

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held January 16, 1991:

Present were President Barrick, Secretary Ballagh, Treasurer Garber and Director Wheeler. Director Ela's absence was an excused absence. Superintendent Schuster was also present.

Director Barrick called the meeting to order at 7:30 p.m. and immediately opened the public hearing for inclusion of two parcels within the boundaries of the District as advertised in accordance with state statute. There being no members of the public present Director Garber moved to adjourn the public meeting. Motion was seconded by Director Wheeler and passed unanimously.

Director Ballagh moved to accept the inclusion of the Langland property in the Whitewater area and the Clifton property in the Whitewater Hill area within the boundaries of the Clifton Water District. The motion was seconded by Director Wheeler. During the discussion Mel Langland, the owner of the property in the Whitewater area entered the meeting. After a very short discussion the motion passed unanimously.

Director Ballagh moved to accept eighteen equal monthly payments for the Langland tap per his request at an interest rate the same as the District could get for that sum of money. The motion was seconded by Director Wheeler. Director Garber questioned the motion stating that he thought it would be setting a dangerous precedent. After a short discussion, Director Ballagh stated that even though the Langland property was not part of the original acquisition of the Home Water Supply Co., it should be treated on the same basis as the Whitewater inclusion. He then changed his motion and moved for the District to enter into a contract with Mr. Langland for eighteen equal monthly payments including principal and interest with a stipulation that the balance of the tap fee would be paid upon sale of property. The motion was seconded by Director Wheeler and after a short discussion passed unanimously.

The District had advertised that they would accept bids on a half ton pickup on January 16, 1991. Four automobile dealers in the Mesa County area responded to the bid. Alternate A of the bid was a purchase of a 1991 half ton pickup using the District's 1984 half ton Ford as a trade-in. Alternate B was a purchase of the 1991 half ton pickup without a trade-in. The bids were as follows: Jim Fuoco Motor Co. \$8,800.00 for Alternate A, \$11,078.00 for Alternate B; Steve Westphal Chevrolet Inc, \$7,441.48 for Alternate A, \$10,441.48 for Alternate B; Western Slope Chrysler/Plymouth/Dodge, \$9,243.00 for Alternate A, \$10,943.00 for Alternate B; Western Slope Auto Company, \$9,599.00 for Alternate A, \$11,099.00 for Alternate B. Purchase of the pickup through the State bids would cost the District \$8,628.05, F.O.B. Englewood, Colorado. After a ten minute discussion Director Garber moved to keep the District's money in Mesa County and to accept the Steve Westphal Inc. bid for Alternate A in the amount of \$7,441.48. The motion was seconded by Director Ballagh and passed unanimously.

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Director Ballagh moved to approve the minutes of the December 19, 1990 meeting as submitted. The motion was seconded by Director Wheeler. The motion passed unanimously.

Director Garber moved to accept the financial report and approve the accounts payable in the amount of \$25,884.12 plus \$289.04 to Mountain Aggregate Construction; \$70.00 to Sign Designs; \$320.00 to Thor Construction; \$36.44 to Respond First Aid Systems; \$119.62 to Careers Unlimited; \$355.98 to Diamond Shamrock; \$120.00 to the Special District Association of Mesa County and a \$35,000.00 transfer of funds to Mesa National Bank. The motion was seconded by Director Wheeler and after a thirty minute discussion passed unanimously.

Superintendent Schuster told the Directors that the E.P.A. had not moved on the rock structure in the Colorado River and that he had advised Attorney Bechtel to sit on this particular matter and let the E.P.A. make the next move toward the hearing. Director Ballagh asked Superintendent Schuster to inquire of Attorney Bechtel as to whether or not there was a time limit (statute of limitations) in which the E.P.A. had to move on this matter.

Superintendent Schuster told the Directors that due to an error, Attorney Krohn had advised him that Rolling Hills Sanitation Company was sent another letter of demand as the first letter of demand did not give them sufficient time to respond. The Superintendent also advised the Directors that Attorney Krohn had not charged the District for the preparations of the second letter of demand.

Superintendent Schuster told the Directors that he had trouble acquiring insurance for the Railroad bores from the S.D.A. Insurance Pool and was going to ask the Directors for approval to purchase insurance from the T. Charles Wilson Agency in Denver at a cost of \$3,792.00 for the first year and an additional \$1,000.00 for all subsequent years, however; at approximately 3:30 p.m. on this date the insurance pool had called the District and told them that insurance was available at a cost of \$1,000.00 and that the Railroad liability insurance was available at a cost of \$1,000.00 per year. Since the District already was insured by the S.D.A. Pool, he was no longer going to ask the Directors to approve purchase of insurance from the T. Charles Wilson Agency. There was a short discussion where some of the Directors just didn't think it was right that the Railroad had that kind of power over the public liability limit as set by statute.

In a letter dated January 4, 1991 Attorney Bechtel had submitted suggested wording for the District's "Temporary Disability Leave". The Superintendent sent copies of Attorney Bechtel's letter along with the suggested wording for Temporary Disability Leave for their review prior to the meeting. Director Garber presented a one page suggested wording for the District's Temporary Disability Leave at the meeting. After a lengthy discussion, in which both submittals were discussed, Director Ballagh moved to adopt Director Garber's rendition of the Temporary Disability Leave policy with the addition of the requirement of a Physicians release before the employee could return to regular duties after being on Temporary Disability Leave. The motion was seconded by Director Garber and passed unanimously.

Under other old business Director Garber asked the Superintendent if he had contacted the City due to the damage to the District's easement in the

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Whitewater area. Superintendent Schuster assured the Directors that he had contacted the City just before the weather turned very nasty and he doesn't know whether or not the City had completed their repair of the damage to the District Easement. The Superintendent would follow up on this matter and give a report at the February meeting.

The Superintendent asked the Directors to consider the lease of a pager for Plant #2 personnel from U. S. West at a cost of \$22.00 a month or from West-Col Radio Paging at a cost of \$24.50 a month. After a rather lengthy discussion it was decided that the District would purchase an answering machine for Plant #2 with special features that would allow the Superintendent to leave a message for the operators in lieu of a pager to see if this would accomplish what the Superintendent wanted.

Director Ballagh moved that whereas the average water bill in the District for 1990 was \$16.92 that the Availability of Service Charge for 1991 be 35.64% of that figure. The motion was seconded by Director Garber and passed unanimously (Note: 35.64% of \$16.92 is \$6.00).

Director Garber inquired as to the procedure for estimating meter readings during winter months when it was impractical to read meters either due to the snow on the ground, freezing temperatures, or both. Superintendent Schuster told Director Garber that all bills were adjusted after the first reading and that in all cases a 3,000 gallon minimum was assumed for each month that the meter reading was estimated. Director Garber stated that he would like to see all estimated be at least 3,000 gallons to give the customer the benefit of the doubt as far as payment for water bills is concerned.

There being no other business the meeting adjourned at 9:30 p.m.

ATTEST:

  
Secretary







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MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held February 20, 1991

Present were President Barrick, Vice President Ela, Secretary Ballagh, Treasurer Garber and Director Wheeler. Staff present were Superintendent Schuster and Chief Operator Blount. Also present were Ben Dowd of Ben Dowd Excavating, Marvin Colsman of Jefftrust and Gale Enger, Manager of Clifton Sanitation District # 2.

President Barrick called the meeting to order at 7:30 p.m. and turned the meeting over to Superintendent Schuster for the purpose of opening bids on the Railroad bores. Superintendent Schuster noting that it was 7:30 p.m. declared it the time for receiving bids for the Railroad bores closed and proceeded to open the bids. There were five bidders that turned in bids prior to 7:30 p.m. The bids were as follows: 1) Pascal Construction Company of Golden, Colorado bid a total of \$27,617.60; 2) Lyle States Construction Company Inc. of Grand Junction, Colorado bid a total of \$39,683.00; 3) Parkerson Construction Company Inc. of Grand Junction, Colorado bid a total of \$43,624.00; 4) J. B. Excavating of Fort Collins, Colorado bid a total of \$43,839.25 and 5) Grimm Construction Company Inc. of Louviers, Colorado bid a total of \$45,345.00. The Directors asked Mr. Enger if Clifton Sanitation District # 2 had any problems with making the award to the apparent low bidder Pascal Construction Company of Golden. Mr. Enger stated that his Board had already voted to accept the low bid as long as the bidder was approved by the Engineer. Superintendent Schuster said that he was familiar with Pascal Construction Company and he thought they were a fine Company and had no problems with making the award. After a short discussion Director Ela moved to accept the low bid of \$27,617.60 from Pascal Construction Company and to award them the contract for the Railroad bores. The motion was seconded by Director Garber and passed unanimously.

Marvin Colsman representing Jefftrust (Jefferson County Colorado Surplus Funds Trust) was present to make a presentation to the Directors for investing the cash reserves of the District with Jefftrust. Mr. Colsman made a forty minute presentation after which the Directors said they would like to study the District's investment policy before making a decision.

Director Ballagh moved to accept the minutes of the January 16, 1991 meeting of the Board of Directors. The motion was seconded by Director Wheeler. Director Ballagh questioned the "no action" on the first motion in the fourth paragraph on page one. After some discussion the Directors agreed that the last sentence of the fourth paragraph on page one should read "the changed motion was consented to and seconded by Director Wheeler and passed unanimously". Director Ela had some questions on paragraph five on page two concerning the Director's problem with providing more insurance than the public liability limit as set by statute. It was explained to the Directors that the insurance was to protect the Railroad which is not protected by an upper limit of liability by statute. There being no other discussion the motion to approve the January 16, 1991 minutes as corrected passed unanimously.

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Director Ballagh moved to accept the financial report and pay the accounts payable as shown on the report plus \$214.65 to the Mesa County Treasurer; \$30.00 to J. & J. Protective Coatings; \$ 269.99 to U.S. West Communications; \$25.00 to the Lotus Corporation; \$1,015.18 to Mail Managers plus a \$35,000.00 transfer of funds to Mesa National Bank. The motion was seconded by Director Garber. After fifteen minutes of discussion the motion passed unanimously.

Superintendent Schuster told the Directors that Attorney Bechtel had received a call from the E.P.A. in Denver stating that they had not forgotten about holding a hearing concerning the rock structure in the river but were just too busy to do anything about it at this time.

Superintendent Schuster stated that there was nothing new on the foreclosure of the Rolling Hills Sanitation Company.

The purchase of the Whiting Brothers water brought about a forty-five minute discussion. After the discussion Director Ballagh moved to authorize the Superintendent to negotiate with the City of Grand Junction in the purchase of the Whiting Brothers interest in the Grand Mesa Reservoir Company, consisting of fifty-five percent of the total shares, with the understanding that the District would pay the City of Grand Junction \$612,000 toward the purchase of the Whiting Brothers Grand Mesa water with the provision that the District would be assured two hundred million gallons of water per year in perpetuity delivered through the City's infrastructure. The motion was seconded by Director Garber and passed unanimously. During the discussion, Schuster recommended against spending \$612,000 for economic reasons, the Directors reasons for not accepting Schuster's recommendation was because they felt that the cash reserves of the District was there to improve water quality (reduce the hardness).

Superintendent Schuster told the Directors the District had purchased five shares of Grand Valley Irrigation Company Stock at a price of \$200.00 per share making a total of 1,256 shares owned by the District.

Director Ballagh inquired as to the disposition of the damage by the City to the District's four inch line in the Whitewater area. The Superintendent told the Directors he completely forgot about the problem with this line but would check it out and give a report at the March meeting.

