The Annual Colorado Water Workshop will be held in Gunnison Colorado July 25 - 27, 2001. The workshop will concentrate on changes in the federal and state governments that affect water use in Colorado and how recent court decisions and new regulations are shaping the future.

**Out of District Service for 274, 371, 391, 1291 and 1251 Reeder Mesa Road** - A design plan is expected from Mr. Davidson the week of June 18. Once the design has been received, staff can begin the review process and submit the applicable county permits and proceed according to policy.

Employee Survey Results - The results and memo approved by the Board at the last Regular Board meeting were distributed to staff.

Clifton Water District 2000 Audit - The bound copies of the 2000 Audit have been received and distributed to the appropriate state agencies and financial institutions in accordance with the Colorado Revised Statutes and the Covenants of the 1996 Revenue Bonds. A bound copy for each Board member was distributed at the meeting.

Chlorine Project Postponement - Due to the issues that are being experienced with Project 99-02 Phase II of the Settling Pond Project, staff has postponed the advertisement for Engineering proposals for the Chlorine Project.

From 8:10 p.m. until 8:35 p.m., the Board and Staff toured the new raw water settling pond.

**MESA COUNTY 31 ½ ROAD BRIDGE PROJECT** - The 10 inch line relocation over the Grand Valley Canal for the Mesa County Bridge Replacement Project is complete. The total cost of the District's activities was \$24,675.60. Staff will be submitting a cost share proposal to Mesa County for \$22,407.74 based on remaining useful service life of the original pipeline. No Board action was taken, staff was directed to proceed.

**FINAL PAYMENT SETTLING POND PROJECT 99-02 PHASE II SETTLING POND** - Manager Tooker gave a summary of the recent project concerns and discussed the issues associated with contract retainage for the Skyline Contracting, Inc. portion of the project. Manager Tooker stated that the retainage was being held until a determination of the cause of the liner failure could be determined. Tooker continued by stating, that Skyline has completed all work as described under the scope of the Contract. Director Woods moved to authorize payment to Skyline Contracting, Inc. of the remaining portion of the contract retainage. Director Ballagh seconded the motion which passed unanimously.

**DRUG FREE WORKPLACE POLICY** - Director Ballagh moved to defer discussion of this proposed Policy to the July Board meeting. Director Woods seconded the motion which passed unanimously.

**ADVERTISE FINAL PAYMENT PROJECT 2001-01 31 ROAD MAIN LINE UPGRADE** - Staff recommended Board authorization to advertise for Final Payment of Project 2001-01, completed by Palisade Constructors, Inc. Director Ballagh moved to advertise for Final Payment of Project 2001-01 and release of the contract retainage amount of \$2,551.74. Director Woods seconded the motion which passed unanimously.

**DISTRICT'S LIABILITY INSURANCE RENEWAL** - Manager Tooker presented a Staff Report identifying proposed coverage limits and exclusions, which had previously be identified by Mr. Hamilton earlier in the meeting. Staff recommends Board approval and renewal of the



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June 20, 2001

Page 3

Property and Liability Insurance as presented by Home Loan and Investment Company. No Board action was taken at this time.

**CUSTOMER SURVEY RESULTS FROM NEWSLETTER** - Manager Tooker presented the results from the newsletter customer survey which indicated an overall positive impression of the District operations of those that responded. The data was offered for information only with no Board action required.

**HOUSE BILL 01-1359 EXECUTIVE SESSION LAW** - Manager Tooker presented an article for Board discussion by J. Evan Goulding from the Colorado Special District Association which recapped the requirements of the new law. After discussion, Director Ballagh moved to identify the Secretary of the Board as the Custodian of the Record for Executive Sessions. Director Rupp seconded the motion which passed unanimously.

**CLIFTON SANITATION DISTRICT # 2 (CSD) VARIANCE REQUEST** - Prior to discussing this matter, Director Woods identified that he has a conflict of interest as he is an employee of the CSD and excused himself from discussion and any Board action that may be required pertaining to the variance request. Staff recommended that the Board authorize the variance request submitted by Frank Hyde of the CSD, to transfer the use of the tap at 3201 D Road to 3209 D Road (both parcels currently owned by the CSD). After discussion, Director Ballagh moved that Paragraph 4, of District Policy 410, Plant Investment Fee, be waived in the consideration of the request made by CSD Manager Frank Hyde (reference letter in file dated 06-15-01) to use existing service tap at 3201 D Road (currently vacant ground) to 3209 D Road (currently used for treatment facilities), whereas both parcels are owned by the CSD, this service to be used without permanent assignment to 3209 D Road, and this waiver is subject to Board review if future use or land ownership changes. Director Rupp seconded the motion which passed unanimously with Director Woods abstaining.


**EMPLOYEE SURVEY** - Director Garber suggested that the frequency of the District's Employee Survey be changed from twice a year to once per year. After discussion, the Board consensus was to have management perform the Employee Survey once per calendar year.


**DROUGHT RATE** - The Board requested that Staff develop a Drought Rate plan and present it to the Board for action at the regular meeting for August 2001.


By mutual consent, the meeting was adjourned at 10:15 p.m.

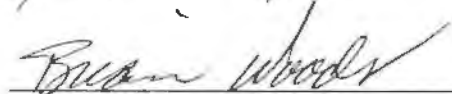
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Brian Woods

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

Held July 18, 2001

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, David Payne, Ruth Kubin and Lori Cosslett.

At 7:30 p.m., Chairman Garber called the regular meeting to order.

**MINUTES OF JUNE 20, 2001** - Director Teal moved to accept the minutes of the June 20, 2001. Director Woods seconded the motion. The motion to accept the minutes passed unanimously.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE** - Director Teal moved to accept the financial report paying \$123,946.26 as shown on the report plus \$3,094.07 as itemized on the supplemental statement for a total of \$127,040.33. Director Ballagh seconded the motion. After discussion, the motion to approve the financial report as presented passed unanimously.

**STAFF REPORTS** - Office Manager Kubin gave a presentation to the Board concerning the implementation of an improved customer service program for the District's office personnel. The customer service program will have three objectives: 1) Identify Goals; 2) Implement Standards and Procedures; and 3) Measure Customer Service. Staff was advised to keep track of time spent on follow-up customer service contacts and report back to the Board when enough data is collected for evaluation.

**EXPRESS AGENDA** - The Directors reviewed the Express Agenda items. The following items were accepted as presented:

**Final Payment CWD Project 2001-01** - Staff received no claims from the final advertising for CWD Project 2001-01. Included in this month's payables is the final payment for Palisade Constructors, Inc. in the amount of \$2,551.74 for release of the Retainage held for project 2001-01, 31 Road Main Line Upgrade.

**Clifton Water District Summer Picnic** - On Saturday, August 11, 2001 at 5:00 p.m. the District will be having a summer picnic at Canyon View Park.

**Fire Hydrant Flushing Program** - District Staff began the 2001 Fire Hydrant Flushing Program in July. Due to the experience obtained from previous years, the program is being modified to unidirectional flush approximately 1/3 of our distribution system during the late evening. The modifications to the flushing program are an effort to reduce water demands during the middle of the day and to reduce the high turbidity conditions and customer complaints that are traditionally observed. Mark Dalley will be implementing the program and press releases will be issued to keep our customers informed.

Watermark of Excellence Award - The nominations for the Clifton Water District Watermark of Excellence Award for January - June 2001 are: Tom Shawler - Distribution, Karen Roberts - Meter Reader, and Allison Dederick - Laboratory Analyst. The Award Luncheon is Monday, July 23, 2001 at 12:00 Noon.

