

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held January 21, 1987

Present were President Smith, Vice President Ela, Secretary Ballagh, Treasurer Barrick and Director Garber. Also present were Superintendent Schuster, Office Manager Kay and Chief Operator Blount.

Director Smith called the meeting to order at 7:30 p.m.

Sam Salatino and Doug Nieman, partners in Mountainside Square Carwash at 3240 F Road (A/C #13-428-000), had previously requested to be on the agenda to discuss a tap which they thought they had paid for in May of 1983. Mr. Salatino and Mr. Nieman did not appear in person and the Superintendent presented their case. Prior to May of 1983, and the reconstruction of F Road in the vicinity of 3240 F Road, the Mountainside Square Carwash had a 3/4" tap. In May of 1983 the District received \$1,650 from the owners of Mountainside Square Carwash to enlarge the 3/4" tap to a 1" tap. The actual cost of a 1" tap at that time was \$2,400. The District gave a credit of \$750 on the 3/4" tap which was being abandoned. The value of a 3/4" tap at that time was \$1,500. Mr. Salatino and Mr. Nieman were under the impression that by purchasing the 1" tap they received the right to expand the use of that tap to other businesses. District policy will not allow an additional water use from the 1" tap without payment of a tap sharing (subunit) fee. Since the tap sharing fee was in effect in May of 1983 when the tap was enlarged, the Directors thought the refusal of additional service without payment of a tap sharing fee was in keeping with District policy and and took no action.

Tim Mohr of 3042 Colorado (A/C #01-609-000) had requested time on the agenda from one of the Directors to discuss the termination of his water service for non-payment on January 20th. Mr. Mohr did not show at the meeting.

Director Ela moved to approve the minutes of the December 17, 1986 meeting of the Directors as submitted. The motion was seconded by Director Barrick and passed without opposition.

Director Ballagh moved to accept the Accounts Payable on the Financial Report as submitted in the amount of \$32,015.27 plus payments to Blue Electric in the amount of \$400.20; Postmaster (bulk permit) in the amount of \$50.00; Grand Valley Rural Power in the amount of \$152.68; refund to ITT Finance in the amount of \$10.00; refund to Jack Calver in the amount of \$5.00; refund to First Security Savings in the amount of \$33.40; refund to Debra Ruby in the amount of \$9.80; refund to Abstract & Title in the amount of \$44.00; and a refund to Intrawest Bank of Grand Junction in the amount of \$57.45. The motion was seconded by Director Garber. During the discussion, which lasted 40 minutes, items such as bank charges, bad check charges, tap sales in 1986, availability of service charge, the 1986 audit, investments in Freddie Macs and Ginnie Maes and the power cost at Plant #2 were discussed. Director Ela inquired as to the savings the installation of the diesel powered generator had on the power costs at Plant #2. The Superintendent reported that in 1984, the last full year that the District was on the Secondary General power rate at Plant #2, the total power cost was \$117,053.60. In 1986, the first full year the District had been on the Primary Interruptable power rate, the power cost was \$74,628. With an approximate savings of \$42,400 per year, the cost of installing the diesel powered generator would be recouped in approximately three years. After the discussion on the Accounts Payable and Financial Report, Director Ballagh's motion passed unanimously.

The Superintendent reported that the agreement with Foster/Foster/Coleman had been signed by Joe Coleman and Steve Foster and was in the mail between

Colorado and Arizona for the signature of Dale Foster and it was just a matter of time before the agreement would be recorded and a transfer of deeds take place.

The Superintendent reported on the progress in changing the Grand Valley Irrigation water shares from irrigation to domestic and irrigation. Superintendent Schuster reported that Attorney Bailey had received certain correspondence from Ute's attorney which indicated that the matter would end up in court. Superintendent Schuster told the Directors of a letter that he had sent to Ray Sparkman, Manager of the Ute Water Conservancy District, requesting that Ute's opposition to the change of use be dropped and that he had not only not received any response from Sparkman but also Sparkman had not returned his calls. Schuster suggested that Chairman Smith write a personal letter to each Ute Director requesting that in a "spirit of cooperation" the protest be dropped. Director Smith requested the Superintendent to compose such a letter for Attorney Bailey's approval and for Director Smith's signature.

The Superintendent told the Directors that the joint meeting to discuss the Black & Veatch Preliminary Engineering Report was now scheduled for Thursday, February 12, 1987 at 7:00 p.m. at the Two Rivers Plaza. Considerable discussion on the Engineering Report took place, in which the Directors could not justify any merger with Ute and the City due to the potential increase costs to the District's water users.

The Superintendent discussed potential negotiations with Western Slope Ford on the purchase of a Ford demonstrator at a cost of \$10,760 vs. accepting bids from other automobile dealers in the area. The Superintendent was instructed to prepare specifications in order to accept bids from local automobile dealers at the February 18th meeting using the same general specifications as the last two vehicles which were purchased by the District. The request for bids was to include a statement of "accept or reject any and all bids" and request a price on an "extended warranty".

The Superintendent advised the Directors that a \$5.00 availability of service charge would be 33% of the average monthly fee charged in fiscal year 1986. An average monthly fee of \$15.15 per tap was calculated based on a total water sales revenue of \$937,444.70 spread over the average monthly active taps of 5,155 taps. Director Barrick moved to set the 1987 availability of service charge at 33% [$\$937,444.70 / (12)(5,155) \times 33\% = \5.00] of last fiscal year's average water service charge. The motion was seconded by Director Garber and passed unanimously.

The Superintendent told the Board that he had had a discussion with Bob Engelke, City Manager of Fruita, concerning the possibility of Clifton wholesaling potable water to Fruita. The Superintendent told the Directors that he had calculated the 1986 fixed costs at Plant #2 to be \$0.26/thousand gallons, the variable costs (power and chemicals) at \$0.09/thousand gallons, the bonded indebtedness costs at \$0.24/thousand gallons (for a total cost of \$0.59/thousand gallons). With a 15% overhead added to the total cost the District could sell Fruita water at \$0.70/thousand gallons.

The Superintendent continued that he had estimated that the actual cost to the District, since the fixed cost remained virtually the same regardless of the amount of water produced, would average approximately \$19,220/year, but with revenues at \$0.70/thousand gallons would actually produce an average income of \$151,400/year. The Superintendent also advised the Directors that he had estimated that Fruita should construct a 16" diameter line from Fruita to Clifton to carry 2.44 MGD (twice their existing demand) at an estimated cost

of \$2.75 million. Director Barrick pointed out that since the City of Fruita was virtually surrounded by Ute that he thought the additional carrying capacity of a 16" line was not warranted. After some discussion, Director Ela stated that as long as the City of Fruita understood that Clifton would deliver water to meet State and Federal standards at a point of delivery (presumably in the area of the north tank) and have no other responsibility for distribution, meter reading, etc., that the District should be open to the possibility of selling water to Fruita. The other Directors agreed.

The Superintendent told the Directors he was sensitive to a request from a handicapped person concerning access to the water office and that he had calculated that a handicap access to the water office would cost approximately \$500. The Directors discussed the matter for some time and then concluded that handicapped access to the office would be rarely needed and that the office staff could provide "curb service" to those that made it known that such a service was necessary.

There being no other business on the agenda, Director Garber suggested that the office personnel answer the telephone by identifying the place of business and their first name. The Directors discussed this at some length and concluded that the suggestion had considerable merit and the Superintendent was to advise the office staff to comply with this suggestion.

There being no further business, the meeting adjourned at 10:55 p.m.

John L. Ballagh
Secretary

ATTEST:

Paul E. Barrick, Treas.

Wm. M. Ela, V.P.

Sarah V. Smith, Pres.

Martin Garber

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held February 18, 1987

Present were President Smith, Vice President Ela, Secretary Ballagh, Treasurer Barrick and Director Garber. Staff members present were Superintendent Schuster, Office Manager Kay and Chief Operator Blount. Also present were Dan Davis, Mike Nelson and Janeen Kamerer from the accounting firm of Chadwick, Steinkirchner, Davis & Company.

President Smith called the meeting to order at 7:32 p.m. and immediately turned the meeting over to the representatives of Chadwick, Steinkirchner, Davis & Company. Using an overhead projector, the accountants went through the highlights of the 1986 audit answering questions as they went. During the 40 minute presentation it was brought to the accountants' attention that the availability of service charge should be separated from other revenue since the revenue obtained from this charge can only be used to pay the principal and interest on the District's indebtedness. Other than this one flaw, the audit was basically accepted.

Four bids for a 1987 pickup were opened and publicly read aloud. These bids were:

Jim Fuoco Motor Company	- Alt. A. \$ 9,019.98, Alt. B. \$ 9,019.98;
Mesa Automotive Plaza	- Alt. A. \$ 9,978.07, Alt. B. \$10,328.07;
Steve Westphal Chevrolet, Inc.	- Alt. A. \$ 9,998.00, Alt. B. \$10,573.00;
Western Slope Ford	- Alt. A. \$10,422.86, Alt. B. \$10,762.86.

After the bids were opened, Director Barrick moved to accept the bid from Jim Fuoco Motor Company in the amount of \$9,019.98. The motion was seconded by Director Ela and, after some discussion, passed without opposition.

Director Ela moved to approve the minutes of the meeting of January 21, 1987 as submitted. The motion was seconded by director Barrick and passed unanimously.

During the discussion on the Financial Report and the Accounts Payable the subject of Foster/Foster/Coleman was brought up. The Superintendent reported that in a telephone conversation with Attorney Griffin, he was told that the promissory note for \$75,000, the Deed of Trust for Rolling Hills Sanitation Disposal Unit, and the special warranty deeds on the two parcels of land were in his possession and would be recorded as soon as the property descriptions on the deeds could be confirmed by the title insurance company. Attorney Griffin also said that the promissory note was dated February 5, 1987 and the payments of \$500 per month would commence on March 5, 1987. Attorney Griffin said that the other paperwork was somewhere between Attorney Mumby's office, Arizona and his office but he expected everything to be finalized within 30 days.

After considerable discussion, Director Ela moved to pay the \$24,063.86 as shown on the Accounts Payable plus \$40 to the Mesa County Building Department for a building permit, \$4.80 refund to Jim Kellogg and a \$46.90 refund to Bray & Company. The motion was seconded by Director Barrick, and during the discussion Director Garber inquired as to the building permit. Superintendent Schuster told the Directors that the pumphouse which was located just south of the railroad track on 32 Road was being relocated to the gatehouse on the Grand Valley Canal on 34 Road where the operators would store chemicals in order to provide pretreatment, and therefore better treatment, to the raw water at the canal. All Directors being fully satisfied that the Accounts Payable and Financial Report were in order, Director Ela's motion passed unanimously.