Superintendent Schuster told the Directors that the District had received a \$500.00 grant to provide a dormant stub nursery consisting of cottonwood and willow trees at Plant #2. The grant was from the Colorado Parks and Recreation Association Foundation/Colorado Releaf ("Releaf", is not misspelled).

The Superintendent gave the Directors a status report on the four lots that the District had purchased. The rezoning from residential to commercial was virtually complete as long as the District complied with the recommendations of the County staff. The Superintendent went on to state that the District had accepted bids on the fencing and that the fencing could be completed for a cost of approximately \$6,600.00. He also stated that Denning Lumber was the low bidder on materials for the building coming in at a cost of approximately \$7,700.00. After some discussion the Directors instructed the Superintendent to construct a building that would not only provide for today's needs but for the needs of the future, to consider radiant heat and a four

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foot concrete stem wall for the building's construction. The Superintendent told the Directors that all of their recommendations would be considered in the final analysis.

The Directors denied the Superintendents request to participate in the Daily Sentinel's Progress issue which is scheduled to be published in March.

Director Garber stated that he thought the article "How About That Water" in the Water Line missed the point and admonished the Superintendent for making light of all of the hard work the Directors had done in acquiring the less saline water from the City for winter use.

Director Garber also thought that the District should pay for spouse or significant others attendance at functions where it is appropriate for spouse or significant others to be in attendance. After some discussion Director Garber moved that the District pay for attendance for spouse or significant others at appropriate functions involving the Water District for employees and Directors. Motion was seconded by Director Ballagh and passed unanimously.

There being no other business the meeting adjourned at 10:15 p.m.

ATTEST:

Paul E. Bannick

Martin Garber

John L. Ballagh  
Secretary

J. M. E. A.

George E. Wheeler

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held March 20, 1991

Present were Chairman Barrick, Vice Chairman Ela, Secretary Ballagh, Treasurer Garber and Director Wheeler. Staff present were Superintendent Schuster and Chief Operator Blount. Also present were Mike Nelson and Anita Harcourt of the firm of Chadwick Steinkirchner Davis and Company. President Barrick called the meeting to order at 7:30 p.m. and turned the meeting over to the representatives of Chadwick Steinkirchner Davis and Company. Mike Nelson spent approximately forty minutes going through the 1990 audit explaining to the Directors what the numbers meant and praising the Directors for outstanding fiscal management.

Schuster suggested that Mike and Anita remain at the meeting while agenda item #2 under old business, Rolling Hills Sanitation Company, was discussed. Schuster told the Directors that the Colorado Department of Health had told him that the Clifton Water District would not be absolved of the past deficiencies at Rolling Hills sewage disposal on Orchard Mesa and he thought the Directors might want to take another look at whether or not they want to become the owner/operator of the sewage system in the foreclosure process. He also stated that he thought the negotiations were very close to a deed in lieu of foreclosure, but that he had stopped the attorneys from spending any more money until the Directors had made a decision on what they wanted to do. After some discussion, in which Director Ballagh stated that he did not think the Directors had enough information to make a decision, Schuster was instructed to prepare a report on the expected revenues and expenditures and the financial picture in general for the next meeting.

Director Ballagh noting that no action had been taken on the 1990 audit moved to accept the 1990 audit as presented. The motion was seconded by Director Ela and passed unanimously.

Director Wheeler moved to approve the minutes of the February 20, 1991 meeting as submitted. The motion was seconded by Director Garber. Director Ballagh had some problems with the fourth paragraph on page two of the minutes. The minutes stated there was a forty-five minute discussion on the purchase of the Whiting Brothers Shares of the Grand Mesa Reservoir Company but did not state the contents of the discussion. Director Ballagh thought that the reasons that the Directors did not follow the recommendations of the Superintendent should be in the minutes. These reasons included, but are not necessarily limited to the following: 1) The water would be not only a valuable assist in 1991 but would gain in value in time; 2) It is the last available large block of water with a firm yield in the Kannah Creek Drainage; 3) The District intentionally increased water rates to its customers for the sole purpose of improving the quality of the source of supply and that this water would attain that end; 4) It would provide water with lower mineral content for more than just six months in the year; 5) The water could be delivered while there is capacity in the City's flow line which is when the District might need the water due to the requirements of the stipulated agreement using the Grand Valley Irrigation Company water for domestic use. The Directors thought the above reasons were sufficient to void the economic reasons presented by the Superintendent. There being no further discussion the motion to approve the minutes passed unanimously.

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Director Ballagh moved to accept the financial report payable as shown on the report plus \$25.00 to the Overpass Store, \$230.32 to Grand Valley Rural Power Lines, \$25.00 to Professional Tool Service, \$120.00 to Len's Rent All, \$246.59 to Diamond Shamrock, \$6,128.55 to Grand Junction Pipe and Supply, \$221.00 to Farmers Union Service, \$257.61 to U.S. West Communications, \$670.00 to B.O.S.S. Discount Office Center, \$12,034.00 to Colorado Silica Sand, \$293.75 to Infilco Degremont, \$35,000.00 transfer of funds from Palisades National Bank to Mesa National Bank. The motion was seconded by Director Garber. During the discussion Director Ballagh inquired as to why there was \$9,336.90 shown as payment on assessments of water shares in the February profit and loss statement whereas there had actually been no payment what so ever at this point in time to the Grand Valley Irrigation Company for assessments. Schuster said he would check with the bookkeeper and give them a report. Director Ela inquired as to charges from the attorney firm of Dufford Waldeck on summary judgement dealing with Denver and Colorado Springs. Director Ela stated that he knew the Directors had approved Attorney Dufford to work on these matters but wondered if the other players, City of Grand Junction and Orchard Mesa Irrigation Company, had dropped out of the proceedings and Clifton was picking up the total bill. Schuster said he would check on it and give the Directors a report. After thirty-five minutes of discussion Director Ballagh's motion passed unanimously.

Schuster told the Directors concerning the rock structure that Attorney Bechtel had prepared a "status report" and "Order on Consent" for the Environmental Protection Agency and that a hearing on the matter would be forth coming.

Superintendent Schuster said that in a telephone call with Greg Trainor, City of Grand Junction's Utility Manager, that negotiations between the City and the Whiting Brothers on the purchase shares of the Grand Mesa Reservoir Company had come to a stand still. The Directors thought that possibly the negotiations could be resumed if Clifton would become the negotiator on the City's behalf. The Superintendent was instructed to see what could be done in this regard. The Superintendent also reported that Mr. Trainor said Clifton could continue to buy all the water they needed at the cost of \$0.30 per thousand as long as there was capacity in the flow line. Director Ballagh asked the Superintendent to prepare a graph of the District's water consumption along with the source of supply for the last three or four years and project it into the next three or four years. Superintendent said he would have such a report before the next meeting.

The possibility of damage to the 4" water line serving Mrs. Roy in the Whitewater area due to the City's draining of their flow line had been discussed at two previous meetings. The Superintendent inspected the area in question, determined the 4" line was in a natural drainage, and buried deep enough to not freeze under normal conditions. The District placed a used 16" pipe in the swale over the 4" line to protect it from further erosion.

Director Wheeler reported that he had visited with Gina Harrison concerning Mesa County's investment in JEFFTRUST and moved to adopt the following resolution:

WHEREAS, pursuant to C.R.S. 24-75-701 et seq., as amended, it is lawful for



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any county, city and county, city, town, school district, or special district ("Public Entity") to pool any monies in its treasury, which are not immediately required to be disbursed, with the same such monies in the treasury of any other Public Entity in order to take advantage of short-term investments and maximize net interest earnings; and

WHEREAS, JEFFTRUST is a trust formed under the laws of the State of Colorado in accordance with the provisions of C.R.S. 24-75-601 et seq., C.R.S. 24-75-701 et seq., and C.R.S. 11-47-101 et seq., all as amended, for purpose of investing, pooling for investment, and protecting public funds; and

WHEREAS, this Public Entity desires to be a Participant in JEFFTRUST in accordance with the terms and provisions thereof.

NOW, THEREFORE, the governing body of Clifton Water District, by a majority vote, hereby

RESOLVES as follows:

1. This Public Entity, Clifton Water District hereby approves and adopts, and thereby joins as a Participant with other Public Entities pursuant to C.R.S. 24-75-701 et seq., as amended, that certain Indenture of Trust entitled the Jefferson County Colorado Surplus Funds Trust (JEFFTRUST) dated as of September 27, 1988, as amended from time to time, the terms of which are incorporated herein in their entirety by this reference and a copy of which shall be filed with the minutes of the meeting at which this Resolution was adopted; and
2. Raymond J. Schuster who is the local government official empowered to invest the funds in this Public Entity's treasury, is hereby designated the "Treasurer" as that term is defined in the Indenture of Trust, and as such is hereby designated as this Public Entity's official representative to JEFFTRUST and shall serve as a member of the Board of Supervisors of JEFFTRUST and is hereby authorized and directed to execute the Indenture of Trust and such other documents as are required and to serve as a member of the Board of Trustees if elected by the Supervisory Board; and
3. The "Treasurer" designated in Section 2 above is hereby authorized to invest from time to time the monies in the Public Entity's treasury which are not immediately required to be disbursed, in JEFFTRUST by purchasing Shares in JEFFTRUST from time to time with available funds, and to redeem some or all of those Shares from time to time as funds are needed for other purposes; and
4. The Board of Trustees of JEFFTRUST, or their successors in function, is hereby designated as the official custodian of such funds as are deposited in JEFFTRUST by this Public Entity during such time or times as funds may be on deposit with JEFFTRUST.

The Undersigned certify the Clifton Water District has enacted:

The undersigned affirm that this Public Entity has received and read the Trust's Information Statement and Addendum to Information Statement and

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Indenture of Trust and agree to be bound by the terms thereof.

The undersigned agree that the certifications, instructions, and authorizations contained in the Trust Registration Form will remain in effect until receipt by the Trust of written notice of change.

TRUST REGISTRATION FORM

**PUBLIC ENTITY NAME:** Clifton Water District **BANK ACCOUNT TITLE:** Clifton Water District **ACCOUNT NAME:** Clifton Water District **ACCOUNT NUMBER:** 101-443  
**ATTENTION:** Raymond J. Schuster **BANK NAME:** Palisades National Bank  
**TELEPHONE:** (303) 434-7328 **BANK ADDRESS:** P. O. Box 10; Palisade, CO 81526  
**ADDRESS:** P. O. Box 100; Clifton, CO 81520 **BANK ABA NUMBER:** 102101441 **TAX I.D. NUMBER:** 84-6009011

The Jefferson County Colorado Surplus Funds Trust ("JEFFTRUST") is hereby authorized to honor any written, telephone, or telegraphic request, believed to be authentic, for redemption of funds from the Trust. The redemption proceeds can be sent only to the commercial bank indicated above or mailed to the name and address in which the account is registered, unless changed by written instructions to the Trust.

**EARNINGS:** Are to be left in our account with the Trust and reinvested.

The motion was seconded by Director Ballagh. After some discussion the motion passed unanimously.

Director Garber inquired of the Superintendent whether he had heard anything from the Kannah Creek Water Users concerning Clifton's willingness to construct a water treatment facility and bring that area within the district for the purpose of supplying them with potable water. Schuster had not heard anything for the last few months. Director Garber thought that they may be using Clifton as a pawn to prompt the City into action.