2001 Water Quality Report - The 2001 Water Quality Report was distributed to the District's Customers in June. The Water Quality Report is an annual regulatory requirement and an excellent opportunity to showcase the District's water quality. The 2001 Water Quality Report was prepared by the Laboratory Staff.

**DRUG FREE WORKPLACE POLICY** - Director Ballagh moved to defer discussion of this proposed Policy to the August Board meeting. Director Woods seconded the motion which passed unanimously.

**ADVERTISE FINAL PAYMENT PROJECT 99-02 PHASE III LINER INSTALLATION** - Staff recommended Board authorization to advertise for Final Payment of Project 99-02 Phase III Liner Installation, completed by Simbeck and Associates. Director Ballagh moved to advertise for Final Payment of Project 99-02 Phase III and release of the contract retainage amount of \$4,990.10. Director Teal seconded the motion which passed unanimously.

**PROJECT 99-02 SETTLING POND FAILURE FORENSIC REPORT** - Staff presented the conclusions and recommendations identified in Dr. Richardson's forensic report attributed to the recent settling pond failure. After discussion, Director Ballagh moved to accept the report from Dr. Richardson and distribute copies to the engineer of record (WestWater Engineering), the two construction contractors (Skyline Contracting and Simbeck & Associates), the soils engineer (Grand Junction Lincoln DeVore), the state engineer and anyone else who requests it in accordance with District policies. Director Teal seconded the motion which passed unanimously.

**DISTRICT'S LIABILITY INSURANCE RENEWAL** - Director Ballagh moved to renew the District's Property and Liability Insurance as quoted by Mr. Jamie Hamilton of Home Loan and Investment Company at the June 20, 2001 Board meeting. Director Teal seconded the motion which passed unanimously.

**OUT-OF-DISTRICT SERVICE REQUEST FOR 4555 DESERT ROAD** - Assistant Manager Reinertsen gave a brief overview of the request and background information. Director Woods moved to accept the inclusion of parcel 2967-361-00-125 (4555 Desert Road) presently owned by Kenneth Dixon, into the District's Out-of-District service area. Director Rupp seconded the motion which passed unanimously.

**VEHICLE REPLACEMENT PROGRAM** - Manager Tooker reviewed the Staff Report which identified the current status of the District's vehicle fleet along with proposed vehicle replacement criteria and requested Board direction concerning future vehicle purchases. The Board discussed the types, uses, and current vehicle assignments. The Board tabled the item for further discussion at a later date.

**PARTICIPATION IN AN AMERICAN WATER WORKS ASSOCIATION RESEARCH FOUNDATION FUNDED PROJECT** - Plant Supervisor Payne provided an overview of the request Staff received requesting District participation in a research project that will develop a planning tool for utilities considering incorporating membrane systems into their treatment process. After discussion, Director Ballagh moved to approve Staff participation with the project contingent on asking for a start date and a six month report to the Board. Director Teal seconded the motion which passed unanimously.

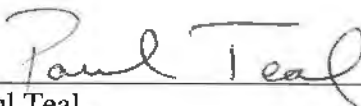
At 10:25 p.m., Director Ballagh moved to enter an Executive Session to discuss "positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators" (24-6-402 (4)(e) C.R.S.). Director Teal seconded the motion which carried unanimously. Chairman Garber announced that the Board was now in Executive Session to discuss "positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators" (24-6-402 (4)(e) C.R.S.).

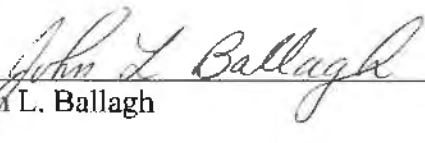
The Board exited the announced Executive Session at 11:00 p.m.

Director Ballagh moved to adjourn the regular meeting. Director Woods seconded the motion which passed unanimously. The regular meeting was adjourned at 11:02 p.m.

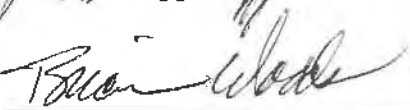
ATTEST:

  
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Martin Garber

  
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Paul Teal

  
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John L. Ballagh

  
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Perry W. Rupp

  
\_\_\_\_\_  
Brian Woods

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

Held August 15, 2001

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, David Payne, Ruth Kubin and Lori Cosslett.

At 7:30 p.m., Chairman Garber called the regular meeting to order.

Director Ballagh made a motion to adjourn the meeting at 10:00 p.m. Director Woods seconded the motion which passed unanimously.

**MINUTES OF JULY 18, 2001** - Director Ballagh moved to accept the minutes of July 18, 2001. Director Rupp seconded the motion. The motion to accept the minutes passed unanimously.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE** - Director Teal moved to accept the financial report paying \$78,848.39 as shown on the report plus \$594.38 as itemized on the supplemental statement for a total of \$79,442.77. Director Woods seconded the motion. After discussion, the motion to approve the financial report as presented passed unanimously.

**STAFF REPORTS** - Manager Tooker gave a brief presentation of the Cost of Service Analysis that was performed for the year 2000. The results indicate that a small rate increase is justified for implementation in the next year.

Dave Payne gave an overview of the water treatment plant activities that have been pursued to effectively treat the source water that has been impacted by recent heavy rains and flash floods. He stated that the Nanofiltration plant has afforded the treatment plant personnel added flexibility in providing high quality drinking water even with very marginal source water.

**EXPRESS AGENDA** - The Directors reviewed the Express Agenda items. The following items were accepted as presented:

**Meter Replacement Program** - The meter replacement program was completed in July. With the exception of meters in confined spaces and some large meters that will be replaced over the next two years, all residential meters have been replaced with the touch read system.

**Clifton Water District Web Page** - Staff has started the development of the Clifton Water District Web Page and is available for viewing. The official site is: <http://www.cliftonwaterdistrict.com>. Currently the Web Page is in the development stages and new information and capabilities will be added over time. The development of the Web Page was a condition in the Agreement with Grand Valley Internet. An official launch of the Web Page is planned for the next Newsletter.

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August 15, 2001

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Colorado Water Workshop - Manager Tooker attended the 26<sup>th</sup> Annual Colorado Water Workshop, July 25 - 27, 2001 in Gunnison, Colorado. The workshop focused on how the State and Federal Government is affecting water use, legislation, and water rights in Colorado. Recent court decisions, water rights for recreational use, Basin of Origin and the protection of agricultural water highlighted the workshop.

Mesa County Density Criteria Meeting for Water Interests - Manager Tooker and Assistant Manager Reinertsen attended a meeting hosted by Mesa County Planning on July 24, to discuss Density Criteria of the *Mesa County Land Development Code* and how it affects the District.

Risk Management Program (RMP) Compliance Audit - On July 30, 2001, representatives of the United States Environmental Protection Agency (USEPA) conducted a compliance audit of the District's RMP. The auditors reviewed the District's chlorine facility, operational procedures, and training and maintenance records. At the audit de-briefing, the inspectors stated all items inspected and reviewed were found to be in order and in compliance with the Program requirements. It was suggested that additional site specific hazard analyses be performed. Overall, the audit was a positive reflection on the District's staff and operations.

District's 2001 Hydrant Flushing Program - District crews have completed the 'directional' hydrant flushing activities for 2001. The portion of the District flushed this year included all areas north of E Road and south of I-70 between 30 Road and 34 ½ Road. The flushing activities were performed between 10 pm and 2 am over a three week period. Several benefits were realized by this year's flushing program: enhanced employee safety (less traffic along with warning lights more visible); flush water was utilized during low demand time periods at the District's seasonal peak production and flow; directional flushing procedures exercised distribution valves, some of which had not been operated for over 15 years; and disruptions in customer service were minimized. The District received no water quality complaints as had been experienced in previous years during fire hydrant flushing activities.