Superintendent Schuster reported that the letter from President Smith to all of the Ute Board members had caught everybody's attention and probably

enlightened most of the Ute Board members. Superintendent Schuster also reported that he had provided Attorney Bailey with additional information in the form of a map showing the location of headgates along the Grand Valley Canal of those shares of stock purchased by Clifton and the location of sewage treatment disposal units for the Clifton Water users and that this information was to be forwarded on to the Exxon attorney. After some discussion it was felt that if progress was not made with Ute by the March 18th meeting that we would call for a joint meeting between the two Boards in order that the change of use from irrigation to irrigation and domestic of the Clifton shares in the Grand Valley Canal could be discussed among the two boards.

The Unified Central Grand Valley Water System was discussed at some length and the highlights of the joint meeting held on February 12th were reiterated. During the discussion the Superintendent advised the Directors that the savings Clifton was estimated to experience by a joint venture of the three water purveyors was approximately the same amount of revenue that would be lost in reimbursement from the City of Grand Junction for their portion of Plant #2. The Superintendent also told the Directors that the report did not address the additional treatment capacity Clifton would receive should the City ask to be relieved from their 1977 agreement concerning Plant #2 and allow Clifton to use the additional 4.5 MGD capacity. Directors Ela and Ballagh will serve as the Clifton representatives on the task force which represents Ute, the City and Clifton in discussions on the Unified Central Grand Valley Water System.

The Superintendent corrected an error made during the January meeting. In January a savings of \$42,400 was reported as the electric power savings at Plant #2 in 1986. The actual savings was \$59,712.42 based on the kilowatt hours consumed. The \$42,400 reported was just the difference between the 1984 and 1986 power bills.

Superintendent Schuster advised the Directors that \$5,000 had been budgeted in 1987 for improving the appearance of the water office and had prioritized four major items of improvement that he had estimated to cost approximately \$3,300. Director Ela said that he felt the money spent would be great for Personal Relations and moved to delegate the authority to the office staff to improve the appearance of the water office, considering that the improvements did not exceed \$5,000. The motion was seconded by Director Ballagh, the motion was defeated by affirmative votes from Directors Ela and Ballagh and negative votes from Directors Barrick, Garber and Smith. Director Ela reworded his motion to have the cost not exceed \$3,300. The revised motion was also seconded by Director Ballagh and passed without opposition.

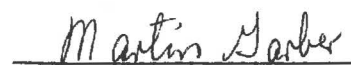
The meeting adjourned at 9:50 p.m.


Secretary

ATTEST:









MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held March 18, 1987

Present were President Smith, Vice President Ela, Secretary Ballagh, Treasurer Barrick and Director Garber. Also present were Superintendent Schuster and Chief Operator Blount.

President Smith called the meeting to order at 7:36 p.m.

Director Ballagh moved to accept the minutes of the February 18, 1987 meeting as prepared. The motion was seconded by Director Ela and passed unanimously.

The review of the Financial Report and the approval of the Accounts Payable precipitated a 40-minute discussion in which such items as water tap connection charges, riprap along the Colorado River near Plant #2, river mechanics, flows for fire protection, the 5-year plan, payment of public funds without receiving goods and the improvements in the water office were mentioned. After this discussion Director Ela moved to approve the Accounts Payable in the amount of \$38,790.87 plus the following six accounts not shown on the report: Bonner Supply Company, Inc. - \$72.00; H & J Supply Company - \$15.88; D & M Wire Rope - \$388.32; Plateau Equipment Supply Company - \$52.38; Grand Valley Rural Power Lines - \$591.31; and Jan Zink - \$461.29. The motion was seconded by Director Barrick and passed unanimously.

A corrected copy of the 1986 audit as prepared by Chadwick, Steinkirchner, Davis and Company was given to the Directors for approval. The Directors tabled any action on the 1986 audit until the April 15th meeting.

The Superintendent gave a report on the Foster/Foster/Coleman negotiations stating that Attorney Griffin had collected \$500 from the Rolling Hills Sanitation District on March 5th in accordance with the promissory note, and that the deeds for property and the deed of trust as well as some other documents required by the attorney were in the process of being executed.

The Superintendent reported that he had had a meeting with two employees of the Denver Water Department and during this meeting he had promised them some aerial photographs of areas where water from the Grand Valley Canal was previously being used and had since been purchased by the Clifton Water District. The Superintendent had in mind the 1976 ortho topo photos by the Bureau of Reclamation as compared to the 1986 aerial photos prepared for the Grand Valley Irrigation District. After investigating the situation, the Superintendent found that a scale which would provide sufficient detail would measure 60' long by 40' high so he opted instead to provide diversion records of the Grand Valley Canal from the River to the Canal for the years 1965 through 1986, and diversion records of four test years, 1970, 1975, 1980, and 1985, from headgates from which the District had purchased shares. The 1985 diversions from these headgates were less than the average for the four test years. This in itself showed that water shares purchased by Clifton Water had not expanded on the historic use of the water. The information was sent to Attorney Bailey for distribution.

The Two Forks Reservoir project as proposed by the Denver Water Board was brought up during this discussion. The Superintendent reported that the Environmental Impact Study (EIS) as prepared by the Corps of Engineers did not place much emphasis on the increased salinity in the Grand Valley and told the Directors he would address this deficiency in a letter to the Corps. After some discussion, Director Ela admonished the Superintendent to look into any effect a protest by the Clifton Water District would have on the project beyond pointing out a deficiency in the EIS statement on salinity.

Director Ballagh reported that three councilmen from the City of Grand Junction had been appointed to a committee to further study the Unified Central Grand Valley Water System as proposed by Black & Veatch.

Superintendent Schuster told the Directors that Ute had also appointed three of their directors to serve on this committee. Director Barrick said that Clifton Water should appoint an additional member so Clifton would not be outnumbered. Director Smith volunteered to serve on that committee along with Directors Ela and Ballagh.

Superintendent Schuster showed the Directors some information which graphically illustrated the balance of Accounts Receivable for each 12 month period for the years 1984, 1985 and 1986. The Superintendent stated he thought the graph showed that delinquent accounts had not increased since the availability of service charge was put into effect on August 1, 1986.

The Superintendent asked the Directors to sign signature cards for Certificates of Deposit which had been made in January with Bank Western and Columbia Savings.

The Directors again discussed the improved appearance of the office since the ceiling in the Board room had been lowered and the front and rear offices carpeted. The Superintendent assured the Board that there were more improvements to be made and all these improvements would still be within the budget.

The Superintendent told the Directors of the knowledge he had gained in handling water, sediment and energy at a river mechanics symposium put on by the Forest Service in Glenwood Springs on March 3rd. The Superintendent was very impressed with what he learned there and as a result of this symposium had removed two jetties from the right bank of the Colorado River and used the material to install another jetty pointing upstream. This new jetty being low enough for water to overtop it. The Superintendent reported that in less than two weeks he saw more positive results from the relocation of the jetty than he had seen in the prior two years. Director Smith stated that that is why she is in favor of attending seminars, "because you always learn something of value".

Director Barrick stated that he had attended the Mesa County Special District Association meeting on the morning of the 18th in which Bud Franz of the Colorado Department of Health was present. Mr. Franz discussed the potential problems from repairing utility lines that had been bedded in uranium mill tailings and that if this area was disturbed by a repair or construction that the utilities would have no disposal area for the spent tailings. Director Garber requested that the Superintendent check out the District's utilities to see if any are bedded in uranium mill tailings. Director Barrick continued that considerable construction between 1948 and 1966 used mill tailings and that they are now a nemesis that we must be prepared to handle in the event we did run into tailings in our construction. Director Smith advised the Superintendent to keep informed on this subject and to be prepared for solutions in the event that mill tailings were encountered.

Director Smith reported that she was still not receiving correspondence from the Special District Association of Colorado. The Superintendent said that rather than write, he would call them to find out what the problem is.

Director Garber stated that he thought the Directors should sign a "conflict of interest letter" as requested by the District's accountant at the February meeting. The Superintendent was instructed to prepare such a letter for Attorney Bechtel's review and have it available for the Directors at the April 15th meeting.

The meeting was adjourned at 9:45 p.m.

ATTEST:

Martin Garber

Joseph V. Smith

John L. Ballagh
Secretary

Paul E. Barrick

Wm. M. Ela, V.P.

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held April 15, 1987

Present were President Smith, Vice President Ela, Secretary Ballagh, Treasurer Barrick and Director Garber. Also present were Superintendent Schuster and Chief Operator Blount.

President Smith called the meeting to order at 7:30 p.m.

Director Ballagh pointed out an error in the seventh paragraph on the first page of the March 18, 1987 minutes. The minutes showed the 1986 aerial photos prepared for the Grand Valley Irrigation District when in fact the 1986 aerial photos were prepared for the Grand Junction Drainage District. With this correction, Director Ballagh moved to accept the minutes of the March 18th meeting. The motion was seconded by Director Barrick and passed unanimously.

Director Garber asked why there were 142 more active taps in March of 1987 than there were in February of 1987. The Superintendent told the Directors that due to some problems with the computer, 139 taps which had been paid for but had never had a meter installed were erroneously listed as active taps. The active taps for March of 1987 should have been 5,217 rather than the 5,356 as reported on the Cash Flow Sheet. Along those same lines, Director Barrick requested that names and locations of new taps be identified on the Cash Flow Sheet for the Directors' information and that this practice continue until the new taps increased to the point where it was no longer practical. It was the general consensus of the Directors that the Superintendent put pressure on Steve Urbach at BOSS to get the computer up to speed as the District's computer has been subject to various errors in recent months.

During the review of the Financial Report and approval of the Accounts Payable, Director Garber inquired as to the amount of the statements by Younge & Hockensmith to represent the District in the Foster/Foster/Coleman negotiations. Director Garber said that the attorney fees had exceeded \$5,000 and it was about time that this charge be brought to a halt. It was the general consensus of the other Directors that the Superintendent do whatever he can to bring this matter to a conclusion. Director Ballagh moved to accept the Financial Report and approve the Accounts Payable in the amount of \$31,401.66 plus \$340 to JT's Painting and \$1,196.25 to Younge & Hockensmith. The motion was seconded by Director Ela and passed unanimously.

Director Garber pointed out an error in the 1986 audit on page 8. The Table in the middle of the page was erroneously labeled 1985 on the left and 1986 on the right. The correct labeling should have been 1986 on the left and 1985 on the right. With this correction, Director Garber moved to accept the 1986 audit and submit copies to the various agencies in accordance with the statutes. The motion was seconded by Director Ballagh and passed unanimously. Director Ballagh also inquired as to whether the auditors had asked the District to sign a letter stating that the District had provided the auditors with all the information necessary to prepare an adequate audit. Director Smith said that they did and she had signed same and Director Ballagh wanted the minutes of this meeting to reflect that the letter had been signed.