Director Garber brought up the question about the computer and then passed the ball to Director Ballagh. Director Ballagh asked the Superintendent what would happen if the DEC computer went down. The Superintendent stated that it would be a matter of contacting the DEC repairman and paying him on a time and materials basis until the computer is back up. The Directors felt uncomfortable with the present situation due to the age of the computer not knowing how long it would remain in operating conditioning. The Superintendent stated that since the District had purchased the new drives, very little maintenance work was required. The Directors instructed Schuster to visit the Left Hand Water Company in Niwot, Colorado to take a look at their software and operation and also to check with Kimbrough to see if they have software that will operate on other equipment other than Digital. The Superintendent said he would do so and give them a report.

Director Wheeler inquired as to whether it would be wise for the District to retire the high interest bonds rather than keeping such a large cash reserve. He went on to state that at this point the Ginnie Mae's and Freddie Mac's were a valuable asset if they were to be sold and if interest rates went up that their value would go down. The Superintendent was to prepare a schedule for presentation to the Directors so that they could make a decision at the

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next meeting.

Schuster told the Directors that he had purchased 53 shares of Grand Valley Irrigation Company Stock from Anvil Mountain making it a total of 1,309 shares owned by the District. With the purchase of 91 more shares the District would have sufficient water in the Grand Valley Irrigation Canal to provide 9.4 million gallons a day. Superintendent also stated that the Grand Valley Irrigation Company board of directors were meeting at 688 26 Road at 10.30 a.m. on April 4, 1991 and that the Directors of Clifton Water District were invited to attend. The directors of the Grand Valley Irrigation Company thought that the relations between the entities were becoming strained. After some discussion the Directors stated that those that could make the meeting would be present.

Superintendent told the Directors that a training course developed by the employees of the water district had been approved by the Colorado Plant Operators Certification Boards for continuing education units (CEU's).

Director Ballagh moved to donate \$150.00 to the Rocky Mountain Section of the American Water Works Association's J.B. Warner Scholarship Fund. The motion was seconded by Director Wheeler and passed unanimously.

The meeting adjourned at 10.00 p.m.

ATTEST:

Martin Gasher

Wm. M. Eld

John L. Ballagh  
Secretary

Paul E. Barnick

Ray E. Wheeler

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held April 17, 1991

Present were Chairman Barrick, Secretary Ballagh, Treasurer Garber and Director Wheeler. The absence of Vice Chairman Ela was an excused absence. Staff present were Superintendent Schuster and Chief Operator Blount. Guests who had previously asked to be on the agenda but were not present were Preston and Cheryl Mease ( 241 31 3/10 Rd.) and Mr. Trujillo (3023 1/2 Colorado Avenue). President Barrick called the meeting to order at 7:30 p.m. and asked about the presences or the lack of presences of the guests on the agenda. Schuster told the Directors that Mr. and Mrs. Mease had asked to be excused from the meeting but had provided the Superintendent with a letter from the General Manager of Ute Water Conservancy District. The letter generally stated that Ute had no problems with the Meases acquiring a 3/4" residential tap from the Clifton Water District for 241 31 3/10 Road since Ute does not have a water line in that particular area. After Schuster read aloud the letter from Ute Water Conservancy District, Director Garber moved to approve the out of district tap as requested by Mr. and Mrs. Mease. The motion was seconded by Director Wheeler and passed unanimously.

Director Ballagh moved to accept the minutes of the March 20, 1991 meeting as prepared. The motion was seconded by Director Wheeler. Director Garber questioned the spelling of the name "Gena" in Gena Harrison on the next to the last paragraph on page two of the minutes. Mrs. Harrison's first name was incorrectly spelled "Gina". After a short discussion the motion to approve the minutes passed unanimously.

Director Garber moved to accept the financial report and pay the accounts payable as shown on the report in the amount of \$33,695.38 plus \$330.00, to Geomax; \$10,648.26, to Pascal Construction Company; \$1,183.14, to Pascal Construction Company; \$6.00, to Colorado Special District Prop/Lia Pool; \$941.17, To Mountain States Pipe & Supply; \$117.50, to Arnhold Fabrication; \$2,355.52, to Castings Inc.; \$105.43, to Fasteners Inc.; \$180.00, to W. H. Lizer & Assoc.; \$244.68, to Diamond Shamrock; \$38,826.70, to City of Grand Junction; \$200.00, to D. & M. Wire Rope Inc.; \$1,296.00, to Dana Kepner Company; \$234.12, to Grand Valley Rural Power; \$152.00, to TeMatics Inc.; \$1,800.00, to Chester White; \$94.23, Chester White; \$20.00, to Grand Valley Irrigation Company; \$35,000.00 transfer of funds from Palisades National Bank to Mesa National Bank for a total amount, including the amount on the report and the transfer of funds of \$127,430.13. The motion was seconded by Director Ballagh. After a short discussion the motion passed unanimously.

Schuster told the Directors that a hearing was set in Denver for Tuesday July 9th and Wednesday July 10th to determine the District's penalty for placing the rock structure in the river. There was a short discussion with some of the Directors indicating that they would like to attend if their schedules permitted.

Schuster told the Directors that an additional investment of \$120,000.00 would be required to bring the Sewage facility at Rolling Hills Sanitation up to snuff making a total of \$195,000.00 when the recoup of their \$75,000.00 investment was added. He stated that it would take approximately 23 years to recoup the Districts investment at a 7% return. The Superintendent read aloud

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a letter that he had sent to The Director of the Colorado Water Quality Control, Colorado Department of Health in Grand Junction, Valle Vista Homeowners Assoc., Mr. and Mrs. O. T. Harrison, Mr. and Mrs. James C. Craig, Richard Krohn, Mark Hermunstad, Mesa County Commissioners, and Orchard Mesa Irrigation District dated April 12th 1991 telling them that the District must be held harmless from any liability created by the present and past operation of Rolling Hills Sanitation Company. During approximately a thirty-five minute discussion, the Directors concluded that the points in the Superintendents April 12th letter were in line with their thinking and that in no way would the District consider being the owner/operator of Rolling Hills Sanitation Company without being held harmless by regulatory agencies, adjacent property owners and the Valle Vista Homeowners Assoc. Part of the thirty-five minute discussion was directed toward ways in which the Valle Vista Homeowners Association could obtain financing should the District consider not proceeding with the foreclosure. Before the Superintendent read aloud his April 12th letter to the nine individuals mentioned the superintendent told the Directors that in a telephone conversation on the previous day with Director Ela, Mr. Ela stated that he would vote "no" if he were present at the meeting for the District to continuing on with the foreclosure proceedings. The questions that could not be answered by the Superintendent during the thirty-five minute discussion were noted and answers promised at the May 15th meeting.

Superintendent Schuster told the Directors that the City had taken an inventory of their source of water supply and had concluded that the City could develop approximately 3 to 5 thousand acre feet of water in excess of their annual requirements and lost interest in purchasing the Whiting Brothers Water. Director Ballagh indicated that he thought it would be prudent to continue to negotiate at some level for the water just to keep the matter alive. Director Barrick stated that he wants the District to own some water on the Grand Mesa and thought that this was the last available large block of water on the Grand Mesa. After a fifteen minute discussion no action was taken except a request to the Superintendent to not let this matter die.

After a short discussion, Director Wheeler moved for the District to redeem all of the 1997 bonds at a cost of \$125,000.00, plus the 1 1/2 % penalty, plus interest accrued to date from the proceeds of the certificate of deposit that will mature on April 21, 1991 with the balance of the funds to come from the Districts reserve in COLOTRUST. The motion was seconded by Director Ballagh and passed unanimously.

The Superintendent told the Directors that the District had purchased fifteen more shares of Grand Valley Irrigation Company Stock prior to tonight's meeting but had an arrangement to purchase an additional nine shares on Thursday April 18th. The purchase of all twenty-four shares would bring the total shares of Grand Valley Irrigation Company Stock owned by the Clifton Water District to 1,333. During this discussion the Superintendent relayed the story to the Directors about Jim Dufford who spent approximately an hour visiting with another individual concerning the City/District water case to have GVIC shares changed from irrigation only to domestic and irrigation. The Superintendent went on to say that Dufford was going to charge the City for this time as it was the Manager of Utilities that referred this individual

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to him. Based on this information Director Ballagh requested the Superintendent to develop a schedule of cost for providing information to individuals from District records. This schedule of cost would be subject to annual review to keep in line with changing costs.

Schuster told the Directors that he had visited the Left Hand Water District in Niwot, Colorado and reviewed their software package and stated that he thought it was much cleaner than the software package purchased by Clifton Sanitation District #2 and he would have no problem incorporating this software into the District's procedures. He also stated that in checking with suppliers the cost of doing so would be approximately \$30,000.00. The Directors told the Superintendent to continue to research this matter and report additional information as it becomes available.

The Special Districts Assoc. of Colorado is holding a work shop in Grand Junction on May 14, 1991 at a cost of \$50.00 per person for members. After some discussion it was decided that the District would support Director Garbers attendance at this meeting and instructed the Superintendent to make all arrangements for his registration.

There being no other business the meeting adjourned at 9:30 p.m.

ATTEST:

Martin Garber

George E. Wheeler

John L. Ballagh  
Secretary

Paul E. Bannick

Ralphy - Wm. M. Els

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held May 15, 1991

Present were Chairman Barrick, Vice Chairman Ela, Secretary Ballagh, Treasurer Garber and Director Wheeler. Staff present were Superintendent Schuster, Chief Operator Blount, Lab Director Tooker and Operator Robinson.

Chairman Barrick called the meeting to order at 7:30 p.m. There being no guests present the meeting was turned over to Lab Director Tooker and Operator Robinson. Tooker & Robinson gave a fifty minute slide show and verbal presentation on maximizing the filtration capabilities of plant #2. The presentation was informative.

Director Wheeler moved to approve the minutes of the April 17, 1991 Board of Directors meeting as prepared. The motion was seconded by Director Garber and passed unanimously.

Director Ballagh moved to accept the financial report and pay the accounts payable shown on the report in the amount \$57,857.04 plus a \$35,000.00 transfer of funds from Palisades National Bank to Mesa National Bank; \$150,000.00 from Palisades National Bank to Colotrust; \$35.00 to Colorado Water Congress; \$269.83 to Diamond Shamrock; \$4,138.00 to G & G Paving; \$2,145.62 to Grand Junction Pipe & Supply; \$149.14 to Grand Valley Rural Power; \$15.90 refund to Harry Gardner; \$120.00 to J & J Protective Coatings; \$582.95 to Mountain Aggregate; \$130.99 to Moore Bearing Company; \$287.22 to Two Way Communications; and \$10.00 to Warning Lites. The motion was seconded by Director Garber. After a few questions from the Directors were answered by the Superintendent the motion passed unanimously.

The Directors were reminded that a hearing was set in Denver for Tuesday, July 9th and Wednesday, July 10th to determine the District's penalty for placing the Rock Structure in the River.

In a memorandum dated May 3, 1991 the Superintendent advised the Directors that due to the Department of Health's criteria for evaporative ponds, the cost to construct Rolling Hills Sanitation Company to properly treat sewage with no discharge would be in the neighborhood of approximately \$400,000.00 and recommended to the Directors that the District discontinue the foreclosure proceedings of the Rolling Hills Sanitation Co. He stated the District would be throwing good money after bad in his opinion. The Directors agreed with the Superintendent's recommendation. The Directors also advised the Superintendent to have the item on the agenda for the September 1991 meeting so the Directors could review any information that would come available during the summer months.

