

MINUTES OF MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held January 17, 1990

Present were President Barrick, Vice President Ela, Secretary Ballagh, Treasurer Garber and Director Kuykendal. Staff present were Superintendent Schuster and Office Manager Kay. Guests present were Mr. Lawrence Beagley (A/C # 08-626-000), Mr. and Mrs. Fred Pearce (A/C # 08-627-000), and Mr. and Mrs. Ray Fiegel (A/C # 08-618-000).

Director Barrick called the meeting to order at 7:30 p.m. and turned the meeting over to the guests to address the Directors. Mr. Beagley had in his possession a clear glass tumbler that was stained with minerals from the Clifton water. Mr. Beagley stated that the glass had been washed once in Clifton water and had obtained that kind of mineral buildup. His statements were seconded by the Pearces who are Mr. Beagley's neighbors. The Fiegels, who are also neighbors to the Pearces and Mr. Beagley, stated that they had good water and did not necessarily agree with any of the statements made by Mr. and Mrs. Pearce or Mr. Beagley (even though the three live in very close proximity, the Fiegels' water is obtained from a pipeline on Grand Valley Drive which is not dead ended, whereas Mr. Beagley and the Pearces receive their water from a 6" line on Walnut Street which is on a dead end). Mr. Beagley and the Pearces also talked about the taste of the water. Director Garber showed the guests present the responses the District received to its March, 1989, survey and inquired as to whether they had read the discussion in the District publication called Water Line. None of the guests present seemed to know anything about the survey but had read the Water Line. Director Garber pursued the guests in asking them for ideas to improve Clifton water and said the Directors had been working on a source of water other than the Colorado River. Colorado River water contains a concentration of minerals that create hard water, especially during the winter months. Clifton water meets, or exceeds, all standards set by the EPA and Colorado Department of Health. The mineralization, mainly calcium and magnesium, is good for the body, but tough to develop soap suds for cleaning. The Directors have been working on the salinity problem for many months but they did not see any sign of relief for at least a year. There followed a 30-minute discussion.

Bids for a half ton pickup were opened immediately after the guests left (Alternate A is the purchase of a 1990 pickup with the trade-in of a 1985 pickup - Alternate B is the purchase of a 1990 pickup without a trade-in). The District received three bids, these bids were:

Steve Westphal Chevrolet, Inc., bidding on Alternate A only in the amount of \$8,113.79 . The delivery date from Steve Westphal Chevrolet, Inc. was five to six weeks after receipt of an order.

Jim Fuoco Motor Company bid \$8,419.04 for Alternate A and \$10,819.04 for Alternate B with a 7 week delivery after receipt of an order.

Western Slope Auto Company bid \$10,116 on Alternate A and \$12,116 on Alternate B with an eight to ten week delivery after receipt of an order.

Director Ballagh moved to accept the bid from Steve Westphal Chevrolet for the 1990 pickup in the amount of \$8,113.79 plus the trade-in of the District's 1985 half ton pickup. The motion was seconded by Director Ela and passed unanimously.

Director Ela moved to accept the minutes of the December 20, 1989 meeting as presented. The motion was seconded by Director Kuykendal and passed unanimously.

Director Ela moved to accept the Financial Report and pay the Accounts Payable of \$33,400.72 plus a \$35,000 transfer of funds from Mesa Federal Savings and \$150 to High Altitude Software and \$98.15 to Craftsman Wood Service. The motion was seconded by Director Garber. During the one-hour discussion which followed, Director Ballagh questioned the left column of figures on page 2 of the Profit and Loss Statement. These numbers were exactly the same as the left column on the November, 1989, Profit and Loss Statement and it appeared it was an oversight that the December numbers had not replaced the November numbers. In addition to the question of the Profit and Loss Statement, Director Kuykendal had some real concerns with some other numbers as they appeared in the Profit and Loss Statement, stating it was extremely hard to follow in his opinion. Office Manager Kay stated that all annual budget numbers were not necessarily divided by 12 and presented in that manner, but were based on historical percentage for that particular month. After all the Directors' concerns had been answered, the motion passed unanimously.