Superintendent Schuster reported that Clifton had received two payments of \$500 each from Rolling Hills Sanitation, of which \$125.36 was principal and the balance was interest.

The Superintendent informed the Board that he had attended "Term Day" with Attorney Dufford in Glenwood Springs on April 7th and after the court docket

was heard, Attorney Dufford and Superintendent Schuster met with opposing attorneys in a jury room to discuss the change of use of the Grand Valley Irrigation Company shares from irrigation to domestic and irrigation. Superintendent Schuster reported that he felt that many of the opposing attorneys left the meeting with a more favorable opinion of letting Clifton change their use than they had when they entered the meeting.

Superintendent Schuster gave a very short report on the Unified Central Grand Valley water system, asking the Directors if they concurred with the recommendations of his memo of March 25th wherein he recommended the "no change" alternative and stating his reasons for this recommendation. It was the general consensus of the Directors that they would take the contents of this March 25th memorandum with them in any discussions they had with the City and Ute.

Superintendent Schuster provided the Directors with the resolution that he had prepared for the review of Attorney Bechtel concerning the "conflict of interest" as requested by the District's accountant at the February meeting. The Superintendent advised the Directors that he thought passing the resolution would be redundant as Sections 18-8-308 and 32-1-902(3) of the Colorado Revised Statutes covered this matter. After some discussion the Directors saw no need to pass the resolution but to keep in mind that the requirements of the State Statutes would prevail in the event that a potential conflict of interest would arise.

The Superintendent announced to the Directors that he would like to start a "picture gallery" of the 29 Directors the District has had since March 5, 1951 and posting of same in the Board room. It was the general consensus of the Directors that the Superintendent proceed with this idea.

Superintendent Schuster reminded the Directors that in a memorandum of May of 1985 he had advised the Board that Plant #2 was operating with one man less than was actually needed but that the slack had been taken up by utilization of Useful Public Service (UPS) workers but that these people were more labor oriented and less technical than what was really required. The Superintendent requested that the Directors seriously consider hiring Glenn Chamberlain to provide electrical and control maintenance at the electronic sensitive treatment plant as well as providing other electrical requirements of the District. Chief Operator Blount expanded on the Superintendent's request stating that Glenn had proven to the District that he had the capability of providing this service. Superintendent Schuster suggested that Chamberlain be started at a rate of \$9.50 per hour for a 90-day probationary period at which time if the probationary period was successful he be retained at an additional \$0.50 per hour (total of \$10.00 per hour) and that he be given another additional \$0.50 per hour (\$10.50 per hour) when he obtains his B license. Director Garber moved to employ Glenn Chamberlain on the probationary basis of \$9.50 per hour. The motion was seconded by Director Ballagh and passed without opposition.

After considerable discussion on the cash reserves of the District, Director Barrick moved to authorize the Superintendent to invest up to 50% of the District's cash reserves in Ginnie Maes at times and in amounts which the Superintendent thought appropriate. The motion was seconded by Director Garber and passed unanimously.

Director Garber reminded the Superintendent that the Special District Association of Colorado was having a workshop on May 29, 1987 in Grand

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Junction. At this reminder the Superintendent asked how many Directors would be interested in attending and besides Director Garber, Director Ela expressed a desire to attend. Director Barrick vacilated on attending due to his job requirements.

The meeting adjourned at 9:55 p.m.



Secretary

ATTEST:









MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held May 20, 1987

Present were President Smith, Secretary Ballagh, Treasurer Barrick and Director Garber. Also present were Superintendent Schuster and Chief Operator Blount. Visitors present were Phil Cheairs and Henry M. Stephens.

President Smith called the meeting to order and for the opening of bids on the 1980 Dodge Aspen the District had for sale. The District had received six bids. These bids were:

Arlen D. Hill	\$500.00
Arlen D. Hill	\$525.00
Arlen D. Hill	\$550.00
Henry M. Stephens	\$553.00
Phil Cheairs	\$600.00
Bill Clowser	\$850.00

Director Ela entered the meeting at 7:35 p.m.

Director Ballagh moved to accept the bid from Bill Clowser of 154 3rd Street, Clifton, in the amount of \$850.00 provided that the District received payment by May 21, 1987. In the event that the District did not receive payment then to accept Phil Cheairs bid in the amount of \$600.00. The motion was seconded by Director Barrick and passed unanimously.

Director Garber moved to accept the minutes of the April 15th meeting as presented with the correct spelling of "vacillated" on page 3. Director Garber stated that "vacillated" has two "l's". The motion was seconded by Director Ela and passed unanimously.

Director Ela stated that he had a conversation with Lehman Pond who is a member of both the Ute Water Conservancy District Board of Directors and the Grand Valley Irrigation Company Board of Directors. Director Ela indicated that Mr. Pond stated that Ute had received little cooperation from Clifton's attorney in providing their attorney with information concerning the change of use of the Grand Valley Irrigation shares. Superintendent Schuster disputed this claim as it was his opinion that all attorneys had received sufficient information in response to their questions.

Director Ela also stated that he thought Clifton should file a claim for minimum stream flows in the reach of the Colorado River below the Grand Valley Irrigation Company headgate to provide water with a lesser concentration of dissolved solids and instructed the Superintendent to get with Attorney Dufford to prepare such a filing.

There was considerable conversation on the insurance proposal as presented by T. Charles Wilson, Insurance Service from Denver. After this discussion the Directors confirmed the results of the Superintendent's telephone poll of the Directors and formerly accepted the insurance offer from T. Charles Wilson, Insurance Service in the amount of \$16,120 as compared to the bid from National Farmers Insurance in the amount of \$27,625. The Superintendent was instructed, however, to determine whether the proposal from T. Charles Wilson, Insurance Service did include damage from lightning.

Director Ballagh moved to approve the Accounts Payable in the amount of \$24,775.59 plus \$115.00 to Blue Electric, \$244.49 to BIF, \$137.25 to Hewlett Packard, \$16,120 to T. Charles Wilson Insurance Service, \$1,693.73 to Waterworks Sales, \$92.00 to the Postmaster and a transfer of funds from the Palisades National Bank to Mesa Federal in the amount of \$30,000. The motion was seconded by Director Barrick and passed without opposition.

The Superintendent informed the Directors that the Foster/Foster/Coleman agreement was still being delayed due to the obtaining of signatures from all parties involved.

The Superintendent also informed the Board that he was in the process of preparing an engineering report to justify the District's request to change their use of Grand Valley Irrigation shares from irrigation to irrigation and domestic. He stated that he thought the report would be in the hands of Attorney Bailey before the week was over.

The Superintendent reported that Glenn Chamberlain had obtained employment in Bakersfield, California, which was much better than the offer presented by the District. The Superintendent requested that the Directors authorize him to hire an employee of Mr. Chamberlain's caliber should he or the Chief Operator find such a person. Director Garber moved to accept the Superintendent's recommendation in this regard. The motion was seconded by Director Ela and passed unanimously.

The Special Districts Association of Colorado will hold a workshop at the Holiday Inn on May 29, 1987. Director Garber and Superintendent Schuster indicated that they would attend and it was the consensus of the Directors to have the District pay their fees for this workshop.


The Superintendent discussed the problems encountered in design and cost of a span over the Colorado River in the vicinity of 32 1/4 Road and recommended that the District change the location of the river crossing to the Highway bridge on 32 Road and provide the necessary piping for a continuous aqueduct. The Superintendent informed the Board that there would probably be a savings in the neighborhood of \$20,000 on this alternate route which he estimated would cost \$80,000. Director Ballagh moved to accept the Superintendent's recommendation of the alternate route and to instruct the Superintendent to prepare plans and specifications for bidding the project after determining the best location for the aqueduct. The motion was seconded by Director Barrick and passed unanimously.

The Superintendent told the Directors that Ken Bounds had requested permission to excavate topsoil from the area around Plant #2 at a price of \$1.00 per ton. After considerable discussion, the Directors tabled consideration of this item until the Superintendent could obtain more information concerning required permits.


Since there were several conflicts for the scheduled June 17th Directors' Meeting it was the consensus of the Directors to move the meeting to June 10th.

The Directors discussed at some length the Superintendent's memorandum dated April 29, 1987, wherein he requested monthly wage increases totaling \$830 for the nine full-time employees and one part-time employee. After 20 minutes of discussion the Superintendent and Chief Operator were asked for some verbal comments concerning the discussion, after which they were excused in order for the Directors to discuss the potential changes in the wage and benefit package without them being present.

The Superintendent and Chief Operator were excused at 9:50 p.m. and the Directors stayed on for an informal discussion of the employees' performance.


Secretary

ATTEST:



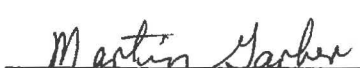
Sarah V. Smith



Paul G. Bennis



Martin Garber



Martin Garber

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held June 10, 1987

Present were President Smith, Vice President Ela, Secretary Ballagh, Treasurer Barrick and Director Garber. Also present were Superintendent Schuster, Office Manager Kay and Chief Operator Blount.

President Smith called the meeting to order at 7:36 p.m.

Director Ballagh moved to approve the minutes of the May 20th meeting as written. The motion was seconded by Director Barrick and passed unanimously.

The Directors inquired as to whether Bill Clowser had bought the 1980 Dodge at the bid price of \$850. Superintendent Schuster informed the Directors that Bill Clowser reneged on his bid and the Dodge was sold to Phil Cheairs for \$600 in accordance with the minutes of the May 20th meeting. Director Ela inquired as to the cost of \$118.26 for an ad run in the Sentinel and the Superintendent advised the Directors that this was the cost of advertising the sale of the 1980 Dodge. The net gain to the District for the sale of the Dodge was \$481.74. The Directors also inquired as to the promptness of payments from Rolling Hills Sanitation Company and Office Manager Kay informed the Directors that they are current as the May payment was received in April and the June payment was received in June, therefore, no payment was shown in the May report. Then followed a general discussion on revenue and expenditures. The Directors were pleased that even though revenues were below the budgeted level, the expenditures were also considerably below the budgeted level. There was some question on the total restricted assets listed on the report of \$35,530 and the reserve for debt service of \$28,720. Office Manager Kay stated that it appeared there was not a proper entry, that this would be corrected and shown in the June report which the Directors would receive in July. After a 30 minute discussion, Director Barrick moved to accept the Financial Statement and to authorize payment of the Accounts Payable as shown on the Report of \$23,801.51 plus payments of \$162.92 to Bounds & Son; \$82.01 to Diamond Shamrock Refining; \$491.00 to Digital Equipment Corporation; \$939.22 to the City of Grand Junction; \$886.00 to Grand Mesa Mechanical; \$107.98 to LOCO, Inc.; \$87.59 to Public Service Company; \$28.00 to Roto Rooter; \$288.90 to Two-Way Communications and a \$30,000 transfer of funds, totaling \$33,073.62. The motion was seconded by Director Ela and passed unanimously.