Director Ballagh moved to hold a special meeting on May 22, 1991 at 7:00 p.m. at the water office for the express purpose of holding an executive session to discuss the purchase of 55 percent of the shares of the Grand Mesa Reservoir Company with the Whiting Brothers. The motion was seconded by Director Wheeler and after a lengthy discussion passed unanimously. After the motion passed the Directors questioned what kind of yield the District could expect from 55 percent ownership of the Grand Mesa Reservoir Company in changing the water from irrigation use to domestic use and transporting the

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water out of the Kannah Creek Basin into the Colorado River Basin. In addition the Directors questioned how Clifton would accept delivery of the Grand Mesa Reservoir Company water and virtually all agreed it would have to be transported through the City's infrastructure. The Superintendent told the Directors that his best guess is that the yield would be cut approximately 35 to 45 percent in changing the use from irrigation to domestic and considering the shrink in the open ditches on the Mesa.

The Superintendent reported that he had visited with Moses Hermosillo, a representative of the United Bank of Denver, in regards to prior redemption of the 1997 bonds. It was agreed that the District could redeem the 1997 bonds by paying a premium of 1 1/2 percent on August 1, 1991. The Superintendent advised the Directors that arrangements are being made for the prior redemption of the 1997 bonds.

In the April meeting the Directors had requested the Superintendent prepare a schedule cost for providing extraordinary information to individuals from the District records. The Superintendent had recommended to the Directors that they charge \$20.00 per hour for the employees time required to provide documents and information of an extraordinary character to the public. After some discussion Director Ballagh moved to except the Superintendent's recommendation of charging \$20.00 an hour for the employees time involved in finding and providing any extraordinary information plus a reasonable cost for copies. The motion was seconded by Director Ela and passed unanimously.

The Superintendent told the Directors that there was a work shop in Denver on June 4th entitled "Open Meetings and Public Records Conference" that he thought he should attend at a cost of \$85.00. After a short discussion it was decided that the District would be better served to get the information from the Special District Association of Colorado, the Division of Local Government and by studying Senate Bill 33 which changed the Sunshine law in Colorado.

The Superintendent advised the Directors that the District found a bullet hole, approximately 1/2 inch diameter, at the forty-six foot level (forty-six feet off the ground) at the tank north of I-70 and that the hole had been repaired at a cost of \$120.00. In addition the case would be featured on crime stoppers during the period of May 15th thru the 21st.

Director Ela moved to authorize the Superintendent to negotiate the possibility of the District acquiring ownership of the Mantey Heights 3,000,000 gallon tank with the City as long as the cost stayed within approximately \$350,000.00. The motion was seconded by Director Garber and passed unanimously. The Superintendent explained to the Directors that the 3,000,000 gallon tank, even though shorter than the existing 1,000,000 gallon tank north of I-70, would be located on a hill just west of the existing tank at a higher elevation in such a manner that the overflows of both tanks would be the same elevation.

At the Superintendent's request Director Ela moved that a paper shift of \$12,500.00 be made to the 1991 budget. \$11,500.00 of funds coming from the contingency fund would be added to the health line item since there was an error of \$10,000.00 in preparing the budget and an increase in HMO fees of



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\$1,500.00 and an additional \$1,000.00 to be put in the workers compensation line item to cover the increase in rates. The motion was seconded by Director Ballagh. Director Ballagh stated that he felt that it would be best not to make any change at this point but to wait until all changes to the budget are identified and then make all the changes at one time. The Superintendent explained that it was just a paper change and line item changes to the budget did not have to be reported to the Division of Local Government. The motion passed on a vote of three in favor, one nay and one abstention.

Director Ballagh inquired as to the District's intentions for purchasing the balance of the lots across the street in block three of the original plat of the Clifton Town Site. It was a consensus that there is not a need for more land at this time so no action was taken.

Director Garber stated that he thinks the District, one of the largest share holders in the Grand Valley Irrigation Company, should take the position that the irrigation company repair the canal leaks as it was his opinion that leakage of the canal could lead to higher assessments and that the District's position should be relayed on to the Directors of the Grand Valley Irrigation Company. Director Ela stated that he believed in representative government and that if we really wanted to take a position on the canal we should go after a position on the GVIC Broad. After some discussion it was generally agreed that the District's interests were protected by the separation of the two entities and that a Board position would not be actively sought.

There being no other business the meeting adjourned at 10:20 p.m.

ATTEST:

Paul E. Bassick

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John L. Ballagh  
Secretary

Martin Garber

Geary S. Wheeler

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held June 19, 1991

Present were Chairman Barrick, Secretary Ballagh, Treasurer Garber and Director Wheeler. The absence of Director Ela was an excused absence. Staff present were Superintendent Schuster and Chief Operator Blount.

Chairman Barrick called the meeting to order at 7:30 p.m. There were no guests present. Director Garber moved to approve the minutes of the May 15, 1991 meeting. The motion was seconded by Director Wheeler. Director Ballagh stated that he thought that the word "prior" should be removed from the last line of the second paragraph on page 2. The other Directors agreed. With that one correction the minutes were approved as presented.

Director Ballagh moved to accept the financial report and pay the accounts payable shown on the report in the amount of \$72,338.84 plus \$286.10 to U.S. West Communications; \$149.00 to Grand Valley Rural Power Lines; \$6,086.30 to Waterworks Sales Company; \$3,513.20 to Dana Kepner Company; \$25.90 to Overpass Store; \$1,101.01 to Dufford, Waldeck, Milburn, and Krohn; \$322.21 to Diamond Shamrock and a transfer of funds of \$35,000.00 to Mesa National Bank and \$55,000.00 to Colotrust. The motion was seconded by Director Garber and after a 20 minute discussion passed unanimously.

Superintendent Schuster told the Directors that the EPA had asked for a continuance for the hearing for the rock structure in the river and that a new date had not been set. He also requested authorization to negotiate with the EPA on an amount the District will pay for putting the rock structure in the river without a permit. After some discussion Director Garber moved to authorize the Superintendent and the District's council to negotiate with the EPA agency in an amount up to \$10,000.00, provided that the payment of funds up to \$10,000.00 would be satisfaction in full and no other charge is arising out of the rock structure in the river would be brought against the District. The motion was seconded by Director Ballagh and passed unanimously.

The Directors gave their personal opinion on the Whiting Brothers Water with Director Garber stating that he was looking at the potential purchase of the Whiting Brothers Water in a new light and that he is no longer interested in pursuing the matter. After some discussion Director Ballagh moved to table the Whiting Brothers Water until the September meeting. The motion was seconded by Director Wheeler and passed unanimously.

Superintendent Schuster told the Directors that the bid documents had been prepared for moving the Mantey Heights tank to a spot on the desert north of I-70 and that the bid opening would be at 7:30 p.m. on July 17th at the Directors meeting. The Superintendent also told the Directors that he was inside the Mantey Heights tank for the first time and that he saw a need for a new floor. So the bid documents have a Schedule A for using the existing steel plates for the floor and a Schedule B for using new steel plates for the floor. He said that the condition of the existing floor was not that good and for approximately \$17,000.00 the District could have a new floor in the tank. After some discussion Director Ballagh moved to except the purchase agreement between the City and Clifton for the Mantey Heights 3 MG Water Storage Tank. The purchase agreement merely stated the conditions and

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timing that Clifton would remove the Mantey Heights tank from the site even though no money would exchange hands between the two entities. The motion was seconded by Director Garber and passed unanimously.

Superintendent Schuster told the Directors that he had received some correspondence from the United Bank of Denver stating that the 1997 Bonds would be redeemed on August 1, 1991 at 105% of face value. The Superintendent told the Directors that he immediately called the bank and told them that that number was in error that the District was only paying 101.5% of the face value. Later, the Superintendent received additional correspondence from the United Bank of Denver correcting the original error. Director Ballagh stated that he wanted the redemption of the bonds to be on the May and November Directors meeting agenda so that the Directors could determine whether or not they wanted to redeem any other bonds before they are due. The only time the District can redeem bonds out of order, that is redeeming them before they are due, is on the principal and interest payment date of August 1st, of any year and the interest payment date of February 1st, of any year.

The Clifton Water District had not appointed a replacement as an alternate to the Special District Association Property and Liability Insurance Pool since the resignation of Leslie Smith. After some discussion Director Ballagh agreed to be Director Garber's alternate for the Special District Association Insurance Pool.

Superintendent Schuster told the Directors several weeks ago he had received a call from Director Ballagh, who was attending a meeting in Denver, stating that the Colorado Water Conservation Board was studying fish hatchery sites for the endangered species and that the Clifton location was not one of the sites. As a result of Director Ballagh's phone call Superintendent Schuster had contacted the Colorado Water Conservation Board and told the Directors that he had filled out an application for consideration for the site and mailed it to the Colorado Water Conservation Board earlier that day.

Under other old business the Directors inquired as to the work being done to the filters at Plant #2 and thought a writeup on the work that was accomplished should be in the next newsletter. Chief Operator Blount stated that the effluent from the reconstructed filter had shown that the District would pass the particulate testing required by the State Health Department.

Under new business the Superintendent told the Directors that due to the requirements to the 1986 amendments to the Safe Drinking Water Act that the District would need to put Larry Robinson, at present time an operator, in the laboratory full time to assist Dale Tooker. An additional sixty samples and tests would have to be conducted per sample period for lead and copper. The Superintendent asked for authorization to hire an operator to take the place of Larry Robinson. The Superintendent told the Directors that he estimated the cost for the balance of 1991 for the personnel required would be \$6,500.00. After considerable discussion Director Wheeler moved to authorize the Superintendent to hire a new employee and to take the \$6,500.00 required for wage and benefit package out of the contingency fund of the 1991 budget. The motion was seconded by Director Garber and passed unanimously.

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Director Ballagh requested that the matter of storage right, direct flow water right, plan for augmentation, exchange and change of water right, of the city and county of Denver, Summit, Grand, Eagle, Routt, Mesa and Garfield Counties be put on the agenda for the July Meeting so it can be openly discussed around the table to see whether the District wants to continue paying attorneys bills in opposition of said matter in partnership with the City of Grand Junction and the Orchard Mesa District.

There being no further business, the meeting adjourned at 9:00.

ATTEST:

Paul E. Barwick

Martin Garber

John L. Ballagh  
Secretary

George E. Wheeler

Wm M. EG- et al

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held July 17, 1991

Present were Chairman Barrick, Vice Chairman Ela, Secretary Ballagh, and Director Wheeler. The absence of Treasurer Garber was an excused absence. Staff present was Superintendent Schuster. Also in the audience were Mr. and Mrs. Spence, Chuck Eddy, Ruth Hutchins, Ralph Martin, Bill Keith and Bill Keith's son.