2002 Budget Committee - The 2002 Budget Committee comprised of Directors Ballagh, Teal and Woods and Staff Tooker and Reinertsen have scheduled a meeting Tuesday, August 14, to begin the budget process.

New Billing Statements - Staff has started the process to design the new expanded billing statement. Staff is working with the computer system and printers to have the new bills in use before the end of the year. Limitations with the current computer billing software have been encountered but are being corrected. A draft of the "new" bill will be presented to the Board as soon as it is available.

**AUTHORIZE ADVERTISEMENT FOR BID FOR PROJECT 2001-02, LINE UPGRADES**

Staff requested Board approval to advertise for bids for Project 2001-02 Line Upgrades. The line upgrades are along E Road between 32 and 32 ½ Road and along Gunnison Ave between Dodge and Grand Valley Drive. After discussion, Director Ballagh moved to authorize staff to advertise for bids for materials and installation for Clifton Water District Project 2001-02. Director Teal seconded the motion which passed unanimously.

**DRUG FREE WORKPLACE PERSONNEL POLICY** - Director Ballagh moved to defer discussion of this proposed Policy to the September Board meeting. Director Woods seconded the motion which passed unanimously.

**DROUGHT RATE** - Manager Tooker presented a Drought Rate Policy for Board review. After discussion, it was the consensus of the Board to evaluate the proposed Drought Rate Policy over the coming winter months and have a new District Policy for Drought or Emergency Rates in place before the high water use season of Year 2002.

**VEHICLE REPLACEMENT CRITERIA** - Staff requested Board approval of the proposed vehicle replacement criteria and vehicle types so that the correct budgetary proposals can be made for the Year 2002 Budget. Director Ballagh moved to accept the Vehicle Replacement Criteria of 8 years, or, 80,000 miles, or 60% of the original vehicle cost. Director Woods seconded the motion which passed unanimously. It was the consensus of the Board that the Vehicle Replacement Types and Schedule be included in future Planning Reports.

**MESA COUNTY AND CLIFTON AREA COMMUNITY DEVELOPMENT PLAN** -

Staff reported to the Board the efforts of Mesa County to develop a Community Development Plan. This item needed no action and staff is to present any developments regarding this issue to the Board.

**DESIGNATE MANAGER TO PREPARE THE 2002 BUDGET**- Director Teal moved that the Board designate the Manager to prepare the 2002 Budget. Director Woods seconded the motion which passed unanimously.

**TEMPORARY ANNUAL LEAVE BANK** - Manager Tooker requested that the Board authorize him to set up a temporary Annual Leave Bank to assist staff member Allison Dederick during her recovery from a medical leave. Ms. Dederick had started employment with the District in April 2001 and had three days of paid leave available for the recovery period. Annual leave was volunteered from other employees for Ms. Dederick to use during her recovery. Director Woods moved to authorize Manager Tooker to set up a temporary leave bank for Allison Dederick. Director Ballagh seconded the motion which passed unanimously.



**WATER CASE 91CW252 WOLFORD MOUNTAIN STIPULATION SUBSTITUTION APPROVAL** - Manager Tooker presented an overview of the parameters of the requested substitution approval. Director Ballagh moved to accept the proposed 2001 Green Mountain Substitution Delivery Schedule letters dated August 13, 2001. Director Woods seconded the motion which passed unanimously.

**REVISED POLICY #08 STATEMENT OF PURPOSE** - Director Woods moved to accept the revised Policy #08 Statement of Purpose and have Staff submit to Mesa County. Director Teal seconded the motion which passed unanimously.

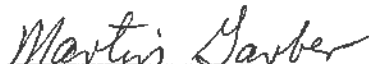
**REVISED POLICY #40 PUBLIC MEETINGS/PUBLIC RECORDS** - Policy #40 was revised to include the new Executive Session provisions of HB 01-1359. Director Teal moved to adopt revised Policy #40 with changes. Director Ballagh seconded the motion which passed unanimously.

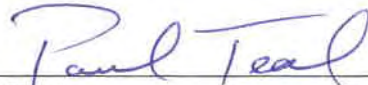
**REVISED POLICY #310 NEW CONSTRUCTION** - Director Ballagh moved to accept approval of the updated Policy #310 New Construction. Director Teal seconded the motion which passed unanimously.

At 10:00 p.m., Chairman Garber moved to enter an Executive Session to discuss "positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators" (24-6-402 (4)(e) C.R.S.). Director Teal seconded the motion which carried unanimously. Chairman Garber then announced that the Board was now in Executive Session to discuss "positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators" (24-6-402 (4)(e) C.R.S.).

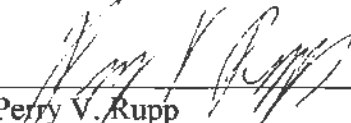
The Board exited the announced Executive Session at 11:14 p.m. The regular Business Meeting was adjourned by mutual consent at 11:15 p.m.


ATTEST:

  
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Martin Garber

  
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Paul Teal

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John L. Ballagh

  
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Perry V. Rupp

  
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Brian Woods

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

Held September 20, 2001

Present were Chairman Garber, Secretary Teal, Treasurer Woods and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, David Payne, Ruth Kubin and Lori Cosslett.

At 7:30 p.m., Chairman Garber called the regular meeting to order. Chairman Garber noted that Vice-Chairman Ballagh was excused from the meeting.

**MINUTES OF JULY 18, 2001** - Director Teal moved to accept the minutes of August 15, 2001. Director Woods seconded the motion. The motion to accept the minutes passed unanimously.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE** - Director Teal moved to accept the financial report paying \$135,297.33 as shown on the report plus \$553.44 as itemized on the supplemental statement for a total of \$135,850.77. Director Woods seconded the motion. After discussion, the motion to approve the financial report as presented passed unanimously.

**EXPRESS AGENDA** - The Directors reviewed the Express Agenda items. The following items were accepted as presented:

**Colorado Water Workshop** - Manager Tooker attended the 26<sup>th</sup> Annual Colorado Water Workshop, July 25 - 27, 2001 in Gunnison, Colorado. The workshop focused on how the State and Federal Government is affecting water use, legislation, and water rights in Colorado. Recent court decisions, water rights for recreational use, Basin of Origin and the protection of agricultural water highlighted the workshop. The Board had requested at the last meeting that Manager Tooker present a report of the workshop. A Training Event Report has been included in the Board Packet.

**Museum of Western Colorado Water Education Exhibit** - Manager Tooker sent an invitation to the Board announcing the Museum of Western Colorado's Water Exhibit Grand Opening on Thursday, August 23, 2001. Staff is working on a plan to have the District contribute to the Exhibit.

**Budget Committee** - The Budget Committee has been regularly meeting and has prepared the first draft of the proposed 2002 Budget. The Budget Committee will be meeting Tuesday, September 18, 2001 prior to the Board Meeting to finalize the Proposed Budget. The Proposed 2002 Budget will be presented at the Board Meeting.

**Whitewater Volunteer Fire Department** - The District has been contacted by a group of individuals that are forming a Volunteer Fire Department for the Whitewater area. The District will be coordinating the use of water from a fire hydrant in the Whitewater area to fill fire trucks for training exercises. Staff will closely regulate and coordinate these efforts to benefit both parties. Because the Whitewater Pump Station has been upgraded, staff does not expect these procedures to interfere with District operations.