Superintendent Schuster informed the Directors that the last signature required for the execution of all papers concerning the Foster/Foster/Coleman agreement with the District had been obtained but not recorded, and this matter should be finalized prior to the July Directors' meeting.

Director Ela read aloud a letter he had received from Mike Gross, Hydrologist with the Colorado River Water Conservation District, explaining that the CRWCD had not opposed Clifton in their request for a change of use in Case No. 85 CW 235, but were actually supportive of Clifton's water supply plan. A lengthy discussion followed concerning the Superintendent's report to substantiate the request for the change of use from irrigation to domestic and irrigation of the shares of the Grand Valley Irrigation Company stock owned by the District. After the discussion, Director Ela stated he wanted the minutes to reflect that the Directors were commending the Superintendent for the report but thought that all accolades should be deferred until the protesters had had a chance to discredit the report. Director Smith commented on the quality and professionalism of the report.

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June 10, 1987
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The Superintendent informed the Directors that the acquisition of an easement from Clifton Sanitation District #2 would avoid some construction problems anticipated at the intersection of 32 and D Roads for the new River crossing line. The Superintendent also suggested that the considerations for the easement be the installation of a tap at cost for a lift station to be constructed at some future date and constructing the water line to avoid unnecessary expense by the Sanitation District when they install a proposed sewer line on D Road. Director Barrick moved that the Superintendent's suggestion be incorporated into the easement. The motion was seconded by Director Garber and passed without opposition.

Director Barrick moved to table the permit process to remove topsoil from Plant #2 property due to the potential cost in obtaining the permits.

Superintendent Schuster informed the Directors that he had communicated with Attorney Dufford concerning a possibility of filing for minimum stream flows for water quality on the reach of the Colorado River where Clifton presently diverts their water. Attorney Dufford stated that the State Statutes did not allow for such a filing, but if the District insisted he would proceed but wanted the District to know that they would be pioneers and considerable legal fees would probably be paid during the process. The Superintendent also read the Directors a letter from the City of Fort Collins' Attorney Shimmin dated May 28, 1987, which was obtained from Attorney Dufford, stating that the City of Fort Collins was not filing for minimum stream flows but rather an actual use which did not require water to be diverted from the river. After this discussion it was the consensus of the Directors to attempt to maintain a maximum stream flow in the Colorado River by any means available to them and within reasonable cost parameters. Along those same lines, Superintendent Schuster told the Directors that the Colorado River Water Conservation District and the Denver Water Board had entered into an agreement which required the CRWCD to petition the court to confirm the right of the River District to use funds received under the Windy Gap Agreement of April 30, 1980, to finance a proposed reservoir on either Rock Creek north of McCoy or Muddy Creek north of Kremling. The Superintendent suggested the District oppose this action until more information had been obtained as to how this may affect flows in the river in the Grand Valley. Director Ballagh moved to support said opposition. The motion was seconded by Director Barrick and passed unanimously.

Director Barrick moved to allow the employees Colorado Day as a paid holiday and the following monthly salaries to become effective July 1, 1987: R. Schuster - \$4,250.00; C. Blount - 2,322.50; D. Tooker - 2,147.00; L. Kay - 2,092.50; D. Larsen - 1,995.00; S. Weaver - 2,050.00; D. Raff - 1,977.50; T. Shawler - 1,894.00; B. Sheley - 1,680.50; and V. Church - 1,619.50. In addition, J. Larsen was to receive \$5.90 per hour. The motion was seconded by Director Ballagh and passed unanimously. Director Ela reminded the Directors that they would take another look at this in six months. Director Smith wanted it known that by not accepting the Superintendent's recommendation for increases in pay, was not a reflection on the employees or the performance of their jobs, but more of a reflection for the situation in the valley at this particular time.

Superintendent Schuster informed the Directors that he was attempting to obtain an easement from the Guerrie's to cross a 10-acre parcel to construct an 8" line from the intersection of Bookcliff and Serenade to the east end of Bookcliff in Eastmoor Subdivision. The Superintendent told the Directors that

the Guerrie's were looking for some compensation. The Directors gave the Superintendent several options in his negotiations with the Guerrie's. One of these options was to offer the Guerrie's 10% of the construction costs as compensation with this money being held in an interest bearing account with the Guerrie's receiving the interest and the money returned to Clifton upon development of the Guerrie property or 10 years, whichever occurred first. Another option was to offer the Guerrie's 10% of the construction costs to be credited to taps purchased when development did occur, with the right to assign or transfer these taps as long as they stayed with the property in question. Any counter offers would be discussed at the July meeting.

Director Barrick questioned the District's tap-sharing fee policy when apartments were changed to condominiums or townhouses. The Superintendent advised Director Barrick that a subunit fee would be charged if ownership of a single apartment building, presently under the grandfather clause, changed hands as units rather than a single unit. The Superintendent continued that owners of all property which met this criteria had received a letter approximately two years ago advising them of the District's policy. During this discussion the Superintendent also told the Directors of a photo lab and studio attached to a residence at 597 East Valley Court, which had been contacted for a tap sharing fee.

Director Ela was concerned about the color of fire hydrants in various parts of the District and inquired as to why some hydrants, which he thought were on large diameter lines, were painted orange. Director Barrick stated that some of the lines thought to be of a large diameter were indeed of a small diameter and did not meet the 1,000 gallon per minute flow requirements and therefore were color coded either red or orange.

Director Garber stated he thought the Special District Association workshop in May was not worth the time or money and that for the District to participate next year the agenda should be more water orientated. Director Garber went on to say that the morning session was okay but that the afternoon session was absolutely a waste of time.

Director Ballagh mentioned that Senator Bishop is sponsoring Senate Bill No. 230 which in effect limits the income from taxation of fire, sanitation, irrigation, drainage, conservancy and other special districts to 2.5% of actual funds per year, and thought the District may wish to oppose such legislation. Director Ela mentioned that with a zero mill levy, this would not affect the District.

Director Barrick read aloud portions of C.R.S. 24-75-601 which states where special district funds could be invested and where they could not be invested. After some discussion it was the consensus of the Directors that the District retain the Freddie Macs they now have and not buy any more, but invest up to 50% of the cash reserves of the District in Ginnie Maes in accordance with the April 15, 1987 minutes.

Director Garber suggested that the Superintendent look into the health insurance which can be obtained through the Special District Association and compare the rates with the health insurance the District now has for its employees. The Superintendent was instructed to write Dodie Gale of the Special District Association and suggest that personnel from water districts be separated from personnel of sanitation districts in next year's workshop.

Director Ballagh said that there is a possibility the local utility "call before you dig" service may be on the way out in favor of an "800" number which is being used by Western Slope Gas and being considered for use by the Public Service Company of Colorado and Mountain Bell. Director Ballagh also

suggested that the District look into statutes requiring buried utilities to have a mandatory "one call" system for utility locates. The Superintendent told the Directors that C.R.S. 9-1.5-101 required everybody to call 48 hours in advance of digging but that he saw no mention of it being mandatory that buried utilities have a one call number for locates. Director Ballagh went on to say that he did not know what the policy was for emergency locates which the District utilizes in time of water breaks which must be repaired immediately.

There being no further business before the Directors, the meeting adjourned at 10:27 p.m.

John L. Ballagh
Secretary

ATTEST:

Wm. M. Elia, V.P.

Sarah D. Smith, Pres.

Paul E. Barnick

Martin Barber

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held July 15, 1987

Present at the meeting were President Smith, Vice President Ela, Secretary Ballagh, Treasurer Barrick and Director Garber. Also in attendance were Superintendent Schuster and Chief Operator Blount. Elanya Tracy (A/C #01-630-000), two other adults and five children were also present.

President Smith opened the meeting at 7:30 p.m. and gave the floor to Elanya Tracy. Ms. Tracy recounted the events of May 18th, 19th, 26th and June 1st and 2nd. Her story was that her mother delivered a check for her water bill to the water office on May 18th. The District turned her water off on May 19th for nonpayment and since she had a sick child, a friend of hers broke the lock and turned the water back on. On May 26th her meter was pulled. On June 1st her friend took a meter from what they thought was a vacant house and inserted it in the pit. On June 2nd the Clifton Water District dug up the tap in the middle of the street, turned off the corporation stop and called the sheriff's deputy and retrieved the meter from the pit (a car had been parked on the pit - the car was removed by a tow truck hired by the District). With the arrival of a backhoe, sheriff's officer and a tow truck, she likened Clifton's operation to that of 'Rambo' and was afraid to approach the Directors until this meeting to plead her case and ask for the reinstatement of water service to her home. The Superintendent asked for some clarifications to her story as his representation of the chain of events did not exactly coincide with what she presented. Basically, Elanya Tracy agreed that she was in error from the very beginning with the exception that she swore her mother made the payment on the 18th of May. Clifton received her payment on May 19th. After 45 minutes of discussion, Director Barrick moved to have Ms. Tracy pay the District the \$20 turn on fee and that the balance of her statement (\$433.40) be paid in twelve equal installments of \$36.12 per month, along with her regular water bill with no interest or penalty on the unpaid balance but with the proviso that her bill be paid on time and that no extension of time be allowed for payment and that if the bill were not paid within 10 days of receipt, the District turn off policy would be put into effect and her water service would not be restored until there was a zero balance owing. The motion was seconded by Director Ballagh and another 10 minutes of discussion ensued. Director Garber asked Ms. Tracy directly if she understood the provisions and terms of the motion. Ms. Tracy replied yes. With that the motion passed unanimously. Ms. Tracy asked the District to drop the charges of theft of a utility. Director Ela denied her request as the sheriff's office may not respond next time they are needed if "we don't stick by our guns". The Superintendent received Check #574 from Ms. Tracy in the amount of \$20 with the understanding that water service would be restored on Thursday, July 16th.

Director Barrick moved to accept the minutes of the June 10, 1987 meeting as presented. The motion was seconded by Director Ballagh and passed unanimously. Director Ballagh moved to accept the Financial Report and approve the Accounts Payable in the amount of \$29,513.36 along with the following payments: \$12.50 to All Seasons Rental; \$1,376.19 to Tematics; \$1,061.90 to Supeclo; \$162.35 to IINSCO; \$20.00 to Warning Lites; \$160.00 to ATS; \$911.75 to Corn Paving; \$17.03 to Bonner Supply; \$37.20 to Western Colorado Title; \$35.20 to Fannie Mae; plus two transfer of funds totaling \$90,000 of which \$30,000 was to Mesa Federal and \$60,000 to COLOTRUST. The motion was seconded by Director Garber and passed unanimously.