Superintendent Schuster informed the Directors that he had had lunch with Rick Marcus, Town Manager of the Town of Palisade, and discussed the possibility of the District purchasing treated water from Palisade. Not only the cost of the capital improvements required to transport water to Clifton but also the amount of water available to the Town of Palisade were considered by the Directors as sufficient reason to abandon that particular alternative to obtain less hard water during the winter months. Superintendent Schuster had prepared a one-page dissertation on the disadvantages of purchasing the Whiting Brothers' interest in the Grand Mesa Reservoir Company stating if the same money was used to purchase water from the City of Grand Junction and the balance put in the bank, on one occasion the District would have \$1,657,647 in the bank at the end of 20 years, and another option of having \$1,973,038 in the bank after a period of 20 years. The Superintendent was fearful that the value of the Whiting Brothers' interest in the Grand Mesa Reservoir Company was not commensurate with the asking price of the water. In 1988 the District had offered the Whiting Brothers \$913,500 for their interest in the Grand Mesa Reservoir Company but said offer was withdrawn prior to acceptance due to concerns of the Directors, one of which was the actual yield of the water. The Whitings are now asking \$1,150,000 for the same water and the offer is only good until midnight, January 17, 1990. There was a one-hour discussion which followed the Superintendent's presentation of reasons to not purchase the Whiting Brothers' interests in the Grand Mesa Reservoir Company, during which reconstructing Plant #1 with a diatomaceous earth filter system was discussed at great length. Chief Operator Blount entered the meeting at 8:50 p.m. and took part in the discussion. It was the Superintendent's recommendation that the refurbishing of Plant #1 along with

the purchase of raw water from the City was the most economical alternative to providing less hard water to the Clifton residents. Director Kuykendal inquired as to whether the alternative of purchasing processed water from the City had been considered. The Superintendent said that this alternative had not been considered but that it was a viable alternative and would be addressed. The Directors instructed Superintendent Schuster to inquire of the Ute Water Conservancy District as to what they would charge per thousand gallons to provide 0.7 mgd to Clifton for approximately the next 60 days. If the price were less than \$0.70 per thousand, the Superintendent was to advise the Directors so that a special meeting could be called. Director Ela moved to table the discussion on alternative sources of winter water for the District until the February, 1990 meeting. The motion was seconded by Director Ballagh and passed unanimously.

Superintendent Schuster told the Directors he had not had a response from Carl South after presenting him with the Directors' proposal made at the December meeting. It was the Superintendent's recommendation that the District quit pursuing the South's and put the burden on Bob Enever to obtain the easement.

Chief Operator Blount had requested the purchase of some tools, including some power saws from Sears Company in the amount of \$911.08 to build cabinets for the construction of the new laboratory at Plant #2. Superintendent Schuster stated that the cost of the cabinets, even with the purchase of the tools, would be less than if the cabinets were purchased outright and that the winter work load of the operators provided sufficient time that the cabinets could be built without any additional overtime or increasing the work load on any of the plant employees. After considerable discussion, Director Ela moved to approve payment of \$911.08 to Sears for the tools as requested. The motion was seconded by Director Kuykendal and passed unanimously.

Director Ballagh has some real concerns about the wording in the present Personnel Manual stating that there were statements in direct conflict with one another and there was no distinction in Section 16 between "witness" and "expert witness". It was Director Ballagh's feelings that these subjects should be addressed. Director Ballagh particularly had concern that the job description of the Office Manager was spread throughout the manual in several places and it should be condensed to just one place or at least referenced to the other places. Particularly Section 2.2.4 and Section 17.1.1 directed the Office Manager to perform certain duties but this description was not in Paragraph 3.2 under the Responsibilities of the Office Manager in the Personnel Manual.

The Superintendent presented the Directors with a memorandum recommending changes to the Sick Leave Policy in the District's Personnel Manual dated December 28, 1989. The memorandum recommended that full-time employees be granted 1.25 days of paid sick leave for every month worked and that the District buy back all sick leave over 30 days at the end of every year at 1/2 the employee's rate of salary. Director Garber stated that he had done considerable work and conducted various interviews of sick leave policies by the State of Colorado, City Market and the Railroad and that Clifton's sick leave was very liberal. Director Garber moved that a committee be appointed to study the District's Sick Leave Policy and that the matter be tabled until the

February meeting. The motion was seconded by Director Kuykendal and passed unanimously. Director Barrick appointed Directors Kuykendal, Garber and Ballagh to the committee to study the District's Sick Leave Policy.