Recent Security Measures taken by District Staff - Because of the events that took place September 11, 2001, staff has been briefed to be extra aware and take additional security precautions while performing their duties in and around District Facilities.

Lab Analyst Allison Dederick - Allison Dederick has returned to work after her unexpected illness. The employees of the District voluntarily contributed enough time so that Ms. Dederick did not lose any pay during her absence. A thank you note from Ms. Dederick has been included in the Board Packet.

Ute Water District Pipeline Dedication - The Board and staff have been invited to Ute Water's Pipeline Dedication Ceremony on Saturday, September 22, 2001. An invitation has been included in the Board Packet and staff has made reservations.

2001 Wage and Benefit Survey - Manager Tooker is completing the annual Wage and Benefit Survey. Data is currently being received and will be compiled and presented to the Budget Committee in October to assist the decision concerning labor costs for 2002.

**DRUG FREE WORKPLACE PERSONNEL POLICY** - Attorney Bechtel had reviewed the policy and addressed the concerns that the Board had previously raised. The revised Drug Free Workplace Personnel Policy and Attorney Bechtel's comments were presented to the Board. Director Woods moved to accept the new Drug Free Workplace Policy with the changes recommended by Attorney Bechtel. Director Teal seconded the motion which passed unanimously.

**PROPOSAL TO ACCEPT CREDIT CARDS** - After a brief discussion it was the consensus of the Board to allow the Manager to implement a procedure to accept credit cards for the payment of water bills.

**DINNER WITH THE MESA COUNTY BOARD OF COMMISSIONERS** - After a brief discussion it was decided that Chairman Garber would attend the Mesa County Board of Commissioners Dinner.

**PROJECT 2001-02 AWARD BID** - The bid opening was held on Thursday, September 13, 2001 for Project 2001-02. The low bidder for the project was Bogue Construction, Inc. for \$209,297.20. The bid was greater than the funds budgeted for this project. Prior to award of the contract, Staff recommended the Board transfer necessary funds from the 2001 Budget Contingency line item to the General Construction Line Upgrade line item. Director Teal moved to transfer \$75,000 from the 2001 Contingency line item to the General Construction Line Upgrade line item. Director Woods seconded the motion which passed unanimously. Director Woods made a motion to award Project 2001-02 to Bogue Construction, Inc. in the amount of \$207,297.20. Director Teal seconded the motion which passed unanimously.

**PETITION FROM BEAN RANCH ROAD RESIDENTS** - On Wednesday, September 12, 2001, staff received a petition from the some of the customers residing on Bean Ranch Road and Eagle Trail Court (Whitewater) concerning the water line size and pressure serving that area. After discussion, Director Teal moved to up-size the water main and install a pump station at Bean Ranch Road and Eagle Trail Court. Director Woods seconded the motion which was defeated unanimously. After additional discussion, it was the Board's consensus that infrastructure improvements would be the financial responsibility of the residents since the Board believes the existing system is adequate per the original development plan. Staff was directed by the Board to work with the petitioners regarding options available to them as potential solutions to their concerns.

**2002 PROPOSED BUDGET PRESENTATION** - The proposed 2002 Budget of the Clifton Water District was presented by Staff for review by the Board. Director Teal moved to accept the proposed 2002 Budget as submitted by the Budget Committee. Director Woods seconded the motion which passed unanimously. Director Teal moved to set the Public Hearing for the 2002 Budget for October 17, 2001. Director Rupp seconded the motion which passed unanimously.

**GENERAL CONSTRUCTION COSTS** - Staff presented a review of issues associated with the recently held bid opening for Project 2001-02 and potential impacts to funding of capital projects identified in the District's Five-Year Plan. Staff plans to use new multipliers for funding estimates for future capital projects.

**SEPTEMBER 19, 2001 BOARD MEETING TIME EXTENSION** - Director Teal moved to extend time of the September 19, 2001 Board meeting as long as necessary to complete the identified agenda items. Director Woods seconded the motion which passed unanimously.

**WATER RATES FOR 2002** - After discussion, the Board requested that the Manager provide additional information for evaluation at the October 2001 Board Meeting.

**DISTRICT FLAG POLE** - After discussion and in light of the September 11, 2001 disaster of the twin towers in New York City, it is the consensus of the Board to have Staff proceed with the purchase and installation of a flag pole (and United States flag) at the District's main office.

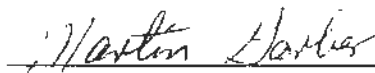
At 10:30 p.m., Director Teal moved to enter an Executive Session to discuss "positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators" (24-6-402 (4)(e) C.R.S.). Director Woods seconded the motion which carried unanimously. Chairman Garber then announced that the Board was now in Executive Session to discuss "positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators" (24-6-402 (4)(e) C.R.S.).

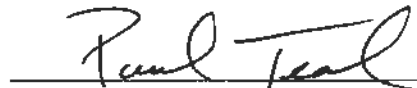
The Board exited the announced Executive Session at 10:55 p.m.

**PROJECT 99-02 SETTLING POND PROJECT** - Director Woods moved to transfer \$225,000.00 from the 2001 Contingency line item to the CAS Plant Construction line item for completion of Project 99-02 Settling Pond Project. Director Rupp seconded the motion which passed unanimously.


The regular Business Meeting was adjourned by mutual consent at 11:00 p.m.


ATTEST:

  
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Martin Garber

  
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Paul Teal

*Excused*  
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John L. Ballagh

  
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Perry V. Rupp

  
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Brian Woods

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

Held October 17, 2001

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods, and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, and Ruth Kubin.

**BUDGET HEARING FOR 2002 PROPOSED BUDGET** - Chairman Garber called the Budget Hearing on the 2002 Proposed Budget to order at 7:30 p.m. noting that the time and place for said hearing was published in accordance with C.R.S. 29-1-106 (3)(a). Chairman Garber further stated that notices for the Budget Hearing 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). Chairman Garber asked for questions or comments and hearing none, Chairman Garber asked for a motion to close the Budget Hearing for the 2002 Proposed Budget. Director Teal moved to close the Budget Hearing for the 2002 Proposed Budget. Director Woods seconded the motion which passed unanimously.

At 7:31 p.m., Chairman Garber called the regular meeting to order.

**MINUTES OF SEPTEMBER 19, 2001** - Director Woods moved to accept the minutes of the September 19, 2001 meeting. Director Rupp seconded the motion. The motion to accept the minutes with corrections passed unanimously.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE** - Director Ballagh moved to approve the financial report paying \$ 89,210.44 as shown on the report plus \$2,327.10 as itemized on the supplemental statement for a total of \$91,537.54. Director Teal seconded the motion which after discussion passed unanimously.

**MANAGER'S REPORT** - Manager Tooker explained hardness and total dissolved solids concentrations that were reported in the Manager's Report. Manager Tooker showed how modifications in upstream storage releases and releases for fish flows can affect the District's water quality.

**STAFF REPORT** - Manager Tooker and Assistant Manger Reinertsen presented a report entitled "Distribution Cost Saving Techniques to Replace Polyethylene Service Lines" written by Distribution Supervisor Dalley. The District's Repair & Maintenance crew has developed a technique to replace polyethylene service lines that significantly reduces costs. The report will be presented for possible publication.