At 7:30 p.m. the Superintendent/Engineer called the time for receiving bids for the relocation of the Mantey Heights 3 MG water storage tank closed. Chairman Barrick opened the meeting and gave the floor to the Superintendent/Engineer so he could open the three bids for the relocation of the Mantey Heights Tank. The bid from Eidson Steel Products Inc. of Albuquerque, New Mexico was \$466,520.00 for Schedule A and \$492,460.00 for Schedule B (Schedule A was using the existing floor plates, Schedule B was for using a new floor plates). This contractor also required forty (40) calendar days to remove the tank from it's present site after receiving the "Notice to Proceed" and one hundred fifty (150) calendar days for the completion of the project. Advance Tank and Construction Company of Wellington, Colorado bid \$394,510.00 for Schedule A and \$422,510.00 for Schedule B and required sixty (60) calendar days to remove the tank from it's present site and a total of one hundred eighty (180) calendar days for the completion of the project. D & R Tank Company from Albuquerque, New Mexico bid \$296,251.00 for Schedule A and \$338,820.00 for Schedule B and required fifty five (55) calendar days to remove the tank from it's present site and a total of one hundred fifty (150) calendar days to complete the project. The Engineer's estimate was \$350,000.00 for Schedule A and \$376,000.00 for Schedule B. After some discussion Director Ela moved to accept Schedule B and make the award to D & R Tank Company of Albuquerque, New Mexico provided that the Superintendent/Engineer's investigation of the D & R Tank Company's capability to perform the work in accordance with the specifications was positive. The motion was seconded by Director Ballagh and passed unanimously.

Bill Keith, the owner/operator of J & J Protective Coating of Clifton stated that he thought D & R Tank Company was a reputable company and would have no trouble passing the investigation of the Superintendent/Engineer.

Director Barrick gave the floor to Mr. & Mrs. Spence, Chuck Eddy and Ruth Hutchins. Mr. & Mrs. Spence and Chuck Eddy asked the Directors to support the Board of Directors of the Grand Valley Irrigation Co. (GVICo) in their quest to amend the GVICo Articles of Incorporation to allow the company to enter into contracts with the United States of America and undertake salinity control measures. Ruth Hutchins, representing Six Plus Farms of the Fruita area, asked the Directors to not support the GVICo Board of Directors. The discussions lasted for fifty minutes. At the end of the discussion the Directors were polled to see who could attend the GVICo meeting at 1:00 on Saturday, July 20, 1991. Director Barrick was the only Director that knew 100% that he could attend. Director Ela said that he may attend. Chairman

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Barrick asked the Superintendent to be in attendance with him at the GVICO special meeting. No decision was made on whether Clifton Water District would support the GVICO Board.

Ralph Martin was in attendance to request relief on a \$1.00 penalty he received at 3065 E 1/2 Road and 554 Grand Valley Drive (08-985-000 and 08-611-000 respectively). During a five minute discussion it was revealed that possibly a \$1.00 penalty could have been avoided had the Martin's not been out of town at the time. Director Ela moved to relieve the \$1.00 penalty on both accounts if the Superintendent's check of the records show that Mr. Martin had a good track record as far as paying his water bills on time. The motion was seconded by Director Wheeler and passed unanimously.

Director Ballagh moved to accept the minutes of the June 19, 1991 minutes with the correct spelling of "counsel" (was spelled "council") and "accept" (was spelled "except") on page one of the minutes. The motion was seconded by Director Ela and passed unanimously.

Director Ela moved to accept the financial report and pay the accounts payable shown on the report in the amount of \$45,227.40 plus \$250.62 to Diamond Shamrock; \$231.00 to Rollins Burdick Hunter Management; \$493.90 to VWR Scientific; \$311.40 to Moore Business Forms; \$15.94 Public Service Company; \$145.58 to Grand Valley Rural Power Lines; \$100.00 to Mesa County Engineering and a \$35,000.00 transfer of funds from Palisades National Bank to Mesa National Bank. The motion was seconded by Director Wheeler and after a thirty minute discussion passed unanimously.

The Superintendent told the Directors that the Judge has allowed the EPA a continuance on the June 11th and 12th court dates but that a new date, as yet, had not been set.

There was a twenty minute discussion on Denver's water augmentation plan. The result of the discussion was to question the legitimacy of paying fees for a new attorney to acquaint herself with the case.

The Superintendent told the Directors that the District required permission from five different property owners to gain access to the new tank site north of I-70. The Superintendent explained that even though access was available across Mesa County Road rights-of-way (31 Road, 32 Road, and G Road) that the topography was such that he would rather traverse through private property. The Superintendent recommended that the Directors allow these property owners to purchase out-of-district taps at in-district rates (at the present Plant Investment Fee, this would be a \$750.00 value) for the property owners and that these taps would be standard residential 3/4" taps and used on the property (could not be moved to another location). After a short discussion Director Wheeler moved to accept the Superintendent's recommendation. Director Ballagh seconded the motion. Director Ela abstained from both the discussion and the vote as he stated he was socially acquainted with one of the property owners. The motion passed without opposition. The Superintendent also told the Directors that Mesa County had acquired the site from the previous owner's failure to pay the property taxes and that Mesa County would have to accept bids on the property if it were to be sold. Instead Mesa County was willing to grant Clifton an exclusive easement in use of the property and allow the cost of the easement, along with the cost of all improvements to be credited to the purchase price should the District

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decide to buy the property at some later date. The easement would not include the rights-of-way of 32 Road and G Road and the small piece of property south of the I-70 right-of-way. The cost of the easement would be \$500.00 per acre (a thirty acre easement = \$15,000).

The Superintendent asked the Directors if they would be willing to enter the City/Ute law suit as a friend to the City. The general consensus of the Directors was that they wish to remain neutral.

There was a fifteen minute discussion on the pros and cons of casting a yes or no vote on the proposal to amend the Articles of Incorporation of the GVICo. Directors Barrick, Ela and Superintendent Schuster were given no direction on how to cast the District vote at the July 20, 1991 meeting. They are to listen to arguments of both sides and to make up our minds at the time the vote is cast.

The Superintendent told the Directors that he had traded the availability of service charge on a piece of property for two shares of GVICo stock bringing the total number of shares the District owns to 1,340.

After a short discussion Director Ballagh moved to accept the attorneys recommendation in amending the water usage fee policy by changing paragraphs 5.2 and 6.8 and inserting paragraphs 5.4 and 12.9. The motion was seconded by Director Wheeler and passed unanimously.

There being no other business the meeting adjourned at 10:15 p.m.

ATTEST:

John L. Ballagh  
Secretary

Paul G. Barrick

Wm. M. Ela

Martin Garber

George E. Wheeler

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held August 21, 1991

Present were Chairman Barrick, Vice Chairman Ela, Secretary Ballagh, Treasurer Garber and Director Wheeler. Superintendent Schuster and Chief Operator Blount were also present. Elsa Beauregard (service address: 481 Sheldon; , account number 07-779-000) was also present.

**GUESTS:** Director Barrick called the meeting to order promptly at 7:30 p.m. and turned the floor over to Mrs. Beauregard. Mrs. Beauregard reported that she was ill in June and had surgery in July and had misplaced a water bill. When she returned home from surgery she had a second water bill with a \$1.00 penalty for lack of payment of the previous water bill. She paid the two water bills with one check disregarding the \$1.00 penalty and received a \$1.00 penalty on the next months water bill. She ask the Directors to give her relief from paying those penalties as it was not her fault that she was ill and in surgery and misplaced the bill. After a twenty minute discussion Director Garber moved to credit her account for one dollar for one of the penalty charges stating that he did not feel it right for the District to forgive the one dollar penalty while she was ill as many of our customers are ill but the bills still become due and he did not accept that as an excuse. He did think the District should forgive the second one dollar penalty as the timing was such that Mrs. Beauregard could not approach the Directors concerning the previous one dollar penalty. The motion was seconded by Director Ela stating that he accepted her statements on good faith that she was indeed ill but not because the District had a bad policy. After a short discussion the motion passed unanimously.

**MINUTES:** Director Ballagh moved to approve the minutes of the July 17, 1991 meeting as presented. The motion was seconded by Director Wheeler and passed unanimously.

**FINANCIAL REPORT, ETC.:** Director Ballagh moved to accept the financial report and pay the accounts payable as shown on the report in the amount of \$61,772.37 plus the payments shown on the supplemental payables in the amount of \$117,589.55. The motion was seconded by Director Garber. Director Ela questioned the 337,409 miles on the Superintendents report for 1990. Superintendent Schuster told them it was a typographical error that the mileage should actually be 37,409 miles. Director Garber questioned the payment to Ben Dowd Excavating in an amount in excess of the \$25,000.00 statutory limit. Superintendent Schuster explained that it was for more than one project and that he didn't think that Ben Dowd Excavating has done any project in excess of \$25,000.00 even counting the cost of materials. Director Garber said that we should keep a handle on this and make sure we are staying within the statutory limit for projects that are not bid. The general consensus of the Directors was that they had no problem accepting bids on hourly rates for equipment, machinery and labor at the beginning of each year for use in the District. Superintendent Schuster was instructed to calculate the total amount of the construction of D Road for 1991 and to review Ben Dowd Excavating statements in the past to see if any project has exceeded \$25,000.00.

Director Ballagh questioned why the District was paying 34¢ a mile to Directors and employees who use their private vehicles in the pursuit of District business since the IRS allows something less than that amount. Superintendent Schuster stated that it was by a motion passed at a previous meeting that Directors and employees be allowed 34¢ a mile when using their



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own vehicle for District business. The Superintendent also stated that Attorney Bechtel, after reviewing the minutes where the 34¢ a mile was approved, told the District that payment for mileage in excess of the IRS amount could be subject to income tax.

Director Garber questioned the length of time the 8 inch and 10 inch pipes had been in service that was listed in the Superintendent's report under repairs. The Superintendent told the Directors that these pipes were part of the original construction in the late 1950s. After a forty five minute discussion the motion passed unanimously.

**ROCK STRUCTURE:** Superintendent Schuster told the Directors that the hearing in Denver for the rock structure in the river was set for the week of September 23rd but the day was not known, and according to Attorney Bechtel would not be known until Friday, August 23rd. There followed a 35 minute discussion concerning the pros and cons of going to a hearing with the EPA or settling out of court. The Directors finally settled on having a meeting with Attorney Bechtel where she could provide counsel and her opinion on what the District should do. In a telephone call to Attorney Bechtel's home, the Superintendent was told that Attorney Bechtel was at a meeting and was not available.

**MANTEY HEIGHTS TANK:** Superintendent Schuster gave the Directors a three-part report on the Mantey Heights tank: 1) the dismantling of the tank was 99% complete; 2) the District was graveling the 31 Road and G Road alignment north of I-70 for access to the tank - the extraordinary traffic had pulverized the natural dirt base and was unsatisfactory as a traveling surface; 3) he concluded his report by reading aloud an easement agreement between the District and Mesa County and a letter from Attorney Krohn. After hearing the Superintendent's report on the Mantey Heights tank, the Directors asked several questions which the Superintendent could not answer. The Superintendent called the home of Attorney Krohn to obtain the answers. Attorney Krohn said he did not know the answers but that he could obtain them first thing in the morning and advise the District at that time. Director Ballagh stated that until the right-of-way on 31 Road and G Road alignment north of I-70 was opened by Mesa County, he would oppose signing the easement agreement with Mesa County.

**GVIC:** Director Barrick and Superintendent Schuster gave a short report on the special meeting of the Grand Valley Irrigation Company held Saturday, July 20, 1991. The wishes of the Board of Directors of the Grand Valley Irrigation Company did not prevail at that meeting.