The Superintendent told the Directors that the Foster/Foster/Coleman land transfer, deed of trust and other items associated with the agreement with Foster/Foster/Coleman had been consummated and that Rolling Hills Sanitation was current with their payment on the deed of trust and, basically, this item should not be on the agenda for quite some time. The Superintendent was instructed to put 'no trespassing' signs around the property recently acquired from Foster/Foster/Coleman.

The Superintendent informed the Directors that Ute Water Conservancy District had dropped their opposition to the change of use of the Grand Valley Irrigation Company shares but that two other objectors, the Northern Colorado Conservancy District and the Municipal Subdistrict, Northern Colorado Water Conservancy District, had surfaced and because the project had been readvertised, the pretrial date which was originally scheduled for July 10th had been moved back. After the Superintendent's report Director Ballagh said he would call Larry Simpson of the Northern Colorado Water Conservation District and ask him to pull in his horns. Director Ela said to keep after Amanda to push for a trial in order to keep the attorney costs down as these delays were costing the District money.

The Superintendent informed the Directors that the Guerrie's had neither accepted nor rejected the offer described in the minutes of the June 10th meeting.

The Superintendent reported to the Directors that he had contacted the Special District Association of Colorado as requested at the June meeting and the response from the SDA was to ask Clifton for their input and suggestions as to what topics they wanted to see covered in these workshops. At this point there developed a discussion on the EPA regulations for drinking water which Chief Operator Blount said Clifton had under control.

Director Ela gave a report on the Ad Hoc Committee meeting held at the Ute Board Room on July 8th where Dick Margetts from Project 7 said the main reason why Project 7 was delayed was the lack of trust the 7 entities (City of Montrose, City of Delta, Town of Olathe, Menoken Water District, Chipeta Water District, Tri-County Water Conservancy District and the Uncompahgre Valley Water Users Association) had for one another. Director Ela said the Project 7 merger was not as severe as the proposed merger in the Grand Valley but he thought the three entities should still continue to talk as the advantage to Clifton of a merger would be water with less total dissolved solids. With this, Director Ballagh stated that Alternate B (Ute pumping water from the Colorado River) would not be considered in a merger.

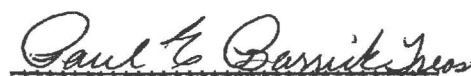
The Superintendent was instructed to talk to the Town of Palisade with the idea that possibly Clifton could lease or purchase some of their water rights.

A 15-minute discussion followed on trihalomethanes (THM's) which involved declarations and answers by Chief Operator Blount.

The meeting adjourned at 10:05 p.m.


Secretary

ATTEST:




Sarah V. Smith, President




M. Ela

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held August 19, 1987

Present were President Smith, Secretary Ballagh, Treasurer Barrick and Director Garber. Also present were Superintendent Schuster, Office Manager Kay and Chief Operator Blount.

President Smith called the meeting to order at 7:30 p.m.

Director Ballagh moved to accept the minutes of the June 15th meeting as presented. The motion was seconded by Director Barrick and passed unanimously.

Superintendent Schuster told the Directors that the bond principal and interest, due August 1st, was paid July 31st since August 1st was a Saturday and as a result the July cash flow looked sick. After some discussion, Director Ballagh moved to approve the Accounts Payable in the amount of \$32,078.37 plus \$49.00 to the Sheraton at Steamboat, two \$95.00 (\$190.00) to the SDA of Colorado (these three checks were for lodging and registration for the SDA Annual Conference), \$15.00 to Gerald Goodwin (refund) and a transfer of funds from the Palisades National Bank to Mesa Federal in the amount of \$30,000. The motion was seconded by Director Garber and passed unanimously. Director Ballagh said he would meet with Larry Simpson in Steamboat.

Ron Tipping from Whitewater entered the meeting at 7:40 p.m. and requested an out-of-district tap about one quarter mile south of the Clifton boundary in Whitewater. There was some discussion about the lack of water due to undersized pipelines feeding the south end of the District and as to the size of tap required. Tipping said that if he could not get enough water from the system as built, he may upgrade the system at no cost to Clifton and to Clifton specifications, or put in a tank to meet his needs. Director Ballagh said he could have any size tap his pocket book could afford as long as water was available. Director Ela entered the meeting at 7:50 p.m. Director Barrick moved to accept Tipping's request for an out-of-District tap, provided Tipping would pay for all construction required and all construction to be built to Clifton specifications. The motion was seconded by Director Garber and passed unanimously. Director Ela wanted the record to show that he abstained from voting since he was not present during the discussion.

The Superintendent told the Directors that he had been in contact with both the attorney and engineer for Union Oil and it was indicated from both that if Clifton would divert all of the water they are entitled to from the Grand Valley Canal, use what was needed and discharge the balance directly to the river, they would drop their opposition to Clifton's proposed change of use of their shares from irrigation to irrigation and domestic. Schuster told the Directors this could be accomplished in one of two ways, should the Directors so elect to do so, these ways are: 1) divert all water through the retention pond, using only the water required and discharging the balance into the River, or 2) construct an overflow line to the River, the overflow line would discharge all water not required in the system back to the River. Since chemicals are added to the raw water at the gate house the cost of the first alternate would be \$19,000 per year at today's chemical costs, the cost of the second alternate would be a one time cost of \$50,000. Director Ela said to check with Dufford to make sure the discharge of this water back to the river was not considered abandonment. Director Garber said he thought the overflow idea was good as long as it eliminated the opposition, but he didn't want to construct an overflow and still pay the court costs to fight the opposition. Schuster said there was sufficient right-of-way to construct the overflow in response to a concern voiced by Director Ballagh. It was the consensus of the

Board to construct the overflow if said construction would alleviate an expensive court case. In either case, Schuster said, a N.P.D.E.S (discharge permit) may be required for a point discharge into waters of the State.

Directors Smith and Ballagh and Superintendent Schuster gave an account of the August 12th Ad Hoc Committee meeting held at the Ute Board room. Director Smith said the City, with none of their elected officials present at the meeting, reported that the City has conducted a study on the condition of their raw water transmission lines and it was concluded that they should serve the City for another eighteen to twenty years. Director Ballagh said the B&V report amortized the required improvements over a seventeen year period and if the amortization had been made over a more reasonable time period, such as fifty years, the savings would not be so great. He said the meeting had no agenda and just wandered. Schuster reported that Greg Trainor stopped him outside the meeting and suggested the City and Clifton merge since we already had many projects in common. The water attorneys from Ute and the City will be at the next Ad Hoc Committee meeting (September 9, 1987 - 7:00 a.m.) to talk about the disposition of water rights should there be a merger. Director Ela said that he wants to know what effect the water rental agreement between Ute and Palisade has on the merger and stated that he will address that question to Ute on September 9th.

Director Barrick moved to appoint Schuster to prepare the 1988 budget and submit same to the Directors. Director Ballagh seconded the motion and it passed unanimously. Schuster had prepared a preliminary budget which was presented to the Directors. After some discussion on the budget, President Smith tabled the budget until the September meeting. The September meeting was moved up to September 9th since four of the Directors could not attend on the third Wednesday.

Schuster told the Directors the District took over the water line serving Central High School because of the poor original construction material and the excess leaks in the line and the District was upgrading the line.

Director Barrick questioned the water use at 597 East Valley Ct. and whether or not a "tap sharing fee" should be collected. Schuster explained that he had inspected the premises in June and that they did not qualify for a tap sharing fee assessment.

Schuster gave the Directors copies of a recent wage and rate survey conducted by the SDC of Colorado.

The meeting adjourned at 9:15 p.m.

John L. Ballagh
Secretary

ATTEST:

Mr. M. Ela, V.P.

Paul E. Barrick, Treas

Sarah V. Smith, Pres

Martin Garber

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held September 9, 1987

Present were President Smith, Vice President Ela, Secretary Ballagh, Treasurer Barrick and Director Garber. Also in attendance were Superintendent Schuster, Office Manager Kay and Chief Operator Blount.

Director Smith opened the meeting promptly at 7:30 p.m. and the main topic of discussion was Vicki Barker's article in the September 9th issue of the Daily Sentinel. The headlines of the article read "Districts may unite as water authority" and went on to erroneously report that by a nod of the head the members of the ad hoc committee had informally agreed to join forces as a water authority. Directors Smith, Ela and Ballagh were at that meeting as well as Superintendent Schuster and they did not recall any informal agreement to do anything except to meet again on the morning of October 14th.

Director Ela moved to accept the minutes of the August 19, 1987 meeting as presented. The motion was seconded by Director Barrick and passed unanimously.

Director Ballagh moved to accept the Financial Report and pay the Accounts Payable in the amount of \$34,664.23 as shown on the report plus a payment of \$524.07 to Eberhart Electric, \$1,193.15 to the City of Grand Junction and a \$30,000 transfer of funds to Mesa Federal. The motion was seconded by Director Barrick and, after some discussion which included the proposed construction on the 32 Road bridge (Colorado Highway 141), passed unanimously.

Superintendent Schuster gave the Directors a report on the change of use of the Grand Valley Irrigation Shares in which he stated that Mobil and Union Oil had indicated a willingness to drop their objections if Clifton Water would stipulate to divert water from the Grand Valley Canal in accordance with the proposal stated in the August 19th minutes, but the Denver water department had balked at entering into such an agreement. Superintendent Schuster also stated that due to the rapid approach of the pretrial conference, Attorney Bailey would have to start preparation within the next two weeks if the District were to go to trial with this matter. It was the general consensus of the Directors to stay with the decision made at the August 19th meeting and if a special meeting were required to authorize the Superintendent to do anything different that it would be called.

The City, Ute and Clifton potential merger discussion occupied 50 minutes of the meeting time. Director Ela stated that 90% of the discussion in the morning meeting of the ad hoc committee had centered on water rights and their abandonment in the event of a merger. The general consensus of the Directors was to maintain the autonomy of the Clifton Water District at the present time but to continue to cooperate with the other two entities by attending the ad hoc committee meetings. During this 50 minute period water rights, the relative hardness and softness of water, and Ute, City and District operations in general were discussed. A new concept was also discussed. This concept was for Clifton to construct a new flow line from the City's flow line on Whitewater Hill to Plant #2 to blend Grand Mesa water with Colorado River water in Plant #2 for distribution to the system. The Superintendent was instructed to check on this matter and give a full report at the October 21st meeting. During this discussion the Superintendent also informed the Directors that the Grand Valley Irrigation Company had put a call on the river on August 20th at 6:30 a.m. and that this call prohibited the Grand Valley Irrigation Company from delivering Clifton's decreed water. The Superintendent stated that during this short period of time the water put through the plant was water owned by Clifton shares of Grand Valley Irrigation Company stock.