**EXPRESS AGENDA** - The Directors reviewed the Express Agenda items. The following items were accepted as presented:

**Bean Ranch Road Residents Petition** - A letter was sent to the petitioners and customers of Eagle Trail Court and Bean Ranch Road in response to the petition that was sent to the District. The letter explained the position of the Board concerning the adequacy of the existing system and the consensus that any upgrades would be the financial responsibility of the residents. In addition, Manager Tooker offered to meet with the residents and discuss their situation. In the interim, changes were made in the pump station and distribution system that resulted in an increase of

approximately 10 p.s.i. for the customers in this area. Manager Tooker has received a number of telephone calls stating that the improvements have been noticed and thanking the District for their efforts.

2000 Audit - The State Auditor notified Mary Brenes from Chadwick, Steinkirchner and Davis that the Clifton Water District's 2000 Audit and the Management's Discussion and Analysis has been selected to be presented at the Colorado State CPA Annual Convention as an excellent example of early implementation of GASB 34 requirements.

32 1/4 Road and 33 Road Line Upgrades - Line upgrade projects utilizing a Time & Materials format have started on 33 Road and 32 1/4 Road. These projects were originally put out for bid last May and no bids were received. Sorter Construction Inc. is performing the 33 Road upgrade and is scheduled for completion by October 17, 2001. Palisade Constructors Inc. performed the 32 1/4 Road upgrade and was complete by October 9, 2001.

**DRUG FREE WORKPLACE POLICY RESOLUTION** - At the September 19, 2001 Board Meeting, the Directors approved the Drug Free Workplace Policy. The Policy Resolution was not adopted at that time. The Drug Free Workplace Policy was presented for Board adoption. Director Woods moved to adopt the District's Drug Free Workplace Policy with Director Teal seconding the motion.

**RESOLUTION ADOPTING A PERSONNEL POLICY FOR A DRUG FREE WORKPLACE**

*WHEREAS the Clifton Water District wishes to adopt a policy to establish a Drug Free Workplace;*

*WHEREAS the District recognizes that the District is in a safety sensitive business providing safe drinking water to the District's customers;*

*WHEREAS the District recognizes that drug and alcohol abuse is a potential health, safety and security problem;*

*WHEREAS drugs and alcohol can impair thinking and reasoning and may lead to behavior that compromises the employee and the communities safety;*

*WHEREAS the District wishes to establish policy and procedures that enable screening of potential employees, provide the means to test an employee under reasonable suspicion and perform post accident testing in an attempt to deal with the use or misuse of drugs and alcohol that could effect the performance of an employee on the job preventing serious consequences to the employee or the community;*

*WHEREAS the District wishes to seek and retain qualified employees prepared to perform the duties of their position;*

*NOW THEREFORE BE IT RESOLVED that the Clifton Water District Board of Directors hereby adopts the Drug Free Workplace Policy for the Clifton Water District with an effective date of October 17, 2001.*

The motion to adopt said Resolution passed unanimously with an effective date October 17, 2001.

**WATER RATES AND TAP FEES** - Manager Tooker presented a Cost of Service Analysis and recommendations for water usage fee increases to the Board. Director Ballagh moved to raise the monthly water usage fees to \$8.50 for the minimum (3,000 gallons) and \$2.00 per

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October 17, 2001

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thousand gallons used between 3,000 and 10,000 gallons, and \$2.15 per thousand gallons used over 10,000 gallons, effective January 1, 2002. Director Teal seconded the motion. Director Ballagh then spoke on the matter adding, the rate increase is justified to meet the increased treatment and delivery costs experienced by the District due to regulatory compliance with the Clean Water Act, higher utility and general operating costs. After discussion, the motion passed unanimously.

Manager Tooker recommended to the Board that a committee be appointed to address the Board's philosophy and to provide direction to Staff for recommending future Plant Investment Fees. It was the consensus of the Board to have the committee comprised of Chairman Garber, Director Rupp, and Manager Tooker. The committee is to provide recommendations to the Board at the regular November Board Meeting.

**2002 PROPOSED BUDGET** - Manager Tooker presented the Proposed 2002 District Budget reflecting the changes identified at the September Board Meeting. Manager Tooker explained that he added 'footnotes' to the labor portion of the Budget Worksheet to further explain that section. After discussion, Staff was directed to make changes to the Operating Revenue to reflect the new water usage rates and prepare the Budget for the November meeting.

**PROJECT 2001-02 E ROAD AND GUNNISON AVENUE LINE UPGRADE** - Director Ballagh requested that the total project costs including engineering fees, be included on the project summary sheet and updated at the November Board Meeting.

**NEW CUSTOMER BILLING STATEMENTS** - Staff presented three examples of new customer billing formats for Board review and comment. It was the Board's consensus to have Staff make changes as necessary to reflect a larger type font and to rotate the generic "customer messages" on a quarterly basis and the design should be a staff decision based on the needs of our customers.

**SPECIAL DISTRICT ASSOCIATION (SDA) CONFERENCE DEBRIEFING** - The Board members attending the 2001 SDA Conference will submit their notes to Manager Tooker to be placed in a notebook for future reference and presentation at the November District Board Meeting.

Chairman Garber gave a brief summary of a dinner meeting with the Mesa County Board of Commissioners held on September 24, 2001. Chairman Garber stated that the District was in better shape than many other Special District organizations in Mesa County.

**OUT-OF-DISTRICT SERVICE REQUEST FOR 2224 DESERT ROAD** - Assistant Manager Reinertsen gave a brief overview of the request and background information. Director Ballagh Moved to accept the inclusion of parcel 2967-251-00-128 (2224 Desert Road) presently owned by Tad and Cindy Bailey, into the District's Out-Of-District service area. Director Rupp seconded the motion which passed unanimously.



Minutes

October 17, 2001

Page 4

**CONTINUATION OF TURKEY TRADITION** - Each year, the Board approves the purchase of either a turkey or ham to be given during the holiday season to the Board members and Staff. Director Garber moved to continue this tradition for 2001. Director Teal seconded the motion which passed unanimously.

**OTHER BUSINESS** - Manager Tooker stated that he had recently been contacted by Greg Trainor and Terry Franklin of the City of Grand Junction Utility Department regarding the expansion plans of John Whiting's Hidden Valley Water Company. It was the consensus of the Board that the District has a valid service agreement with Mr. Whiting but would listen to the concerns of the City of Grand Junction. Manager Tooker stated that he had planned to have Mr. Trainor attend the November meeting to address the Board.

At 9:33 p.m., Director Ballagh moved to enter an Executive Session to discuss "specialized details of security arrangements or investigations", "positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators", and "personnel matters" (24-6-402 (4)(d)(e)(f) C.R.S.). Director Rupp seconded the motion which carried unanimously. Chairman Garber then announced that the Board was now in Executive Session to discuss "specialized details of security arrangements or investigations", "positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators", and "personnel matters" (24-6-402 (4)(d)(e)(f) C.R.S.).

The Board exited the announced Executive Session at 10:29 p.m.

**PROJECT 99-02 SETTLING POND PROJECT** - Director Ballagh moved to authorize Staff to develop and issue a Request For Proposal(RFP) in accordance with District Counsel to facilitate necessary remedial repairs of the settling pond. Director Woods seconded the motion which passed unanimously.

**OCTOBER 17, 2001 BOARD MEETING TIME EXTENSION** - Director Teal moved to extend time of the October 17, 2001 Board meeting as long as necessary to complete the identified agenda items. Director Rupp seconded the motion which passed 4 - 1.

Assistant Manager Reinertsen exited the meeting at 10:32 p.m.

At 10:32 p.m., Director Ballagh moved to enter an Executive Session to discuss "positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators", and "personnel matters" (24-6-402 (4)(e)(f) C.R.S.). Director Woods seconded the motion which carried unanimously. Chairman Garber then announced that the Board was now in Executive Session to discuss "positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators", and "personnel matters" (24-6-402 (4)(e)(f) C.R.S.).