**OTHER OLD BUSINESS:** Under other old business Director Garber stated that he thought it would be the courteous thing to do for the District to send the Whitings a letter thanking them for coming to the special meeting where the purchase of the Whitings Brothers shares of the Grand Mesa Reservoir Company was discussed. The letter was also to tell them that they were asking too much money for the amount of water that the District would receive. The letter was also to state that the District may consider the purchase of the water if the Whitings would lower their purchase price to \$1,000.00 per acre foot of water that the District would actually receive after changing the use from irrigation to domestic in the water courts. Director Garber went on to state that the letter be signed by Chairman Barrick rather than Superintendent Schuster. It was the general consensus of the Directors that

this letter be sent.

**DISBURSEMENT OF FUNDS:** Director Ballagh requested that the Directors be notified of the disbursement of all District funds. This notification can be in one of several ways: 1) shown on the accounts payable that is circulated in the packet delivered to the Directors prior to the Board meeting; 2) in the meeting agenda as been the case in the past; 3) on a supplemental accounts payable; 4) or some other method such as on the cash flow report. It was the general consensus of the Directors that all checks written that did not appear on a financial statement of some sort be included in the cash flow report which is given to the Directors prior to each meeting.

**SDA CONFERENCE:** Directors Garber, Wheeler, Ballagh and Barrick expressed their intentions to attend the 15th annual Special District Association Colorado Conference in Vail on September 18th thru the 21st. Director Garber's registration had already been sent but that Directors Wheeler, Barrick and Ballagh would contact Office Manager Weaver to have their registrations filled out.

**OUT-OF-DISTRICT TAP:** The Trap Shoot Club on Orchard Mesa East of Plant #1 had asked the Directors for an out-of-district tap. After a short discussion Director Ballagh moved to approve the out-of-district tap provided that the Trap Shoot Club be advised that it is their responsibility to provide for pressure, that they be given a copy of the District's policy on multiple taps and that a back up name be provided for billing purposes. The motion was seconded by Director Garber and passed unanimously.

**1992 BUDGET:** Director Ela moved to appoint Superintendent Schuster to prepare the 1992 budget in accordance with C. R. S. 29-1-104. The motion was seconded by Director Wheeler and passed unanimously.

**CWQCC:** Director Ela gave a short report on The Water Quality Control Commission's Tour of The Northern Colorado Water Conservation District's Big Thompson Project Facilities. Director Ela stated that he is sure that they intend to divert more water from the Western Slope for their project.

**CHANGE MEETING DATE:** Director Garber moved to change the September Board meeting to Monday, September 16th, 1991 due to a conflict with the Special District Association Colorado Annual Conference in Vail. The motion was seconded by Director Wheeler and passed unanimously.

**ADJOURN:** There being no other new business Chairman Barrick adjourned the meeting at 10:30 p.m.

ATTEST:

John L. Ballagh  
Secretary

M. Ela

Paul E. Barrick

Wayne E. Wheeler

Martin Garber

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held September 16, 1991

Present were Chairman Barrick, Vice Chairman Ela, Secretary Ballagh, Treasurer Garber and Director Wheeler. Superintendent Schuster and Chief Operator Blount were also present. In addition to the Board members and staff Attorney Bechtel was also present.

**OPENING REMARKS:** Director Barrick called the meeting to order at 7:30 p.m. Superintendent Schuster stated that the change of date of the regular meeting had been posted in three public places within the District and in the Mesa County Court House. The three places within the District were the offices of the Clifton Water District, Clifton Sanitation District #2 and the Clifton Fire Protection District.

**ATTORNEY BECHTEL'S REMARKS:** The meeting was then turned over to Attorney Bechtel to describe the results of her research of Administrative Law Judge's (A.L.J.) opinions at the EPA to provide the Directors with some recommendations on how to proceed with the penalty hearing scheduled at the office of the EPA in Denver on September 23, 1991. Betty explained that the A.L.J.'s decisions were given to John Schearer, Regional Administrator for EPA Regional District VIII for a final blessing. Betty took an hour and five minutes to explain the penalties were based on the benefit to the defendant, the gravity of the offense and the good faith the defendant shows the EPA in rectifying the offense. The history of the violations and the evidence of economic hardship also enter into the A.L.J.'s decision. Basically, Betty concluded that the best chance the District had of lessening the penalty below the EPA's \$20,000.00 settlement offer was to argue that it was only one offense and a class I offense bares a penalty of only \$10,000.00 per offense with a maximum of \$25,000.00. Betty stated that this issue may have to be appealed to the U. S. District Court. After hearing Betty's dissertation, Director Ballagh moved to pay the \$20,000.00 suggested by the EPA and forgo the September 23rd hearing. The motion was seconded by Director Wheeler and after a ten minute discussion the motion passed unanimously.

**MINUTES:** Director Garber moved to approve the minutes of the August 21, 1991 meeting as submitted. The motion was seconded by Director Wheeler. Director Garber stated that he liked the new format of the minutes where the topic was highlighted and underlined. He stated that it makes the subject easier to find in researching the minutes. After a short discussion the motion to approve the minutes passed unanimously.

**FINANCIAL REPORT, ETC:** Director Ballagh moved to accept the financial report and pay the accounts payable shown on the report in the amount of \$47,906.85 plus the payments shown on the supplemental payments in the amount of \$24,812.12. The motion was seconded by Director Garber and after a ten minute discussion the motion passed unanimously.

**MANTEY HEIGHTS TANK:** Superintendent Schuster told the Directors that the Mantey Heights Tank project was moving along in accordance with schedule. Superintendent Schuster also advised the Directors that the contractor had left the project in favor of a smaller project but would return sometime around September 25th to complete the project. The Superintendent told the Directors that anodes had been placed under the base of the tank for the purpose of cathodically protecting the bare steel bottom of the tank. He went on to state that other anodes would be installed inside the tank to protect the surfaces that come in contact with the water.

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**WHITING BROTHERS WATER:** Director Ela moved to untable the discussion that was being held on the Whiting Brothers water. The motion was seconded by Director Garber and passed unanimously.

A letter had been prepared for the signature of Chairman Barrick and sent to the Whiting Brothers stating the value of the Whiting Brothers water as determined by the District and suggesting that if the Whiting Brothers thought that this was a fair price the District would be open to more negotiations. Since there had been no response to the letter Director Ela moved to again table the discussion for a period of three months. Director Garber seconded the motion. The motion passed unanimously.

**EQUIPMENT & LABOR BIDS:** In accordance with the wishes of the Directors at the August 1991 meeting, solicitations for bids had been sent to contractors shown in the yellow pages under excavators for equipment and labor rates for 1992. Ben Dowd Excavating was the only contractor to respond. The Superintendent opened Ben Dowd Excavation's bid and read aloud the equipment and labor items for which bids were solicited. After a short discussion Director Ela moved to accept the bid of Ben Dowd Excavating for 1992. The motion was seconded by Director Wheeler and passed unanimously.

**1992 BUDGET:** The Superintendent had prepared a preliminary budget for fiscal year 1992 which had been presented to the Directors in their packet prior to the meeting. During the discussion, the addition of funds to cover the reconstruction of the rock structure in the River, the building on the lots just east of the Water Office, additional maintenance for Plant #2 and the possibility of retiring 1996 bonds were added to the preliminary budget. The Superintendent was instructed to have the preliminary budget available for the special meeting which is scheduled for September 25th.

**SDA OF COLORADO:** Directors Barrick, Ballagh, Garber and Wheeler are scheduled to attend the 1991 Special District Conference in Vail, Colorado the latter part of the week of September 16th. For the last two years the Directors have scheduled a meeting on the first Wednesday following the SDA Conference to exchange ideas gleaned from the Conference. This special meeting was scheduled for September 25, 1991 at 7:30 p.m. at the office of the Water District.

**GEORGE WARREN FULLER AWARD:** Superintendent Schuster told the Directors that thanks to their support that he was awarded the George Warren Fuller Award at the Rocky Mountain Section of the American Waterworks Association Meeting in Jackson, Wyoming the week previous. The George Warren Fuller Award is the highest award the Section can bestow on any of its members. The Award is an International Award which will be presented at the American Waterworks Association meeting in Vancouver, British Columbia in June of 1992.

**DOMINGUEZ PROJECT:** Director Garber had attended a meeting on the Dominguez Project in which The Western States Water and Power, Inc. had made a presentation requesting the reservation of a certain volume of water in the Dominguez Reservoir by the various water users in the Grand Valley. The reservation of a certain volume of water was not a commitment, but rather an estimate of future water needs. The Directors deferred any decision until the special meeting of September 25th.

**33½ ROAD PROPERTY:** Director Ballagh stated that L. Duffy had sold some

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property to Bill Frame in the vicinity of 33 1/2 Road and he was concerned that Mr. Frame not engage in activities on Clifton Water District property where the treatment plant is now situated. The Chief Operator was instructed to be alert to this possibility and report any problems to the Superintendent.

**REVIEW SUPERINTENDENT'S PERFORMANCE:** After Superintendent Schuster gave a presentation to the Board concerning his performance and the direction he saw the District moving, he was excused. During the discussion which followed, Director Ballagh stated that the Grand Junction Drainage District was looking for an engineer and the going rate was from \$40k to \$60k per year. Director Ela moved to raise Superintendent Schuster's annual salary to \$60,000. The motion was seconded by Director Wheeler and passed unanimously.

**DIRECTORS FEES:** Director Garber moved to raise the Directors fees to \$50.00 per meeting. The motion was seconded by Director Wheeler and passed on a vote of 3 to 1 with Director Ela dissenting.

There being no further business, the meeting was adjourned.

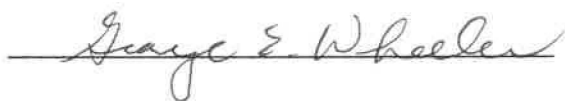
ATTEST:

  
Secretary









MINUTES OF SPECIAL MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held September 25, 1991

Present were Chairman Barrick, Vice Chairman Ela, Secretary Ballagh, Treasurer Garber and Director Wheeler. Superintendent Schuster was also present.

**OPENING REMARKS:** Director Barrick called the meeting to order at 7:30 p.m. Superintendent Schuster stated that the notice of the special meeting was posted at the Mesa County Courthouse, the offices of the Clifton Water District, Clifton Sanitation District #2 and the Clifton Fire Protection District.

**DEBRIEFING OF SDA OF COLORADO CONFERENCE:** Directors Garber, Wheeler, Ballagh and Barrick outlined the high points of the recent Special District's of Colorado conference in Vail. Mr. Garber started out the discussion by saying it was the best conference yet. All agreed the Key Note speakers were great. The discussion included the following remarks: the limit of two terms for political office is good for Colorado - a two thirds vote is required to go into executive session - executive sessions are limited to personnel problems or lawyer/client confidentiality - person discussed in executive session may declare the meeting open - Directors can meet via a telephone conference call - a Director may only abstain from voting when there is a conflict of interest - budget and budget change is by resolution only - all funds must be appropriated before they are spent - Directors can be notified of a special meeting by personal contact or first class mail - personnel reports are confidential - all work or purchases over \$25,000 must be bid - all projects over \$50,000 must be bonded - for 1992 a "budget message" must accompany the budget [CRS29-1-103 1e - (Editor's Note: this is not new)] - SDA Insurance pool is doing great, 10 out of 11 points used in judging insurance companies are above average and 11th point can't be determined as growth is too fast to make determination at this time - public education is a tool that can be used by special districts for P.R. - public confidence in public official is important, presently public opinion in public officials is going down - use the KISS method in newsletter (KISS = Keep It Simple, Stupid), use graphs, pictures, etc., in newsletters - make sure there are environmental audits before purchasing property - negligent hiring is as bad as negligent retention - an employee handbook (personnel manual) is a must - there may be liability for an employee who steps beyond his authority - worker's comp, risk management, water conservation were also discussed - water service cannot be terminated without allowing the party to be disconnected an opportunity of a hearing - Hearing Officer must be neutral and detached and find that the bill is correctly calculated and is delinquent - the District should consider a scheduled computer replacement - the budget must separate exempt employees (exempt from receiving overtime) salaries, exempt employees salaries and hourly wage employees - personnel manuals should, in bold print, state "Employment is at will" - the water district should have an inter-governmental agreement with CSD#1 in order to collect their sewer payments - for some districts there is a requirement to report bonded indebtedness - a new adversary in Colorado water has developed, it is no longer just between drainage areas like East Slope/West Slope, the ski areas have entered the picture as wanting water - the discussion lasted 2 hours and 40 minutes.