The Superintendent stated that even though he had told the Directors the Foster/Foster/Coleman name would not be on the agenda anymore, it was. Attorney Griffin had sent correspondence to the District in which he stated that the District should file continuation statements six months prior to June 8, 1992 for financing statements filed with the Secretary of State and the County Clerk and Recorder. The Superintendent also reported that one of the tracts of land (the pond area) transferred to Clifton in accordance with the Foster/Foster/Coleman agreement in a deed signed by Margaret Coleman was invalid as Margaret Coleman was not the owner of record of that property. The owners of record of that property were Foster/Foster/Coleman and that a deed would be forthcoming signed by these three individuals in favor of Clifton. The Superintendent also asked the Directors to authorize him to mark the old promissory note "paid in full" when the correct deed had been received from Foster/Foster/Coleman. Director Ballagh declined such authorization and asked the Superintendent to bring it before the Board when he had received the proper deed. The Superintendent also advised the Directors that the cost of the new deed would be borne by the title insurance company since the District had received title insurance on the special warranty deed.

The 1988 budget was presented for study. After some conversation, Director Ela moved to follow statutory procedure in advertising a public hearing for October 21, 1987 at which time the budget would be adopted. The motion was seconded by Director Barrick and passed unanimously. Director Ela stated that he thought a budget for a District with such tight control by its Directors and administered by competent staff was nothing more than paperwork and as little formality as possible should be given the budget, except that statutory procedure should be followed at all times.

Superintendent Schuster informed the Directors that he had been nominated for Vice Chairman of the Rocky Mountain Section of the American Water Works Association and that he anticipated installation as Vice Chairman at the annual meeting on September 22nd in Cheyenne. He went on to say that normally the nominating committee's recommendations are not challenged but another nomination could be made from the floor at the meeting so there is some doubt, however very small, that his election will be a 'rubber stamp'. He went on to state that it will be a four-year commitment, the first year being serving as Vice Chairman, the second year as Chairman Elect, the third year as Chairman and the fourth year as Past Chairman. The Superintendent announced his thrill at being nominated and stated he is looking forward to the commitment.

There being no other business, Chairman Smith adjourned the meeting at 8:57 p.m.

John L. Ballagh
Secretary

ATTEST:

Sarah V. Smith, Pres.

Paul L. Barrick, Sec.

Wm. M. Ela, VP.

Martin Barber

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held October 21, 1987

Present were Secretary Ballagh, Treasurer Barrick and Director Garber. Also present were Superintendent Schuster, Office Manager Kay and Chief Operator Blount. Guests present were Mrs. Fay Martin and Mrs. Margaret Kelly.

In the absence of the Chairman and Vice-Chairman, Director Ballagh assumed the position of Acting Chairman and called the meeting to order at 7:35 p.m.

Director Ballagh turned the meeting over to Mrs. Martin and Mrs. Kelly as they wanted to address the Directors. Fay Martin spent 30 minutes discussing such items as meter reading, Public Service Company of Colorado, Mountain States Telephone, unwed mothers, widowhood and the apparent guessing or estimating her water bill as her meter was not read. The Directors asked Superintendent Schuster to read the meter in Mrs. Martin's presence on the 22nd of October and explain to her how she can read it herself and compare the reading shown on her water bill with the actual reading on the meter. Superintendent Schuster was also instructed to have the meter readers contact Mrs. Martin in November when they read the meter so that she can confirm the meter reader's numbers.

Director Ballagh wanted a clarification of the last two sentences of page 1 of the minutes of the September 9, 1987 meeting to identify the decreed water as Clifton's Colorado River Pipeline and L. H. Hurt Decrees. Director Barrick moved to accept the minutes of the September 9, 1987 meeting with the suggested changes of Director Ballagh. The motion was seconded by Director Garber and passed unanimously.

Director Garber moved to accept the Financial Report and pay the Accounts Payable as shown on the Report in the amount of \$31,473.50 as well as the \$27.00 refund to Doug Ford, a \$99,722.97 purchase of Ginnie Maes and a \$100,000 transfer of funds from Valley Federal to Palisades National Bank. The motion was seconded by Director Barrick and passed unanimously.

Acting Chairman Ballagh then opened the public hearing on the 1988 budget. Director Ballagh yielded the Chair to Director Barrick as the Resolution for the 1988 budget would require a signature of the Chairman and an attest by the Secretary. Director Ballagh moved for the adoption of the following resolution:

WHEREAS, the DIRECTORS have adopted the annual budget in accordance with the Local Government Budget Law, on the 21st day of October, and;
WHEREAS, the DIRECTORS have made provision therein for revenues 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 not to impair the operations of the DISTRICT.

NOW, THEREFORE, BE IT RESOLVED by the DIRECTORS OF THE CLIFTON WATER DISTRICT, Mesa County, Colorado:

That the following sums are hereby appropriated from the revenue of the DISTRICT, for the purposes stated:

ESTIMATED EXPENDITURES:	
Water Purchases	\$ 26,390
Raw Water & Related Items	19,660
Mileage	500
Directors Fees	2,400
Purchase Office Equipment	5,000

Purchase Automotive	10,000
Purchase Equipment - Plant #2	1,000
General Construction	50,000
Plant #2 Construction	5,000
Bond Interest & Principal	200,200
<u>Contingency</u>	<u>26,390</u>
TOTAL ESTIMATED EXPENDITURES	\$ 1,128,080
ESTIMATED REVENUES:	
Sale of Water	\$ 850,500
Sale of Taps	3,000
Sanitation District Fees	8,580
Interest Income	73,000
Miscellaneous Income	4,500
City of Grand Junction Reimbursement	100,500
Availability of Service Charge	37,000
<u>Penalties & Turn Fees</u>	<u>51,000</u>
TOTAL ESTIMATED REVENUES	\$ 1,128,080

IT IS FURTHER RESOLVED, that there is appropriated from the funds of the DISTRICT one million, one hundred twenty eight thousand, eighty dollars (\$1,128,080) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 1988 or thereafter.

The motion was seconded by Director Garber and passed unanimously.

Superintendent Schuster stated that he had traveled to Glenwood Springs with Attorney Dufford on term day on October 6, 1987. The court set the trial date for the change of use of the Grand Valley Irrigation shares starting at 9:00 a.m. on June 15th and continuing on June 16, and 17, 1988, .

The Superintendent gave a brief report on the Ad Hoc Committee meeting held at the office of the Ute Water District on October 14th. Director Ballagh filled in some of the details for the other two Directors. Superintendent Schuster indicated that Ute is starting to balk at a merger since it would require the formation of a water authority which would then acquire some of Ute's and the City's assets, namely water rights, treatment plant and portions of the transmission line to transport the water to Clifton and Grand Junction. Superintendent Schuster also advised the Directors that Engineer Clifford Jex had expressed a real concern of Ute's raw water flow line down Plateau Creek as the water line passed several alluvial fans which were unstable. When these alluvial fans move or slip it would put the raw water pipeline in jeopardy. One of the statements made at the Ad Hoc Committee meeting on October 14th by the Ute General Manager was that Ute did not have sufficient water rights developed to provide water for the whole valley as stated in the Black & Veatch Report. He stated that Ute's water rights were only developed to provide water for Ute until the year 2000. He also pointed out a concern that the Ute District has adequate water rights to totally provide adequate water to a valley wide water system. Superintendent Schuster pointed out to the Directors that using Grand Junction's raw water to blend with the river water to reduce dissolved solids or for Clifton to participate in the construction of a new flow line off the Mesa with the City would be much less costly to Clifton than Alternates A1, A2 or A3 as stated in the Black & Veatch Report. The Directors discussed the pros and cons of a water authority for approximately 30 minutes and it was the general consensus of the three Directors present to hold Ute's feet to the fire to get them to agree to transfer their raw water and treatment assets to a water authority or stop talking merger. There was no other action.

Superintendent Schuster told the Directors that he had been in contact with Ed Gardner concerning Whitewater Ditch Number 2 (Kannah Creek Extension Ditch). The conversation centered around the 7.64 cfs water right for the ditch but only 3 cfs being delivered to the Whitewater area. Superintendent Schuster suggested to Ed Gardner that if the seepage and the evaporation of the ditch were stopped by putting the water in a pipeline, that Clifton may be willing to bear this expense if Clifton would receive the water normally lost to shrink. Ed Gardner said the idea appealed to him and he would do the leg work and the politicking to get the feel of the other owners of the water.

In the Foster/Foster/Coleman area, Superintendent Schuster advised the Directors that Clifton had not yet received a corrected deed, even though Attorney Griffin had assured him that all signatures had been obtained, it was just a matter of delivery. Superintendent Schuster also informed the Directors that the property had previously been sold for delinquent taxes and the new owner had applied for the deed. The title insurance company did not discover the discrepancy when presenting Clifton with title insurance. The title insurance company maintains that Gena Harrison had not properly recorded the tax sale. Gena Harrison said that it was recorded in the manner as set forth in the statutes and that the title company was in error by not finding it. Superintendent Schuster went on to say that Joe Coleman had redeemed the property by paying the delinquent taxes and would present the tax certificate to Attorney Griffin for delivery to Clifton.

Superintendent Schuster advised the Directors that the Colorado River crossing at 32 1/4 Road and the Colorado River was begun this day (October 21st) and it is anticipated it will be complete by the evening of October 23rd. The Superintendent also advised the Directors that the delivery of 10" pipe could not be obtained until the middle of November so he elected to replace the existing 10" line with 12" pipe as it was more readily available. Parkerson Construction is doing the installation of the river crossing at a cost of \$20,600. The Superintendent told the Directors that this is a savings of approximately \$70,000 over a suspended pipeline and a \$50,000 savings over the 32 Road route as discussed at the regular meeting of the Directors on May 20, 1987.

Director Garber inquired as to the disposition of the Guerrie easement. Superintendent Schuster told the Directors that Guerrie did not accept the counter proposal by Clifton and that he had decided to connect the Eastmoor Subdivision to an 8" line via the 30 Road route.

Director Garber also inquired as to whether or not the unpaid balance on the Elanya Tracy water bill at 411 1/2 Chiswick Way (Account Number 01-630-000) should be passed on to the next owner. He indicated that the Directors had made an agreement with Elanya Tracy at their regular meeting of July 15, 1987, and that Clifton should continue to press for a favorable consummation of said agreement. Superintendent Schuster told the Directors that Clifton was going after Elanya Tracy but could not locate her in order to serve papers. Director Garber stated that the Superintendent should contact the District Attorney's office to determine the disposition of the case.