Manager Tooker exited the meeting at 11:15 p.m.

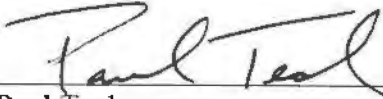
The Board exited the announced Executive Session at 1:22 a.m., October 18, 2001.

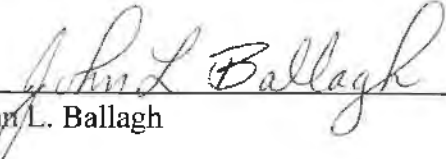
Director Ballagh moved to continue the Manager's compensation at the same level approved in 2000. Director Teal seconded the motion. It carried 4 - 1, with Director Rupp opposing.

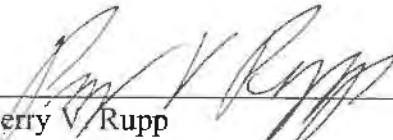
The regular Business Meeting was adjourned by mutual consent at 1:22 a.m., October 18, 2001.

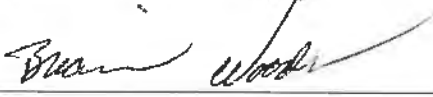
ATTEST:

  
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Martin Garber

  
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Paul Teal

  
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John L. Ballagh

  
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Perry V. Rupp

  
\_\_\_\_\_  
Brian Woods

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

Held November 21, 2001

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, Dave Payne and Lori Cosslett.

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

**MINUTES OF OCTOBER 21, 2001** - Director Teal moved to accept the minutes of the October 17, 2001 meeting. Director Ballagh seconded the motion. The motion to accept the minutes with corrections passed unanimously.

At 7:40 p.m., William Frey from Dufford, Waldeck, Milburn, Krohn, LLP arrived at the meeting. Director Ballagh then moved to enter an Executive Session to "receive legal advice on specific legal questions" C.R.S. 24-6-402(4)(b), with William Frey from Dufford, Waldeck, Milburn, Krohn, LLP. Director Woods seconded the motion which carried unanimously. Chairman Garber then announced that the Board was now in Executive Session to "receive legal advice on specific legal questions" C.R.S. 24-6-402(4)(b).

The Board exited the announced Executive Session at 8:15 p.m. Mr. William Frey exited the meeting at that time.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE** - Director Ballagh moved to approve the financial report paying \$146,431.04 as shown on the report plus \$155.61 as shown on the supplemental statement for a total of \$146,586.65. Director Teal seconded the motion, which after discussion, passed unanimously.

**STAFF REPORT** - A status report for the ongoing Customer Service Program was presented by Assistant Manager Reinertsen. The status report covered the telephone survey results for work orders performed from August 15 through October 26, 2001. It was Board consensus to continue the Customer Service telephone survey and expand it to include new construction owners and developers.

**EXPRESS AGENDA** - The Directors reviewed the Express Agenda items. The following items were accepted as presented:

**Alternative Payment Methods** - Clifton Water District is now accepting credit cards and Check By Phone as forms of payment for paying water bills. In the first week of offering these payment options the office staff has received 7 credit card payments and 15 Check By Phone payments. One major benefit observed was that office staff accepted 11 payments from customers that prevented the discontinuation of their water service.

**Burns & McDonnell Plant Optimization Study** - Staff has received the Draft Water Treatment Plant Optimization Study for review. Paul Fischer and Vincent Hart will attend the December meeting to present the study to the Board.

Minutes  
November 21, 2001  
Page 2

Raw Water Settling Pond Remedial Design Request for Proposal (RFP) - Staff prepared and advertised the remedial design RFP for the Settling Pond Project. RFP's are due on December 12, 2001 so that a recommendation can be made to the Board at the December 19, 2001 meeting.

Project 2001-02 E Road and Gunnison Avenue - As of October 31, 2001 the Gunnison Avenue phase of this project was 50% complete. The E Road phase had not yet commenced. A project status report has been included in the Board packet.

District Holiday Celebration - The District's annual Holiday Celebration is scheduled for Friday, December 7, 2001 at the Far East Restaurant. Those planning on attending the celebration need to contact Ruth before December 1, 2001.

Annual Parade of Lights - District Board and Staff are encouraged to participate in this year's parade entry. The parade will be held on Saturday, December 1, 2001. Anyone interested in participating should contact Lori or Mark.

Colorado Water Utility Council October Meeting - Assistant Manager Reinertsen attended the Council's October 12, 2001 meeting held at the Denver Water Department offices. Topics of discussion included issues associated with general water discharge permit compliance, and protecting and safeguarding water sources/systems from tampering and compromise.

**LINE UPGRADE PROJECTS 32 1/4 ROAD AND 33 ROAD** - As of October 31, 2001 these two Time & Material projects are complete. The 32 1/4 Road Project was completed by Palisade Constructors, Inc. and the 33 Road Project was completed by Sorter Construction. After some discussion, Director Ballagh moved that staff provide a cost review of the 33 Road Project that addresses cost impacts to the Water District resulting from deficient line locate information by others. Director Teal seconded the motion which passed unanimously.

**PLANT INVESTMENT FEES** - The Plant Investment Fee Committee, consisting of Chairman Garber, Director Rupp and Manager Tooker, recommended that an adjustment of the District's Plant Investment Fees be approved. The Committee evaluated the short-term and long-term Capital Improvements and came to the consensus that the current Plant Investment Fees needed to be adjusted. Director Ballagh moved that the recommendation of the Committee to increase the In-District Plant Investment Fees be adopted as presented and the Out-of-District rate should be increased to 200% of the In-District fee structure. Director Rupp seconded the motion. After discussion, Directors Ballagh and Rupp amended their original motion to address only the In-District increase for adoption. This revised motion passed unanimously. Director Ballagh then moved to increase the Out-of-District Plant Investment Fee to 200% of the new In-District fee schedule. Director Teal seconded the motion. The motion failed by a vote of 2 - 3. Director Ballagh moved to set the Out-of-District Plant Investment Fee structure at 150% of the In-District schedule. Director Teal seconded the motion which passed unanimously. Staff was directed to evaluate the current and future capital needs of the Out-of-District service area to determine if the 150% factor is adequate.

Director Ballagh exited the meeting at 9:10 pm. Director Woods moved to make the new Plant Investment Fee structure effective January 1, 2002. The motion was seconded by Director Rupp and passed unanimously.

**2002 BUDGET APPROVAL AND RESOLUTION** - Manager Tooker presented the 2002 Proposed Budget revisions. After discussion, Director Teal moved to adopt the 2002 Budget as revised. Director Rupp seconded the motion which passed unanimously.

**RESOLUTION OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS  
 ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE**

A resolution appropriating sums of money to the various accounts, in the amounts and for the purposes as set forth below, for the Clifton Water District acting by and through its Water Activity Enterprise, Mesa County, Colorado, for the 2002 Budget Year.