**BUDGET:** The Directors took a cursory look at the September 19th revision of the budget and suggested adding \$30,000 for office equipment, \$10,000 to Plant #2 construction and something extra for land & buildings should the

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District build a new office across the street and convert the existing office into a shop and garage.

**EPA FINE:** Superintendent Schuster suggested writing a letter to John Scherer, Director of EPA Region VIII, asking for relief from the \$20,000 fine since there was only one offense for which the fine is set at \$10,000 max. The Directors told the Superintendent to get with Attorney Bechtel for procedure and to send them copies of the first draft for review.

**WESTERN STATES WATER & POWER, Inc.:** The "Agency Agreement" between the District and Western States Water & Power, Inc., which was passed out at the September 16th meeting was greeted by some skepticism by Mr. Ela. Mr. Ela thought it needed more study. Mr. Ela moved to defer any action on the agency agreement until the October 16, 1991 meeting. The motion was seconded by Mr. Ballagh. After a 15 minute discussion, Mr. Ela withdrew the motion with the concurrence of Mr. Ballagh. After another 15 minute discussion Mr. Garber moved to request up to 1,000 acre feet from the Dominquez project with the request to be reviewed every August for the purpose of giving a 30 day notice to withdraw the request. The motion was seconded by Mr. Ballagh. The motion passed on a vote of 3 to 1 with Mr. Ela casting the negative vote.

**GREEN MOUNTAIN RESERVOIR:** The September 13th letter from Linda White along with other material had been submitted to the Directors for their review. Action was deferred until the October 16th meeting.

**MANTEY HEIGHTS RESERVOIR PROJECT:** Mr. Schuster told the Directors that the Mantey Height project had been delayed due to slow delivery of the steel plates for the new tank floor. Mr. Schuster was instructed to get a letter from the City agreeing to an extension of time to remove the tank from the site and to write a letter to the Contractor telling him that construction time was not being added due to the slow delivery and to get the site vacated of material as soon as practical.

**FIVE-YEAR PLAN:** The Directors were given a copy of the 5-year plan for their review. Mr. Schuster made notes on all comments.

**EXTRA FUNDS FOR RETIREMENT IN LIEU OF SICK LEAVE:** Mr. Schuster told the Directors that there was a problem with the IRS and Mutual of Omaha accepting the contribution to the employees' retirement fund for sick leave in excess of 360 hours. Mr. Schuster was told to implement the plan to the satisfaction of both the IRS and Mutual of Omaha.

There being no further business, the meeting was adjourned at 11:53 p.m.

ATTEST:

Wm. M. Ela

Paul E. Barwick

John L. Ballagh  
Secretary

Martin Garber

Ray E. Wheeler

MINUTES OF MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held October 16, 1991

Present were Chairman Barrick, Vice Chairman Ela, Secretary Ballagh, Treasurer Garber and Director Wheeler. Superintendent Schuster and Chief Operator Blount were also present. In addition, Carl Zimmerman, Colorado Soil Conservation Board; Rick Schneider and Steve Rocha, teachers at Mt. Garfield Middle School, were present.

**Outdoor Classroom** Director Barrick called the meeting to order at 7:30 p.m. and turned the meeting over to the three guests. Carl, Rick and Steve presented a slide and verbal explanation of what the students from Mt. Garfield Middle School had accomplished on the ground at Plant #2 and what they hoped they would accomplish in the future. Grant money required for future accomplishments could be obtained if the School had some agreement with the District. It was the consensus of the Directors to have Mt. Garfield Middle School present such an agreement to the District for review.

**Minutes** Director Garber moved to accept the minutes of the regular meeting held September 16th and the special meeting held September 25th. The motion was seconded by Director Wheeler and passed unanimously.

**Financial Report and Accounts Payable** Director Garber moved to accept the financial report and pay the accounts payable as shown on the report in the amount of \$67,303.43 and the new payables in the amount of \$17,401.59. The motion was seconded by Director Wheeler and after a 25 minute discussion, passed without opposition.

**E.P.A. Assessment Penalty** During the September 25th special meeting, Superintendent Schuster suggested writing a letter to John Scherer, Regional Director EPA Region VIII, requesting his review of the \$20,000 fine versus a \$10,000 fine. Attorney Bechtel thought this would be counter productive, but at Schuster's insistence composed a letter which asked EPA's council to review the Hanson case and then review the amount of the fine. Director Ela stated that Attorney Bechtel's original thoughts on the matter were proper. The District had already agreed to pay \$20,000 and to stall at this point may prompt EPA to reassess the case and hit the District with a Class II penalty. It was agreed that Attorney Bechtel's opposition to three of the paragraphs in the new Consent Agreement and Order were in order, but any request for a reassessment of the \$20,000 penalty be via telephone and not in writing.

**Mantey Heights Tank** Superintendent Schuster told the Directors that the Mantey Heights tank was completely disassembled and moved to the new site north of I-70 and that D & R Tank would have a crew on the job October 21st to start to reassemble the tank and would put a second crew on site just as soon as the first crew was comfortable in the surroundings.

**BUDGET:** The Directors discussed the October 8th revision of the 1992 budget in detail. After one hour of discussion, Director Ela moved to publish notice that the 1992 budget is open for public inspection and that the Directors will consider adoption of same at the regular meeting of the Board scheduled for November 20, 1991. The motion was seconded by Director Ballagh and passed unanimously.

**SDA of Mesa County Dinner** The Clifton Water District will send eight persons to the SDA of Mesa County dinner scheduled for November 7, 1991.



**Retirement Plan** Superintendent Schuster told the Directors that he was disappointed with the way United of Omaha was handling the Employees' retirement plan. As of this date the Company has not responded to the Superintendent's numerous inquiries to what appears to be some accounting errors. These errors were discovered and first brought to the attention of the Company's local representative in June, 1991.

**Injury to Wisenstine** Superintendent Schuster told the Directors that John Wisenstine's daughter-in-law had reported an injury to the District (John Wisenstine is the owner of Mt. Garfield Laundry). The injury was from falling into a meter pit at Mt. Garfield Laundry on Second Street. It was reported that the outer meter pit lid was damaged and not properly set on the meter pit cover and that there was no inner lid. Pictures taken by the Wisenstine's and sent to the District's insurance company carrier showed no damage to the outer lid and showed the inner lid was present when the pictures were taken. There were no signs of blood in or near the meter pit which would be expected from a wound that required more than 100 stitches to close. The matter is in the hands of the District's insurance carrier.

**Sherrick Harmon** Superintendent Schuster reported that Sherrick Harmon, 3275½ Lorene, Account #13-189-002, was letting the \$1.00 late charge accumulate. Mr. Harmon told the District that he did not receive a water bill and therefore is not subject to the late charge. A few years ago, Mr. Harmon was successful in getting some late charges removed in small claims court. Schuster stated that he was ill prepared to defend the District's cause at the time but will be prepared should Mr. Harmon seek relief in small claims court again.

**Turkey** Director Ela moved to continue the District's tradition of providing a turkey for the Directors and employees for Thanksgiving or Christmas. The motion was seconded by Director Garber and passed unanimously.

**Computer** Superintendent Schuster requested the Directors authorize the purchase of a laser printer that would be compatible with both IBM clones and the District's Apple. Director Barrick asked the matter to be set aside until a committee, consisting of himself, Ballagh and Wheeler, study the District's computer requirements. Director Ballagh so moved, seconded by Director Garber and passed unanimously.

**Free Water From Ute** Mr. Schuster read aloud a letter from Lawrence Aubert, Manager of the Ute Water Conservancy District, stating that there would be no charge for the 2 million gallons of water Clifton received from Ute on August 28th and 29th. The reason for no charge was because the water was used in an emergency situation and Clifton was within Ute's District. The Superintendent was instructed to write Ute a "thank you" letter.

**CSD Engagement Letter** An engagement letter from the accounting firm of Chadwick, Steinkirchner, Davis & Co. was presented to the Board. Director Wheeler moved to accept the terms of the letter, second by Director Ballagh and approved without opposition.

**EMS Radio** Director Barrick asked the District to consider placement of a base radio station at Plant #1 for use by the Mesa County EMS Volunteers, Inc. After a short discussion, Director Ela moved to allow the radio station

at Plant #1 at a cost of \$1.00 per year and with a five-year review of the radio station location, provided that the agreement held the District harmless from expenses and liability. The motion was seconded by Director Ballagh and passed unanimously.

**Note** Director Ela stated he would not be present at the November Board meeting. The other Directors agreed his absence would be an excused absence. Director Barrick excused himself from the meeting at 10:30 p.m. to tend to another pressing matter. Director Ela took over as Chair.

**Vacation** Superintendent Schuster asked the Directors to consider adding a day of vacation per year to the paid vacation time for employees who had completed 15 continuous years of employment with the District with a 20 day maximum. Director Wheeler moved to table consideration for a period of one year. The motion was seconded by Director Ballagh and passed unanimously.

**West Tank** Director Ballagh stated that Mantey Heights Tank was a misnomer now that the tank had been removed from the Mantey Heights area and moved to name the tank "West Tank". The motion was seconded by Director Garber and passed unanimously. Director Ela inquired as to what was going on when he saw two people on top of the north tank. Superintendent Schuster and Chief Operator Blount knew nothing about anybody being authorized to be on top of the tank and stated they would inspect the tank the next day to see if there was any evidence of unauthorized access to the north tank.

**Office Floor Plan** A proposed floor plan of the new office was presented to the Directors. They were told that, with the exception of framing, the estimated cost of the building was \$37,000. There was a total of \$55,000 in the 1992 budget for building the new office as well as remodeling the existing office into a garage and shop. The Directors wanted to study the floor plan and agreed to take action at the November meeting.

There being no further business, the meeting was adjourned at 10:58 p.m.

ATTEST:

  
Secretary







MINUTES OF MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held November 20, 1991

Present were Chairman Barrick, Secretary Ballagh, Treasurer Garber and Director Wheeler. Superintendent Schuster and Chief Operator Blount were also present. In addition, Ruth Hutchins was present. The absence of Director Ela was an excused absence.

**Ruth Hutchins' Request** Director Barrick called the meeting to order at 7:30 p.m. and turned the meeting over to Ruth Hutchins. Mrs. Hutchins talked to the Directors for about ten minutes. Her message was for the Directors to attend the Annual meeting of the Grand Valley Irrigation Company (GVICo) on December 7, 1991 and support Jim Grisier's position on GVICo's 1992 budget. Mrs. Hutchins was concerned that the GVICo's proposed 1992 budget was out of line and the 1992 assessments were too high. Mrs. Hutchins' request was treated with respect but the Directors made no commitment to support her request.