The Superintendent had previously prepared a memorandum and proposed revisions to Sections 8 and 15 of the District's Personnel Manual which dealt with employees' compensation and jury duty respectively. Director Garber moved to accept Section 15, the Jury Duty Section, as prepared by Attorney Bechtel and presented to the Directors by the Superintendent. The motion was seconded by Director Ballagh and passed unanimously. Director Garber moved to accept the changes to Section 8 as presented by the Superintendent with the following exceptions. The next to last sentence in Paragraph 8.6.2 will be revised to read, "At the regular September Directors' meeting, the Board will review the performance of the Superintendent to determine what adjustments, if any, will be made to the Superintendent's compensation."; and to delete Paragraph 8.6.3 in its entirety. The motion was seconded by Director Ballagh and passed unanimously.

The Superintendent told the Directors that the average water bill for the District's customers in 1989 was \$15.62 per month, and that the Availability of Service Charge could not exceed 50% of that figure. After some discussion, Director Ballagh moved to increase the Availability of Service Charge from 33.82% of the 1988 average water bill to 38.41% of the 1989 average water bill, said 38.41% being \$6.00 per month, effective February 1, 1990. The motion was seconded by Director Garber and passed unanimously.

Director Garber inquired as to whether or not the applications for employment were kept on file so the District would have a reservoir of personnel to draw from in the event an employee was needed. The Superintendent assured the Directors that the District kept on file applications for employment and that some applications for employment were up to five years old. It was recommended by the Directors that applications for employment be kept on file for a period of only six months and that prospective applicants be notified of this when they apply for work so they can renew their application if they still have an interest for employment.

There being no other business, President Barrick adjourned the meeting at 11:30 p.m.

John L. Ballagh  
Secretary

ATTEST:

Paul E. Barrick

Wm. M. El

Martin Garber

Fred M. Kuykendal, Jr.

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held February 21, 1990

Present were President Barrick, Secretary Ballagh and Treasurer Garber. The absences of Directors Ela and Kuykendall were excused absences. Staff present were Superintendent Schuster and Office Manager Kay. Mike Nelson of Chadwick, Steinkirchner, Davis and Company was also present.

Director Barrick called the meeting to order at 7:40 p.m. and turned the meeting over to Mike Nelson. Mike Nelson represents the firm of Chadwick, Steinkirchner, Davis & Company, the firm that prepared the 1989 budget for the District. Mike prefaced his remarks by stating that the 1989 audit had been completed prior to the middle of February due to the work accomplished by the Office Personnel prior to the audit taking place. Through a series of charts and graphs projected on a screen, Mike hit the highlights of the 1989 financial picture of the District. Mike completed his 30-minute presentation by stating that the District was in a sound financial position and the cash flow was good.

Director Ballagh moved to accept the minutes of the January 17, 1990 meeting as submitted. The motion was seconded by Director Garber. Director Ballagh wanted a clarification and expansion of the fourth paragraph on page 2 where it stated that Superintendent Schuster had prepared a one page dissertation on the disadvantages or purchasing the Whiting Brothers' interest in the Grand Mesa Reservoir Company. Director Ballagh wanted the minutes to show that not only was the dissertation prepared but it was presented to the Directors. After a brief discussion the motion passed unanimously.

Director Garber moved to accept the Financial Report and approve the Accounts Payable in the amount of \$40,334.47 in addition to approving payments of \$35,000 transfer of funds from Palisades National Bank to Mesa National Bank (formerly Mesa Federal Savings and Loan), \$260 to All About Travel, \$43.72 for Director Garber's expenses, \$336 to Intermountain Lumber and \$228.06 to Diamond Shamrock. The motion was seconded by Director Ballagh. During the brief discussion Director Ballagh asked for a report on the expenses to construct the lab at Plant #2. The motion passed unanimously.