WHEREAS, the Directors have adopted the annual budget for 2002 in accordance with the Local Government Budget Law, on the 21st day of November, 2001, and;

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

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

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

ESTIMATED BEGINNING BALANCE	\$5,824,934
<b><u>ESTIMATED EXPENDITURES</u></b>	
<b>Operating Expenses</b>	
Source of Supply	\$16,500
Water Treatment	\$575,090
Transmission & Distribution	\$333,770
General & Administrative	\$264,725
Labor Expenses	\$1,114,519
<u>Total Operating Expenses</u>	<u>\$2,304,604</u>
<b>Nonoperating Expenses</b>	
Capital Expenses	\$2,430,500
Bond Principal & Interest	\$293,750
Emergency Fund	\$236,755
Reserve Fund	\$586,761
Contingency	\$3,884,304
<u>Total Nonoperating Expenses</u>	<u>\$7,432,070</u>
<b>TOTAL ESTIMATED EXPENDITURES</b>	<b>\$9,736,674</b>
<b><u>ESTIMATED REVENUES</u></b>	
<b>Operating Revenue</b>	
Sale of Water	\$2,555,000
Sanitation District	\$10,200
Penalty & Turn Fees	\$56,400
Tap Installation	\$12,000
<u>Total Operating Revenue</u>	<u>\$2,633,600</u>
<b>Nonoperating Revenue</b>	
Plant Investment Fees	\$900,000
Main Line Extension Fees	\$18,000
Disposal of Assets	\$4,500
Availability of Service	\$8,640
Interest	\$330,000
Property Taxes	\$0
Lease Income	\$16,000
Miscellaneous	\$1,000
<u>Total Nonoperating Revenue</u>	<u>\$1,278,140</u>
<b>Total Estimated Revenue</b>	<b>\$3,911,740</b>
<b>Estimated From Reserves</b>	<b>\$5,824,934</b>
<b>Total Funds Available</b>	<b>\$9,736,674</b>
ESTIMATED ENDING BALANCE	\$0

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IT IS FURTHER RESOLVED, that there is appropriated from the funds of the District acting by and through its Water Activity Enterprise, Nine Million, Seven Hundred Thirty Six Thousand, Six Hundred Seventy Four Dollars (\$9,736,674) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2002 or thereafter.

I hereby certify the forgoing is a true copy of a resolution adopted by the Board of Directors of the Clifton Water District acting by and through its Water Activity Enterprise at a regular meeting of the Board held on November 21, 2001. Said budget was displayed for inspection and notice of said display for inspection was duly published in accordance with C.R.S. 29-1-106.

**OUT-OF-DISTRICT SERVICE REQUEST FOR 451 REEDER MESA ROAD** - Assistant Manager Reinertsen gave an overview of the request and background information. Director Teal moved to grant the inclusion of parcel 2967-132-00-211 (451 Reeder Mesa Road) presently owned by Seth A. Tusberg, into the District's Out-of-District service area. Director Woods seconded the motion. After a brief discussion the motion passed unanimously.

**GRAND VALLEY IRRIGATION COMPANY ANNUAL MEETING** - The Grand Valley Irrigation Company Annual Meeting is December 1, 2001. Director Woods made a motion to sign the proxy cards. Director Rupp seconded the motion which passed unanimously.

**CITY OF GRAND JUNCTION/HIDDEN VALLEY WATER COMPANY** - Manager Tooker stated that concerns previously expressed by Mr. Greg Trainor of the City of Grand Junction regarding expansion of the Hidden Valley Water Company have apparently been resolved or postponed as Mr. Trainor decided to not address the Board as he previously requested.

**MONTHLY PAYMENT REQUEST FROM EMERY WELSH 3204 E ROAD** - Staff received a request from Mr. Emery Welsh, owner of the Crystal Clean Car Wash requesting a payment plan for his planned water tap upgrade. After some discussion, Director Woods moved to decline the payment plan request by Mr. Welsh. The motion was seconded by Director Teal and passed unanimously.

**CHADWICK, STEINKIRCHNER, DAVIS & CO. (CSD) ENGAGEMENT LETTER** - Director Rupp moved to accept the Engagement Letter from CSD to perform the District's 2001 audit and authorize staff to sign the engagement letter as presented. Director Teal seconded the motion which passed unanimously.

**SDA MEMBERSHIP** - Manager Tooker reported that the Special District Association (SDA) is offering a discount on the annual membership dues if an email address is provided for all Board members. Manager Tooker will set up email accounts for each Board member through [cliftonwaterdistrict.com](mailto:cliftonwaterdistrict.com).

**OTHER BUSINESS** - Chairman Garber requested that Staff evaluate and report to the Board options available for changing the monthly District Board meeting to either the first or last week of the month instead of the 3<sup>rd</sup> week as is now the schedule. Director Rupp suggested that the Board consider a daytime meeting. It was the consensus of the Board present that a daytime meeting would be more convenient and staff should present the other meeting options to the Board for review at the December 2001 regular meeting.

Chairman Garber also requested that Staff schedule a Public Meeting in January 2002 to inform the public of recent water rate and Plant Investment Fee increases as well as any other information the Public may request clarification.

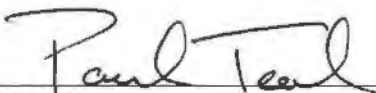
The Board requested that a dedication plaque be fabricated and installed on the District's office building.

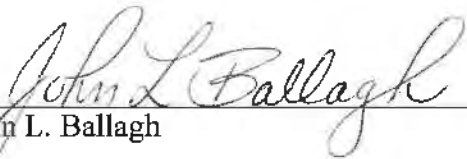
Manager Tooker presented a memo to the Board outlining an option to have Staff pay a portion of the health insurance premium for coverage other than the employee. After discussion, it was Board consensus that the 2002 premium increase can be covered by the 2002 Budget and requiring the employees to pay for a portion of the premium is not needed at this time. After further discussion, it was the Board consensus that the Board should establish a direction statement pertaining to this issue early in 2002 and that District employees may be asked to pay a portion of the premium in the future.

At 10:29 pm, Director Woods moved to extend the regular meeting past the 10:30 pm closure time. The motion died for lack of a second. At 10:30 pm, Chairman Garber adjourned the November 21, 2001 regular Board meeting.

ATTEST:

  
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Martin Garber

  
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Paul Teal

  
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John L. Ballagh

  
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Perry Rupp

  
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Brian Woods

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

Held December 19, 2001

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, Dave Payne, Ruth Kubin and Lori Cosslett. Nathan Kever was present as legal counsel.

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

At 7:30 p.m. Director Ballagh made a motion to enter into Executive Session to "receive legal advice on specific legal questions" C.R.S. 24-6-402(4)(b), with Nathan Kever from Dufford, Waldeck, Milburn, Krohn, LLP. Director Teal seconded the motion which carried unanimously. Chairman Garber then announced that the Board was now in Executive Session to "receive legal advice on specific legal questions" C.R.S. 24-6-402(4)(b).

Director Ballagh moved to exit the announced Executive Session at 8:29 p.m. Director Teal seconded the motion which passed unanimously. Nathan Kever exited the meeting at that time.

**MINUTES OF NOVEMBER 21, 2001** - Director Teal moved to accept the minutes of the November 21, 2001 meeting. Director Woods seconded the motion. The motion to accept the minutes with corrections passed unanimously.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE**- Director Teal moved to approve the financial report paying \$152,647.21 as shown on the report plus \$940.80 as shown on the supplemental statement for a total of \$153,588.01. Director Ballagh seconded the motion, which after discussion, passed unanimously.

**EXPRESS AGENDA** - The Directors reviewed the Express Agenda items. The following items were accepted as presented:

Flag Pole - The flag pole is up. The flag is flying.

Project 2001-02 E Road and Gunnison Avenue - A staff report is included in the Board Packet. As of November 30, 2001 the Gunnison Avenue phase of this construction project is 90% complete. Work on the E Road phase started on November 29, 2001.

30 Road Project - 30 Road Project has been awarded. Construction is anticipated to begin in January 2002. Staff will provide updates as available.