In new business, Superintendent Schuster advised the Directors that Sherrick Harmon (Account Number 16-783-000) of 616 Entrada is suing the District for \$200 for the late fees he has paid the District plus personal aggravation which included loss of work, etc. Superintendent Schuster said that he had responded to the charge by stating that Mr. Harmon had not paid his water bills in a timely manner and was assessed a late penalty and in addition the

District was not accountable for consequential damages. The hearing date is set for 8:30 a.m. on December 21, 1987.

Superintendent Schuster read aloud a letter from Wesley H. White of 498 Anjou Drive (Account Number 08-141-000) requesting a variance to the fence policy and the possible purchase of a remote readout. Director Garber moved for the District to stay with their policy and have Mr. White either pay for the installation of a remote readout or to have his fence moved so as to not interfere with reading the water meter. The motion was seconded by Director Ballagh and passed unanimously.

Superintendent Schuster advised the Directors that the Clifton Water District had received an award of merit at the Rocky Mountain Section of the American Water Works meeting at Cheyenne on September 21, 1987 for 226,955 consecutive man hours (110 man years) without a disabling injury accident.

It was the general consensus of the three Directors present that the annual meeting of the Special District Association of Colorado which was held in Steamboat Springs on September 17 and 18, 1987 was a good meeting and that they had learned a lot. Director Ballagh reiterated the high points of the election portion of the annual meeting. Next year's meeting will be held at Tameron near Durango.

Superintendent Schuster also said the Regional Meeting of the Special District Association of Colorado is scheduled for November 4, 1987 at the Holiday Inn and inquired as to how many Directors would be attending. The cost is \$20 per head. Director Garber deferred his attendance as he had another meeting scheduled for the evening of the 4th, Director Barrick said to count on him for two, Director Ballagh said to count on him for one, the Superintendent is to contact Directors Smith and Ela to get a total head count.

Superintendent Schuster advised the Directors that the employees' Christmas Party is scheduled for Saturday, December 19th at the Clifton Community Center.

In other business, Director Garber inquired as to the advisability of the Directors carrying pictured I.D. cards with the state sales tax exempt number and other pertinent information printed on it. Director Barrick indicated that he had access to a portrait camera and Superintendent Schuster said the District had the necessary equipment to do the plastic laminating of the card and continued with the statement that he thought the employees who enter private yards should also wear pictured I.D. cards. There was no formal action taken on this matter.

Director Garber moved to continue the tradition of allowing a credit for one turkey to each employee and each Director and two turkeys for the Christmas Party from the local meat market. The motion was seconded by Director Ballagh and passed unanimously.

Director Garber requested that a proposed agenda be submitted with the Report and Accounts Payable on the Friday prior to the Directors' meeting so that the Directors would have some idea of what was to be discussed. It was the general consensus of all the Directors that this would be a good idea and the Superintendent said that this would be done.

Director Garber also indicated that Clifton should take a hard look at their water rates and consider adding \$0.25 to the minimum charge to raise an additional \$15,000 to \$18,000 annually. The additional money would be set aside to pay for attorney fees for water rights as the change of use of the Whitewater Ditch #2 (Kannah Creek Extension Ditch) or to help pay for a new flow line to either blend with river water to reduce dissolved solids or participate in the construction of a new flow line with the City all the way to

Purdy Mesa. Superintendent Schuster indicated that with the additional active taps being placed in service, that the cash flow was positive enough that the existing rates would be sufficient. Office Manager Kay indicated that our cash flow is \$179,000 better in October of 1987 than it was in October of 1986. Director Barrick indicated that the District should levy a property tax to assist in paying for the very things which Director Garber had mentioned. There was a consensus of the Directors that a property tax is income tax deductible whereas water bills are not. Director Barrick went on to say that this was not the year to propose a property tax as the residents of Mesa County would be reeling from the increased taxes the way it was.

Director Garber inquired as to the insurance that the District carries on Directors and wanted to know if it was sufficient. Superintendent Schuster told the Directors that they were insured for the \$400,000 limit as set by the legislature for public liability and that he didn't think any more was necessary. It was the consensus of the Directors that being insured for the public liability limit should be adequate.

There being no other business, the meeting adjourned at 10:10 p.m.

ATTEST:

John L. Ballagh
Secretary

Ratified - W. M. La

Paul L. Barrick

Martin Garber

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held November 18, 1987

Present were President Smith, Treasurer Barrick and Director Garber. Also present were Superintendent Schuster, Office Manager Kay and Chief Operator Blount. Chairman Smith called the meeting to order at 7:34 p.m.

Director Barrick moved to accept the minutes of the meeting of October 21, 1987 as submitted. The motion was seconded by Director Garber and passed without opposition.

During the discussion of the Financial Report and the Accounts Payable, the Superintendent explained to the Directors the reason for the \$9,802.40 extra charge by Parkerson Construction in the installation of the Colorado River crossing at the 32 1/4 Road alignment. Superintendent Schuster stated that the original bid of \$20,600 was given the District prior to Parkerson Construction receiving the Corps of Engineers' requirements for the construction in administering the nationwide 404 permit system. The Superintendent said that construction was under way and that any delays could be more expensive, so he authorized the work to proceed. The payment of \$3,179.81 to U.S. Liftruck Corporation was also discussed at some length. The Superintendent informed the Directors that the Ford backhoe was overhauled from stem to stern and that he thought the District had received the best value possible.

Director Ballagh entered the meeting at 7:40 p.m.

Director Barrick moved to accept the Financial Report and pay the Accounts Payable in the amount of \$61,807.39 plus a \$35,000 transfer of funds from Palisades National Bank to Mesa Federal Savings and the following six payments totaling \$4,995.11: \$11.34 to Tompkins Saw Shop, Inc.; \$1,000 to Postmaster; \$3,179.81 to U.S. Liftruck Corporation; \$528.64 to Grand Valley Rural Power; \$10.00 refund to Jack McLaughlin; and \$265.32 to Brown's Pointe Restaurant. The motion was seconded by Director Ballagh and passed unanimously.

The Superintendent said there is no change in the status of the change of use of the Grand Valley Irrigation shares and the trial is still scheduled to start on June 15, 1988.

There was a one-hour discussion on the Unified Central Grand Valley Water System in which Director Ballagh gave a very animated description of the happenings of the ad hoc committee on November 11, 1987.

Director Ela entered the meeting at 7:55 p.m.

The discussion of the proposed merger centered around the makeup of the Board of the Water Authority (how many Directors would serve from the City, Ute and Clifton). Director Ela stated he thought there was some sentiment by the constituents for Clifton to improve the water quality and thought perhaps this sentiment could be confirmed in a public meeting or a survey of the water users. The Directors then discussed the best method to perform a survey, whether it be a mailer, a response to an ad or an insert in The Daily Sentinel, or having young men and women deliver pamphlets to the homes. It was the consensus of the Directors to let the thoughts on the merger jell before holding a public meeting or survey as it was possible the City may take the lead in scuttling the proposal since Ute was balking at forming a water authority. The Directors thought it was the City's place to bow to the pressures of Ute or convince Ute on the compromise of forming a water authority. The Directors instructed the Superintendent to be considering the pros and cons to prepare an objective white paper which could be used for the basis of a public meeting or survey. Director Barrick said the Superintendent should continue to pursue the proposal of purchasing additional water from the City simultaneously with collecting information on the merger. Director Garber

concurred and the Superintendent so noted. The Directors also agreed that the Superintendent should construct a chart showing the chronological order of the required replacements of the major facilities of the three water purveyors.

The Superintendent informed the Directors that Clifton had received the proper deeds from Foster/Foster/Coleman (Mesa County Assessor's Schedule #2943-343-00-066) and the tax certificate for the same parcel and that Attorney Griffin advised him it was okay for Clifton to cancel the promissory note dated January 31, 1983, in the amount of \$200,000. After some discussion, Director Ballagh moved to accept the deed and instruct the Superintendent to mark the January 31, 1983 promissory note as "paid in full" provided that the conditions of the "Memorandum of Understanding" and "Agreement" dated December 17, 1986 were met.

The motion was seconded by Director Garber and passed on a vote of three affirmative votes and one negative vote. Director Ela cast the negative vote to be consistent with the position he has taken since the beginning of the negotiations.

Superintendent Schuster gave a report on a follow-up of the recent guests at the Directors' meetings. He stated that the Elanya Tracy statement had been paid in full by the renters of the house at 411 1/2 Chiswick Way (Account Number 01-630-000) and that they would recoup this cost from the landlord who is either Elanya Tracy or Elanya Tracy's mother. He also reported that Faye Martin's excess water bill at 3071 E 1/2 Road (Account Number 09-037-000) was due to a leak on her side of the meter and that even though he did not find the actual leak, he had advised Ms. Martin of the problem.

Superintendent Schuster reported that Sam Suplizio was a guest speaker at the SDA of Mesa County meeting and that Suplizio said the insurance pool proposed by the SDA was not workable. Superintendent Schuster said that he proposed a debate between Sam Suplizio and the SDA insurance pool representative so that both sides could be heard. Suplizio accepted the challenge and the SDA of Mesa County is working on a time and place for a debate some time prior to December 11, 1987. All the Directors indicated they would like to attend the debate.

The engagement letter from Chadwick, Steinkirchner, Davis & Co., P.C. was discussed. Director Ela moved for the District to accept the conditions of the engagement letter and for Chairman Smith to affix her signature showing the acceptance. The motion was seconded by Director Ballagh and passed unanimously.

The Superintendent suggested that the Clifton Water District become the prime mover to exclude the Clifton area from the Ute Water Conservancy District. He indicated that he was in communication with Attorney Bechtel and she had advised the District that, of all the solutions available, the most viable would be through legislation. It was the general consensus of the Directors for Clifton to maintain its present posture with Ute but be in a position to withdraw from Ute prior to Ute creating additional financial obligations on the Clifton constituents.

The Superintendent stated that the proposed Co-West Incineration Plant in Cisco may have the potential to contaminate our water supply and thought the Directors should be prepared to take action. The Superintendent also said that the County was setting up a meeting with the Colorado Department of Health to discuss this matter on December 3rd, with the time and place of this meeting to be announced later. The Directors indicated that they wanted to attend the meeting and for the Superintendent to advise them of the time and place when established. Director Ballagh indicated that if incineration is so

safe, why don't they have incinerators in large metropolitan areas which would thereby eliminate the potential hazard of transportation. The Colorado River, Clifton's major source of supply, parallels Interstate 70 for many miles and the possibility of contaminating our water by way of a transportation accident would be far greater than airborne particulate. It was generally agreed that Director Ballagh should put his thoughts in a letter which would be circulated among the other Directors for editing purposes and then submitted to the editor of The Daily Sentinel. Director Ballagh agreed to write such a letter after obtaining more information at the proposed December 3rd meeting.