Director Ballagh, acting as the spokesman for the committee to look into the Sick Leave Policy for the Personnel Manual stated that the committee had recommended eight (8) hours of sick leave for each month worked and the sick leave could be accrued to a maximum of 360 hours. After an employee has accrued 360 hours of sick leave the District will buy back all hours in excess of 360 hours at the beginning of each month at an amount equal to 25% of the employees base hourly rate. The funds involved will go toward the employee's retirement account rather than a direct payment to the employee. Upon termination, the employee shall be compensated for accrued sick leave at the rate of 25% of the employee's base rate. The committee also recommended a Doctor's statement for all sick leave over three days. For purposes of sick leave accrual, the policy shall be back dated to January 1, 1987. Upon the recommendation of Chairman Barrick, since there was not a full Board, any action on the Sick Leave Policy was deferred until the full Board could be present.

Director Ballagh moved to cancel the contract with the law firm of Nelson and Hoskin insofar as counsel for the purchase of the Whiting Brothers' water interests was concerned. The motion was seconded by Director Garber. After some discussion Director Ballagh withdrew the motion with the approval of Director Garber and instructed the Superintendent to write a letter to Mr. Hoskin stating there will be no more hours charged to the Clifton Water District for work involved with the District's potential purchase of the Whiting

Brothers' interests in the Grand Mesa Reservoir Company until further notice.

In the January meeting Director Kuykendall had inquired as to the possibility of purchasing processed water from the City as an alternative for obtaining softer water during the winter months. The Superintendent had looked into the possibility and found it feasible and had written a memorandum to the Directors dated February 7, 1990, stating that the possibility of purchasing treated water from the City was not only feasible but it was also the Superintendent's recommendation that purchase of treated water from the City during the winter months be the manner in which the District acquired softer water during the winter months. After a 45-minute discussion the matter of obtaining softer water during the winter months for the Clifton Water users was deferred until the March meeting. During the discussion it was stated that the City of Grand Junction Water Utility Committee was scheduled to meet with the Directors of the Clifton Water District on March 14, 1990, at 7:00 p.m., at the Clifton Water Office.

Superintendent Schuster stated that Lab Director Tooker and himself had tested the water at the home of Mr. Lawrence Beagley (A/C #08-626-000) on January 18, 1990, and found that not only was the water fresh as determined by a chlorine residual at 1.2 ppm but there were no other problems in the water to substantiate the claims of Mr. Beagley that the water was not fit to drink. The Superintendent also stated that the suggestions of the Lab Director and the Superintendent fell on deaf ears as it appeared Mr. Beagley was not interested in correcting the problem at his end of the water service.

The Superintendent had distributed copies of the latest revisions of the Personnel Manual to the Directors for their review.

Under Other Old Business, the Superintendent stated he had spent the afternoon of February 20th with one representative from the Environmental Protection Agency and three representatives from Fish and Wildlife concerning the rock structure that was placed in the Colorado River by the District. Other than the EPA official reviewing first-hand the situation, there was no instruction given to the District as to the disposition of the rock structure.

Under New Business, Director Garber spent approximately 40 minutes relating to the other Directors the information that he had acquired at the February 7th workshop in Montrose presented by the Division of Local Government. Based on Director Garber's report, the Directors felt it was in the best interest of the District to amend the 1955 bylaws in accordance with the recommendations of the Division of Local Government. The Superintendent volunteered to rewrite the bylaws in accordance with the suggested outline of the Division of Local Government but was told to do so only if he had time and not to drop other pressing matters to do it.

There being no other business the meeting adjourned at 9:50 p.m.

ATTEST:

Secretary

*Paul E. Bassick*  
*Wm. McEla - testify*

*John L. Ballagh*  
*Martin Garber*

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held March 21, 1990

Present were Vice President Ela, Secretary Ballagh and Treasurer Garber. The absence of Director Kuykendal was an excused absence. The tardiness of Director Barrick was an excused tardiness. Staff present was Superintendent Schuster.

Director Ela called the meeting to order at 7:45 p.m. Director Ballagh moved to accept the minutes of the February 21, 1990, meeting as submitted. The motion was seconded by Director Garber. The motion passed unanimously.