District Awards - At the annual Clifton Water District Christmas Party the following people were recognized: Safety Employees for 2001 are Dave Larsen, Mark Dalley and Cari Jackson. David Reinertsen was also presented with a Safety Coordinator Award from his Safety Committee. Brian Sheley was presented with a 20 Year Service Award. Eric Pennal was presented with a 5 Year Service Award. Special Recognition Award for the development of Distribution Procedures was presented to Tino Villarreal and Tim Smith.



Minutes

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**RAW WATER SETTLING POND ISSUES** -Earlier in the meeting Nathan Keever was present to discuss the Raw Water Settling Pond Issues with the Board in Executive Session. Director Ballagh moved to direct staff to instruct legal counsel to initiate the action for arbitration with WestWater Engineering and/or Lincoln Devore as they see fit to recover costs to get the Raw Water Settling Pond working on line as designed. Director Teal seconded the motion. During the discussion, Director Ballagh stated that it seemed that the expenses that have already been incurred make it worthwhile to seek arbitration. The motion passed unanimously.

Manager Tooker stated that staff had received two RFP's for the Raw Water Remedial Design and Construction. The RFP's were received from Red Mesa Consulting and Weston Engineering. Manager Tooker recommended that the Board defer any decision on the RFP's until staff can receive additional legal counsel. Director Ballagh moved to defer approval and award of engineering services until the January 2002 meeting. Director Woods seconded the motion which passed unanimously.

**MANAGER'S EVALUATION** - Chairman Garber stated that discussion of Manager Tooker's evaluation will be deferred until a later date. Manager Tooker concurred with this deferral.

**MEETING DATES AND TIMES** - Manager Tooker gave a presentation identifying several different options for meeting dates and times. In an earlier meeting, the Board had requested staff to evaluate alternative meeting dates with a preference for the beginning of the month. Director Ballagh moved to change the next regular meeting to January 3, 2002 at 3:30 p.m. Director Teal seconded the motion. During the discussion it was pointed out that the Board must, by Statute, designate and post the time and place for all Board Meetings. A resolution must be passed at the first regular meeting of 2002 to identify the 24-hour notice posting location. The motion passed unanimously.

**PERSONNEL MANUAL CHANGES, SECTION 18** - Manager Tooker presented changes to Section 18.2.1 of the Personnel Manual, Retirement Benefits, that would change the District's retirement contribution from 5% to 6% as budgeted in the 2002 Budget. Director Woods made a motion to change the District's contribution from 5% to 6% for eligible employees. Director Teal seconded the motion. The Board questioned Manager Tooker about the participation level of the employees in the voluntary 457 Deferred Compensation Plan. The Board was concerned about increasing the District's contribution when all of the employees are not participating in the voluntary 457 Plan. After discussion, Director Ballagh moved to defer the Personnel Manual changes to the February meeting. Director Woods seconded the motion, which passed 4 - 1. Manager Tooker was instructed to determine if the District's contribution level could be tied to matching funds contributed by the employees to the 457 Plan.

**PUBLIC MEETING** - Manager Tooker reported that a Public Meeting is scheduled for 7:00 to 9:00 p.m. on January 9, 2002 at the Clifton Community Hall. The Board discussed the items to be presented at the Public Meeting. Items will include Water Usage Fees, Plant Investment Fees, Water Quality Report, Major Capital Improvement Plan and Membrane Filtration Spectrum. Staff will prepare informational hand-outs for the meeting.

**OUT-OF-DISTRICT PLANT INVESTMENT FEE** - Manager Tooker explained the information contained in his memo to the Board. Director Ballagh moved to make the Out-of-District Plant Investment Fee 200% of the In-District Plant Investment Fee effective July 1, 2002. Director Teal seconded the motion which passed unanimously. Staff was directed to prepare a Resolution for Adoption at the next meeting. It was Board consensus that after review of the Manager's Cost of Service analysis of the Out-of-District Plant Investment Fees and evaluating the District's Major Capital Improvement Plan, the fee increases were justified to adequately fund projected Capital Improvement Projects, Treatment Plant Expansion and Distribution System Upgrades in the Out-of-District service area. The Board also clarified that the Out-of-District Plant Investment Fees will increase in January 2002 as a result of the In-District increase but the additional increase will be effective July 1, 2002. The July 1, 2002 effective date for the Out-of-District increase was set to allow ample time for projects to complete their development process without undo burden.

***RESOLUTION FOR THE OUT OF DISTRICT PLANT INVESTMENT FEES 2002***

*WHEREAS the District has evaluated the Cost of Service for providing water service to the Out-of-District service areas and;*

*WHEREAS the District has expended more than \$550,000 for capital improvement projects specific to the Out-of-District areas since 1992 and;*

*WHEREAS the District has received approximately \$540,000 in revenues from Out-of-District Plant Investment Fees since 1992 which has resulted in a deficit of \$10,000 and;*

*WHEREAS the District projects a growth rate of 300 new service taps in the Out-of-District service area between 2002 and 2010 and;*

*WHEREAS the District projects the Capital Improvement expenditures for the same period at \$1,550,000 and;*

*WHEREAS the Out-of-District service area represents approximately 3% of the District's customer base and;*

*WHEREAS the District has projected the Out-of-District Contributed Allocation to the District-wide Capital Outlay for 2002 to 2010 is \$375,000 (3% of \$12,500,000) and;*

*WHEREAS the total Contributed Capital requirement is projected to be \$1,925,000 for the 300 new service connections and;*

*WHEREAS the projected Plant Investment Fee needed to provide adequate funding for the projected Capital Outlay is \$6,417 per residential service connection or 214% of the existing In District Plant Investment Fees and;*

*WHEREAS the District wanted to establish a delayed effective date to provide ample time for existing and planned Out-of-District projects to prepare for the increase and;*

*NOW THEREFORE BE IT RESOLVED that the Clifton Water District Board of Directors have established the Out-of-District Plant Investment Fees at 200% of the In District Rates effective July 1, 2002.*

**RADIO READ TEST ACTION PLAN** - Manager Tooker explained the information contained in his memo to the Board. Director Ballagh moved to proceed with the Radio Read Test Action Plan. Director Teal seconded the motion which passed 4 - 1.

**SPECIAL MEETING FOR BURNS & MCDONNELL DESIGN REPORT**

**PRESENTATION**- Manager Tooker recommended that the Board set a Special Meeting at 3:30 p.m., on January 28, 2002 for the purpose of having Burns & McDonnell representatives present their Preliminary Design Report of the Charles A. Strain Water Treatment Plant Optimization Study. Director Teal moved to hold a Special Meeting on January 28, 2002 at 3:30 p.m. Director Woods seconded the motion, which passed unanimously.

**POWELL & BEESON PROPERTIES** - Manager Tooker presented a packet of information from Fred Powell and Lois Beeson concerning their Orchard Mesa properties. Mr. Powell is requesting a variance to the District's Plant Investment Fee Credit Policy. It was the consensus of the Board for Manager Tooker to contact Mr. Powell and Ms. Beeson for additional information regarding this issue.

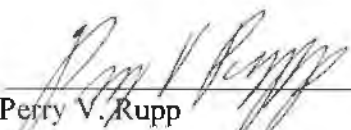
The regular Board Meeting was adjourned at 10:30 p.m.

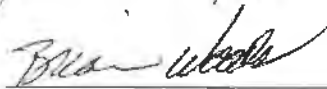
ATTEST:

  
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Martin Garber

  
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Paul Teal

  
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John L. Ballagh

  
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Perry V. Rupp

  
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Brian Woods