Director Barrick had been approached by one of the Directors of the Central Grand Valley Sanitation District to see if Clifton would be interested in providing billing service for them. The pros and cons were discussed in great length with the final consensus being that the District would be willing to discuss it further once more specifics were known.

Superintendent Schuster informed the Directors that he would like to construct a continuous rock jetty across the Colorado River immediately downstream from the pumphouse. The purpose of the rock jetty would be to maintain the river grade at present elevation so Clifton would not have to chase the water upstream to get it into the pumphouse, and also to direct the flow of the river away from the Clifton property. After some discussion, Director Ela moved to allow the Superintendent to dicker with various individuals to get the most favorable contract at a cost not to exceed \$7,000 for the rock delivered to the site. This motion was seconded by Director Barrick and passed unanimously.

The Superintendent informed the Directors that the United States of America had filed on 100 cfs and 10,000 acre-feet of storage for the Naval Oil Shale Reserve (NOSR) with a priority date of December 6, 1916. Such a priority date would antedate the adjudication date of our decrees and if granted could have an extremely adverse affect on our source of supply. Director Ballagh moved for Clifton to join with the City and ask Attorney Dufford to prepare an opposition to the filing and for the attorney fees to be split proportionately according to the amount of water claimed by each entity. This would be 80% payment by the City and 20% payment by Clifton. In the event the City did not enter into opposition, for Clifton to file a single opposition. The motion was seconded by Director Garber and passed unanimously.

The Superintendent informed the Directors that the Grand Valley Irrigation Company's annual meeting was scheduled for December 5th and that he would be in attendance.

The meeting adjourned at 10:25 p.m.

ATTEST:

John L. Ballagh
Secretary

J. M. Ela, V.P.

Paul E. Barrick, Treas.

Martin Garber

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held December 16, 1987.

Present were President Smith, Vice President Ela, Secretary Ballagh, Treasurer Barrick and Director Garber. Also present were Superintendent Schuster, Office Manager Kay and Chief Operator Blount.

The meeting was called to order at 7:30 p.m. by Chairman Smith.

Director Ballagh moved to accept the minutes of the November 18, 1987 meeting as prepared. The motion was seconded by Director Garber and passed without opposition.

Director Ballagh moved to approve the Financial Report and pay the Accounts Payable in the amount of \$22,565.47 in addition to a \$35,000 transfer of funds from Palisades National Bank to Mesa Federal. The motion was seconded by Director Barrick and passed unanimously.

Superintendent Schuster gave a short report on the change of use of Grand Valley Irrigation shares stating that one of the delays was waiting for the City of Grand Junction to prepare a report similar to the June 1987 report prepared by the Clifton Water District. The Superintendent also said he had an appointment with the attorney and engineer for Cities Services Oil & Gas Corp on December 21st where Schuster is to show them the Grand Valley system and Clifton's system as it is related to Grand Valley water.

Directors Smith and Ballagh and Superintendent Schuster gave a report on the December 9th ad hoc committee meeting held in the Ute Water Board Room. This topic was discussed for approximately 75 minutes. It was reported that the Chairman of the Ute Water Board stated at three various times during the ad hoc committee meeting that Ute would not subordinate their position as Directors of Ute to a Water Authority. The report included Director Ballagh showing an article from the December 13th issue of The Daily Sentinel stating that the Bureau of Reclamation had some opposition in turning the Big Thompson Project over to the Northern Colorado Water Conservancy District and thought perhaps the Bureau would get the same objection by turning the Molina Power Plant over to the Ute Water District. The discussion also centered around Ute's \$8 million loan from the State of Colorado to construct their flow line down Plateau Creek as well as Clifton's proposed withdrawal from the Ute District. In addition, the joint venture of a flow line with Grand Junction or the construction of a smaller flow line to blend Kannah Creek water with Colorado River water was discussed. The Superintendent was instructed to contact the City and set up a meeting with the elected officials and the staff so this proposal could be discussed further. The Superintendent also stated that the owners of the Kannah Creek extension ditch water (Whitewater Ditch #2) want a meeting with Clifton and this meeting is scheduled for January 5, 1988, at 7:00 p.m. at the Clifton Water Office. No action was taken.

Director Barrick introduced the following corrected 1988 budget resolution and moved for its adoption:

A RESOLUTION RESCINDING A RESOLUTION ON THE SAME SUBJECT DATED OCTOBER 21, 1987 AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS ACCOUNTS, IN THE AMOUNTS AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE CLIFTON WATER DISTRICT, MESA COUNTY, COLORADO, FOR THE 1988 BUDGET YEAR.

WHEREAS, the DIRECTORS adopted a budget on October 21, 1987 which contained some erroneous numbers; and,

WHEREAS, the DIRECTORS wish to correct the erroneous numbers by rescinding that resolution and adopting this resolution; and,

WHEREAS, the DIRECTORS have adopted the annual budget in accordance with the Local Government Budget Law on this 16th day of December; and,

WHEREAS, the DIRECTORS have made provision therein for revenues 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 not to impair the operations of the DISTRICT.

NOW, THEREFORE, BE IT RESOLVED by the DIRECTORS OF THE CLIFTON WATER DISTRICT, Mesa County, Colorado:

That the RESOLUTION adopted October 21, 1987 is hereby rescinded; and, BE IT FURTHER RESOLVED, that the following sums are hereby appropriated from the revenue of the DISTRICT, for the purposes stated:

ESTIMATED EXPENDITURES:

Office & Distribution Wages & Benefits	\$ 191,225
Operating Expenses	203,400
Office Expenses	66,300
Water Purchases	13,660
Raw Water & Related Items	6,000
Directors Fees	2,400
Purchase Office Equipment	5,000
Purchase Maintenance Equipment	1,500
Purchase Automotive	10,000
General Construction	50,000
Plant #2 Construction	5,000
Plant #2 Expenses Including Salaries	347,005
Bond Interest & Principal	200,200
Contingency	26,390

TOTAL ESTIMATED EXPENDITURES \$ 1,128,080

ESTIMATED REVENUES:

Sale of Water	\$ 850,500
Sale of Taps	3,000
Sanitation District Fees	8,580
Interest Income	73,000
Miscellaneous Income	4,500
City of Grand Junction Reimbursement	100,500
Availability of Service Charge	37,000
Penalties & Turn Fees	51,000

TOTAL ESTIMATED REVENUES \$ 1,128,080

IT IS FURTHER RESOLVED, that there is appropriated from the funds of the DISTRICT One Million, One Hundred Twenty-Eight Thousand, Eighty Dollars (\$1,128,080) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 1988 or thereafter. The motion was seconded by Director Ela and passed unanimously.

The Superintendent advised the Directors that the SDA Insurance Pool deadline was moved from December 15th to March 1st.

After some discussion, Director Garber moved to increase Brian Sheley's annual wage from \$20,166 to \$22,404 and to increase the annual wage of Violet Church from \$19,434 to \$21,600 and, in addition, to pay each of the employees a one-time nonaccumulating benefit of \$200 each. The increase in wages for employees Sheley and Church will be effective January 1, 1988. The bonus for the permanent employees to be effective immediately. The motion was seconded by Director Ballagh and passed unanimously.

The proposed Co-West Incineration Plant at Cisco, Utah, was discussed at some length. Director Ballagh and Superintendent Schuster attended a meeting at Two Rivers Plaza in Grand Junction which was presented by the Grand Junction Chamber of Commerce. Director Ballagh stated that the Chamber of Commerce did an excellent job in monitoring a meeting which could have turned into a regular donnybrook. Director Ballagh went on to say that transportation will not be addressed in any permits required to build the incinerator as that authority did not rest with the Utah Health Department or the EPA in this regard. He went on to say that hazardous waste has more control than hazardous material but that the Clifton water supply is susceptible to spills of hazardous material as well as hazardous waste. Director Ballagh said he will continue to work on a position paper concerning the Clifton water supply and the proposed incinerator.

There was a very lengthy discussion on the pros and cons of Clifton withdrawing from the Ute Water District. Director Smith was reluctant to send the letter as composed by Attorney Bechtel due to personal political reasons. This was not the deciding factor in electing to table the item as all of the Directors were not in accord as to how this matter should be handled. The Superintendent was instructed to find out how many water conservancy districts assess a mill levy to those that have water service provided by others. Director Ela moved to table the discussion until more information was available. The motion was seconded by Director Barrick and passed unanimously.

Superintendent Schuster asked the Directors if they would consider purchasing more comfortable chairs for the Board Room at a cost of approximately \$250 each. After a lighthearted discussion, the Superintendent was instructed to forget the purchase of new chairs for the Board Room.

After some discussion, Director Ballagh moved to authorize the Superintendent to prepare invitations for bids for a 1988 pickup for the January 20th meeting with the understanding that the District has the right to refuse any and all bids. The motion was seconded by Director Ela and passed unanimously.

The Superintendent advised the Directors that the District is no longer required to pay workman's compensation for the Directors but suggested that they continue to do so since the cost is only \$53 per year. There was some discussion in which Director Ela moved to continue paying workman's compensation for the Directors and instructed the Superintendent to keep a handle on this and to keep the Directors informed in event there is a substantial change in the rates which may affect the decision of the Directors. The motion was seconded by Director Ballagh and passed without opposition.

There being no other items on the agenda, the Superintendent advised the Directors that the seven prints of Charles Russell paintings framed in barn wood, hanging on the office walls, were loaned to the District by Office Manager Kay. He went on to say that the framing was at a cost in excess of \$164.

Director Smith stated that she was a new grandmother.

Director Barrick inquired as to the number of self-contained breathing apparatuses at Plant #2 near the chlorine room and went on to state that he wanted two people masked, or at least a life line from one person to the masked person, in the event of a chlorine leak .

Director Garber inquired as to whether our insurance covered independent contractors or whether they were covered by their own insurance. Superintendent Schuster advised the Directors that we require all of our independent contractors to carry their own insurance and to hold the District

Minutes of Meeting of Board
December 16, 1987
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harmless and that this requirement had been reviewed by the District's insurance carrier and was acceptable.

There being no other business, the meeting adjourned at 11:10 p.m.

John L. Ballagh
Secretary

ATTEST:

Wm. M. Gleason, V.P.

Paul E. Barnick Trust

Martin Garber