Director Ballagh moved to accept the Financial Report and approve the Accounts Payable in the amount of \$23,458.10 plus a \$35,000 transfer of funds to Mesa National Bank in Clifton, \$1,000 to the Postmaster, \$233.71 to Diamond Shamrock and \$98.88 to Grand Junction Pipe and Supply. The motion was seconded by Director Garber and, after a 10-minute discussion, passed unanimously. During the discussion the Superintendent informed the Directors that the District had spent \$20,697.11 on the lab to date. The Superintendent explained that payments for work and equipment on the lab which were just approved were not included in the \$20,697.11 figure.

Director Barrick entered the meeting at 8:00 p.m. and assumed the Chair. The Directors agreed to approve Paragraphs 11.1 through 11.4 of the Sick Leave Policy with the following corrections. The Directors wanted the word "hourly" inserted between the words "employees" and "base" in Paragraph 11.1.1 and the deletion of the comma behind the word "payroll" in Paragraph 11.1.3. The Directors made it plain that they were not approving Paragraphs 11.5 and 11.6 of Section 11 of the Personnel Manual at this time. The motion to approve Paragraphs 11.1 through 11.4 of Section 11 of the Clifton Water District Personnel Manual subject to the editing and approval of Attorney Betty Bechtel was made by Director Ballagh. The motion was seconded by Director Garber and passed unanimously.

Director Ela moved to have the Superintendent notify Myrle Goodwin that the District was no longer interested in purchasing the Whiting Brothers' interest in the Grand Mesa Reservoir Company at the existing price. The motion was seconded by Director Garber and passed unanimously.

Director Ela moved to authorize the signing of the Letter of Intent between the District and the City as corrected. The corrections being Paragraph 4 would read "During the term of this contract the City's obligation ... " etc., etc., and with the addition of the word "former" between the words "its" and "share" of the second to last line in Paragraph 5 so the line would read "...its obligation to pay for its former share of the operating expenses...". The motion was seconded by Director Ballagh and passed unanimously.

The Superintendent informed the Directors that the sample bylaws as presented by the Division of Local Government were incomplete and the Division of Local Government was working on a more complete draft which would be available some time in May and requested the Directors hold off making any changes to the bylaws until the suggested draft was complete. It was the general consensus of the Directors that that was agreeable.

Superintendent Schuster informed the Directors that he had instructed Attorney Bechtel to respond to the complaint by Charles Casteel, denying the allegations in Case Number 90 C 256. The Directors instructed the Superintendent to keep track of the employees' time involved in obtaining District records for "discovery" so the District would know how much time was spent in defending the case in the event the District should ask for compensation of time spent should the District prevail in the suit.

Superintendent Schuster informed the Directors that Carl South would grant an easement to the Clifton Water District if Bob Enever would pay the Availability of Service Charge for that property. Superintendent Schuster informed the Directors that he had prepared a letter stating the terms and conditions if Mr. Enever would pay the Availability of Service Charge for the South's property and asked Mr. Enever to return a signed copy of the letter should he concur with its contents. He also stated he had sent an Easement Agreement to Betty South for her signature and wanted authorization from the Directors to have President Barrick sign the Easement when it is returned from Betty South. Director Ela moved to authorize Director Barrick to sign the South Easement when returned with Betty South's notarized signature. The motion was seconded by Director Garber and passed unanimously.

Under other old business Director Ela inquired of the Superintendent as to whether or not water would actually flow from Grand Junction's plant to Clifton's plant with the operation of certain valves after a bypass had been constructed at Clifton's Plant #2. The Superintendent assured the Directors that water would flow and by using a topography map showed there was approximately a 200 foot difference in elevation between Grand Junction's plant and Clifton's Plant #2. The Superintendent went on to draw a schematic of the probable piping at Plant #2 in order to bring the City's treated water to Clifton's pumps for distribution into Clifton's system. The Directors seemed satisfied the Superintendent's plan would work.

Director Ela also inquired of the Superintendent if there was an annual survey made on the anodes which were placed on the 27" pipe. The Superintendent assured the Directors that an annual survey was made of the anodes on the 27" pipe and that new anodes were added as needed.