**Minutes** Director Wheeler moved to accept the minutes of the regular meeting of October 16, 1991. The motion was seconded by Director Ballagh and passed unanimously.

**Financial Report and Accounts Payable** Director Ballagh moved to accept the financial report and pay the accounts payable as shown on the report in the amount of \$54,571.24 and the new payables in the amount of \$77,685.81. The Superintendent explained that there was a payment of \$50.00 to "Xeriscape Colorado!" in the accounts payable that the Directors may wish to withdraw and consider separately. After the Superintendent explained what "Xeriscape Colorado!" was all about, the Directors agreed the District should become a member. The motion was seconded by Director Wheeler and after a 15 minute discussion, passed without opposition.

**E.P.A. Assessment Penalty** Superintendent Schuster told the Directors that the changes to Attorney Bechtel's changes to the paragraphs in the new Consent Agreement and Order were accepted by the EPA.

**West Tank Report** Superintendent Schuster told the Directors that the construction on the West tank was about 60% completed, thirty feet of the forty foot high shell was in place. He also reported to the Directors about the recent robbery of about \$5,000 worth of the Contractors tools from the job site.

**BUDGET:** Director Ballagh moved to accept the following resolution:

WHEREAS, the DIRECTORS have adopted the annual budget for 1992 in accordance with the Local Government Budget Law, on the 20th day of November, 1991, and;

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

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

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

stated below:

ESTIMATED EXPENDITURES:

General Expenses	\$ 456,400
Wages & Benefits	
Exempt Personnel	159,080
Non-Exempt Personnel	276,335
Hourly Personnel	49,605
Operating Expenses	129,000
Office Expenses	63,200
Plant #2 Expenses, less Wage & Benefits	182,650
Bond Principal	315,000
Bond Interest	73,325
Contingency	30,000
<u>TOTAL ESTIMATED EXPENDITURES</u>	<u>\$ 1,734,595</u>

ESTIMATED REVENUES:

Sale of Water	\$ 1,183,700
Sanitation District	9,000
City of Grand Junction	75,000
Penalty & Turn Fees	35,000
Plant Investment Fees	22,500
Availability of Service Fee	3,600
Interest	144,000
Property Taxes	0
Miscellaneous	5,000
<u>TOTAL ESTIMATED REVENUE</u>	<u>\$ 1,477,800</u>
From Reserves	256,795
<u>TOTAL FUNDS AVAILABLE</u>	<u>\$ 1,734,595</u>

IT IS FURTHER RESOLVED, that there is appropriated from the funds of the DISTRICT, One Million, Seven Hundred Thirty Four Thousand, Five Hundred Ninety Five Dollars (\$1,734,595) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 1992 or thereafter.

The motion was seconded by Director Garber and after discussing the budget in detail for about 25 minutes, passed unanimously.

**Floor Plan of New Office** Since the Mesa County Commissioners had been approached to acquire more parking area for the Clifton Community Center, the Directors thought it was premature to consider the construction of a new office at this time. The location of the present office would make a good area for parking for the Clifton Community Center.

**SDA of Mesa County Dinner** The format for the SDA of Mesa County dinner was considered a success.

**Heather Wisenstine's Suit** The Superintendent advised the Directors that the attorney for Heather Wisenstine is asking for \$150,000 in damages due to her apparent fall and injury at the meter pit for the Mt. Garfield Laundry.

**Christmas Dinner** Director Garber moved to have the District pay for catering the District's 1991 Christmas Dinner at the Clifton Community Center with the provision that the cost did not exceed \$400.00. The motion was seconded by Director Ballagh and passed unanimously.

**Employee's Retirement Plan** The Superintendent reported that United of Omaha required our attorney's opinion as to whether or not the March 1990 Sick Leave Policy was discriminatory. Schuster asked the Directors to set a limit on the amount of research we should have our attorney perform to determine if the policy was discriminatory. Director Wheeler said the best way to determine if the policy met IRS standards for a non-discriminatory retirement plan was to have our attorney contact the IRS and get their opinion.

**Electronic transfer of Funds** Director Ballagh suggested that the District open a special checking account for the electronic transfer of funds to the State for income tax withheld from the employees. The only funds in this special account would be the estimated tax withholdings for about two months. This procedure would avoid an error depleting the District's ready cash. All the Directors agreed that a special checking account for funds to be transferred electronically would be prudent.

**EMS Radio** Director Garber moved to pay up to \$120.00 per year to the EMS to cover electric costs for the base radio station when it is located at the Plant #1 site. This payment policy would be reviewed every five years. The motion was seconded by Director Wheeler and passed unanimously.

**General Obligation Bonds** Director Ballagh moved to defer any consideration on redeeming the 1996 General Obligation Bonds until May, 1992. The District could watch and evaluate the intentions of Grand Junction during this time as far as annexation was concerned. The motion was seconded by Director Garber. After a short discussion in which the Superintendent was instructed to copy and distribute statutes pertaining to dissolution to the Directors, the motion failed unanimously. Director Garber moved to defer the consideration of redeeming the 1996 General Obligation Bonds until the December, 1991 meeting. The motion was seconded by Director Wheeler. After a short discussion in which the Superintendent was instructed to prepare a tabulation of the savings in interest for prepayment of \$50,000, \$100,000 and the full \$185,000, the motion passed unanimously.

**Grand Valley Irrigation Co.** Director Garber moved to send Superintendent Schuster to the Grand Valley Irrigation Co.'s annual meeting on December 7, 1991 and for him to vote the District's GVICO shares according to his conscience. The motion was seconded by Director Ballagh and passed unanimously. Director Ballagh moved to send Superintendent Schuster to the Grand Valley Irrigation Co.'s annual auction and bid up to \$205 per share, not to exceed 24 shares (bringing the District's ownership up to the agreed upon 1,400 shares limit). The motion was seconded by Director Wheeler and passed unanimously.

There being no further business, the meeting was adjourned at 10:15 p.m.

ATTEST:

  
Secretary









MINUTES OF MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held December 18, 1991

Present were Chairman Barrick, Vice Chairman Ela, Secretary Ballagh, Treasurer Garber and Director Wheeler. Superintendent Schuster and Chief Operator Blount were also present.

**Minutes** Director Ballagh moved to accept the minutes of the regular meeting of November 20, 1991. The motion was seconded by Director Ela and passed unanimously.

**Financial Report and Accounts Payable** Director Ela moved to accept the financial report and pay the accounts payable as shown on the report in the amount of \$35,353.28 and the new payables in the amount of \$18,392.57 for a total of \$53,745.85. The motion was seconded by Director Wheeler. During the discussion on the financial report and accounts payable Director Wheeler suggested that the "fines and penalties" as shown on the profit and lost statement be changed to "cost of EPA compliance". After a twenty minute discussion the motion passed unanimously.

**General Obligation Bonds** The Superintendent had calculated that assuming a 6.5% return on CD's the District could save \$17,300 by redeeming the 1996 bonds totaling \$185,000. Director Wheeler moved to redeem the 1996 General Obligation Bonds in the amount of \$185,000.00 on February 1, 1992. The motion was seconded by Director Ballagh and passed unanimously.

**Property Appraisal** Since Mesa County had expressed some desire in acquiring the property where the office is presently located for additional parking for the Clifton Community Center, Director Wheeler moved to acquire the services of a property appraiser to provide "a letter appraisal" of the office property at 137 3rd street at a cost not to exceed \$350.00. The motion was seconded by Director Garber and passed unanimously.

**Paid Sick Leave** Director Ballagh moved to have the District escrow funds that would be paid to employees' in lieu of sick leave in a separate account until the discriminatory issue as discussed in the November meeting could be resolved. The motion was seconded by Director Wheeler and passed unanimously.

**Employees Retirement Plan** Director Ballagh moved to have a committee of the employees review the present retirement plan, compare the present retirement plan as offered by United of Omaha with other plans that are available and submit a written report to the Board within ninety days suggesting any changes. Director Wheeler seconded the motion with a suggestion that Heritage Trust and Trust Departments in the larger banks in Grand Junction be contacted. After a short discussion the motion passed unanimously.

**Grand Valley Irrigation Company** Superintendent Schuster reported that he attended the annual meeting of the Grand Valley Irrigation Company on December 7, 1991 and voted the District's shares to accept the assessments as presented by the GVICO Board. The Superintendent stated that the motion to accept the assessments as submitted by the Board was defeated by a vote of approximately 11,000 to 9,000. According to the company's by-laws the GVICO Directors have ninety days to adopt the 1992 assessments. Superintendent Schuster also reported that he attended the auction of delinquent shares on December 12, 1991 and that the bids ranged from \$230.00 per share to \$165.00 per share. The District did not submit a bid as irrigators were bidding on the available shares right up to when the last share was purchased.

**Electronic Transfer of Funds** Superintendent Schuster reported that the District opened up a new checking account at the Alpine Bank of Clifton which would be used only for the electronic transfer of state income tax withheld from the employees in accordance with the direction of the Directors given at the November 20, 1991 meeting. Superintendent Schuster also stated that the District had obtained the services of a local vender in providing the state with the W2 information on a disc or tape that is compatible with the states computers at a cost of approximately \$35.00.

**Pickup Bid** Director Ballagh moved to authorize requests for bids on a pickup for the January 1992 meeting. The motion was seconded by Director Garber and passed unanimously.

**Denver Exchange** The Superintendent gave the Directors a memo from Greg Trainor which outlined the "non structural" solution to Denver's water problems, solutions that may effect water decree of the District as well as other water decrees in the Grand Valley. The Directors took the information under advisement.

**Water for Waste Management** The Superintendent told the Directors he had been contacted by the Mesa County Waste Management Coordinator for the purpose of obtaining water from the District for the County's land fill just south of Highway 50 near Plant #1. The Directors told the Superintendent to pursue this matter with the County and to bring the final proposal back to the table for approval when all the details have been worked out. It is anticipated that such a proposal may include cost recovery agreements,

**PERMANENT AGENDA ITEMS** The Superintendent prepared a list of permanent agenda items for the Directors review in the event that he had missed some items to cover in the monthly meetings.

**CENTRUST** The Superintendent told the Directors that funds in CENTRUST (formerly JEFFTRUST) have been temporarily frozen due to some problems with the Security Exchange Commission and with ITM in California. The District does not have any funds invested in CENTRUST and therefore were not effected.

**Price Ditch Water** Director Ballagh inquired as to whether the District could acquire the water intended for subdivisions that refused to accept Palisade Irrigation District ditch water and process this water through our plant for delivery to the subdivision through the District's line. It was the general consensus of the Directors that this could not be a workable arrangement.

**Winter Water** Director Ela inquired as to whether the District used any water from the winter run of the GVICO in early December. Chief Operator Blount told the Directors that while the District is on City water, acceptance of winter water delivery is difficult.

**Heather Wisenstine** Director Wheeler inquired as to whether the District had done, or was doing all that was necessary to make sure that the District did not get an adverse judgement in the Heather Wisenstine case. The Superintendent told the Directors that at this point the District had just been put on notice that there would be a suit filed but the insurance company had things well in hand. The Superintendent was instructed to check with the insurance company to make sure that the District was not in jeopardy.

There being no other business the meeting adjourned at 9:40 p.m.

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ATTEST:

John L. Ballagh  
Secretary

Wm. M. Ela

Paul L. Benick

Martin Garber

George E. Wheeler