The Directors inquired of Superintendent Schuster as to whether or not there had been anymore word on the rock structure placed in the Colorado River. The Superintendent said there had been no further discussion with any governmental agency since his last report in February.

Chief Operator Blount entered the meeting at 8:50 p.m.

Director Ela moved to establish the Clifton Fire Protection District Firehouse on F Road as the polling place for the May 8, 1990, election. The motion was seconded by Director Ballagh and passed unanimously.

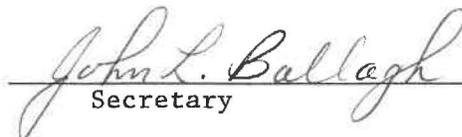
Director Ballagh moved to obtain judges for the election and pay the judges \$35 if there is an election and \$10 if there is not an election. The motion was seconded by Director Garber and passed unanimously.

The Superintendent informed the Directors that the State Highway Department was overlaying I-70 Business Loop from approximately 14th Street in the City to the Interstate ramps just north of Clifton and that the Highway Department was allowing open cuts in the existing surface prior to this overlay. The Superintendent told the Directors he would like to install casing pipe which would accept a 12 " diameter carrier pipe on I-70 Business Loop at the intersections of both 31 Road and 31 1/2 Road. It was the consensus of the Directors that casing pipe be installed prior to the asphalt overlay at a considerable cost savings to the District (the savings was in construction by the open cut method verses boring).

Under other new business Director Garber asked that the Directors be furnished a tabulation of the Wage and Benefit package of the employees as it existed at the end of 1989.

Director Ballagh requested that there be a Superintendent's report at each monthly meeting which included a report on the water quality, water breaks, and other features the Directors should be knowledgeable about. The Superintendent agreed there would be such an item on the agenda.

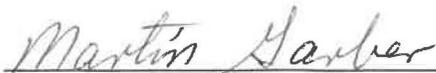
There being no further business the meeting adjourned at 9:20 p.m.

  
Secretary

ATTEST:







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MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held April 18, 1990

Present were President Barrick, Vice President Ela, Secretary Ballagh, Treasurer Garber and Director Kuykendall, Jr. Staff present were Superintendent Schuster and Office Manager Kay (Chief Operator Blount entered the meeting about 8:15). Also present was Thelma Kathrein, grandmother of Darcee Stahl (3189 1/2 Orson - A/C #13-702-032).

Director Barrick called the meeting to order at 7:43 p.m. He immediately turned the meeting over to Thelma Kathrein. Thelma Kathrein told the Directors she was at the meeting in behalf of her granddaughter, whose water had been turned off on April 3, 1990, for nonpayment. Mrs. Kathrein spent 28 minutes convincing the Directors that Ms. Stahl had called the District and received additional time to pay her water bill but that no record, or memory, of her calling was in the office, therefore, her water was turned off. Mrs. Kathrein did not object to paying for the water bill but she did object to paying for the \$20 turn off/turn on fee. After some discussion Director Garber moved to forgive the \$20 turn off/turn on fee this time but the next time the fee would go to \$40 and there would be no grace period and no variance. The motion was seconded by Director Kuykendall and after a short discussion passed unanimously.

Director Garber moved to accept the minutes of the March 21, 1990 meeting as presented. The motion was seconded by Director Ballagh and passed unanimously.

Director Ballagh moved to accept the Financial Report and pay the Accounts Payable as listed on the Report in the amount of \$34,168.48 plus a \$30,000 transfer of funds from Palisades National Bank to Mesa National Bank in Clifton, a payment of \$221 to Farmer Union Services and a payment of \$244.92 to Diamond Shamrock. The motion was seconded by Director Garber and passed unanimously.

The Superintendent presented the Directors with a written report for March. The Superintendent informed the Directors that the I-70 Business Loop crossing at 31 1/2 Road was complete and the casing for the highway crossing at 31 Road as well as the casing for both railroad crossings were on site. The Superintendent asked the Directors for their blessing in piping a drainage ditch at the 31 Road and I-70 Business Loop intersection to facilitate the construction of a railroad bore as required at that point. It was the general consensus of the Directors for the Superintendent to get with the Grand Junction Drainage District and install a 48" diameter pipe in the drain ditch to facilitate the construction of the railroad bore.

On an informational note the Superintendent told the Directors that Office Manager Kay had obtained Beverly Ramey, Georgia Gribble and Esther Stout as judges for the May 8, 1990 election. These three judges would also serve as judges for the elections of the Clifton Sanitation District and the Clifton Fire Protection District.

The Superintendent told the Directors there was no headway made on obtaining an easement from the Souths.

The Superintendent told the Directors that the Charles Casteel suit had been set for trial on June 26. The trial was double set in the event a criminal case did not take place the Casteel case would be heard.

The Superintendent told the Directors he had sent a rough draft of an agreement with the City to the City's Utility Manager for the Buy/Sell Agreement authorized at the March meeting.

Director Barrick told the other Directors that the Fire Department required a fire hydrant for the restaurant which is under consideration directly west of Gibsons on I-70 Business Loop. It was Director Barrick's feeling that the District should relax their requirement for payment of a fire line tap when more businesses would benefit from the hydrant than just the business paying for the tap. After some discussion Director Ballagh recommended the Superintendent negotiate with the business that was anticipated to be built just west of Gibsons stating that if they would pay for a 6" line from the District's existing 10" line to the District's existing 2" line in the highway right-of-way (complete with a recordable easement) that the District would install a fire hydrant on highway right-of-way at no additional charge which could be used to satisfy the Fire Department's requirements. It was the general consensus of all the Directors that this would be satisfactory.

The Superintendent told the Directors that he had received a letter from the Environmental Protection Agency requesting the Clifton Water District to revise their August 1989 Water Plan by May 15, 1990 or to call John Peters of the EPA staff to set up a meeting to discuss the situation. It was the general consensus of the Directors that Superintendent Schuster contact John Peters and set up a meeting and see if more agreeable terms with respect to the rock structure could be negotiated.

Superintendent Schuster announced to the Directors that Laveta Kay was retiring and a retirement party was set up for the evening of June 2nd at 6:00 p.m. at the Holiday Inn. In addition, the Superintendent requested that the Directors consider a proportionate benefit package for part-time employees, mainly Joan Larsen, as it was his recommendation that the girls in the office be promoted up through the ranks and that Joan be moved in on a part-time basis to fill the gaps. He told the Directors that Joan would not be interested in working for the District if she could not receive benefits proportional to the amount of time she worked. Even though the Personnel Manual was not changed during the April meeting it was the general consensus of the Directors that it would be amended to allow for proportionate compensation to part-time employees and the Superintendent was instructed to get with Attorney Bechtel to draw up the language for the changes to the Personnel Manual.

Director Ela moved to accept the following Resolution:

WHEREAS, the Secretary of the Clifton Water District may duly certify to the Board of Directors of the Clifton Water District that at the close of business on the Friday, May 4, 1990, before the election on Tuesday, May 8, 1990, there are no more candidates for Director than there are offices to be

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filled, including candidates affidavits of intent to be write-in candidates, AND WHEREAS, the Board is authorized pursuant to CRS 32-1-807(4) to cancel the election AND WHEREAS, the Board has expressed their desire to save unnecessary money when there is no contest for Director vacancies, the Board now HEREBY cancels the election day Tuesday, May 8, 1990, provided there are no more candidates for Director than there are offices to be filled, including candidates affidavits of intent to be write-in candidates at the close of business on Friday, May 4, 1990.

In the event that by at the close of business on Friday, May 4, 1990 there are no more candidates for Director than there are offices to be filled, including candidates affidavits of intent to be write-in candidates, THE BOARD DECLARES THE FOLLOWING CANDIDATES DEEMED ELECTED FOR THE FOLLOWING TERMS OF OFFICE:

John L. Ballagh	554 Eastmoor Drive	FOUR-Year Term
William M. Ela	3142 F Road	FOUR-Year Term
Martin Garber	125 1st; Whitewater	FOUR-Year Term
Fred M. Kuykendall, Jr.	649 Kayenta	TWO-Year Term

BE IT FURTHER RESOLVED that the secretary post notice of the election cancellation at the polling place and in one other public place and to have notice of said cancellation published, if possible.

BE IT FURTHER RESOLVED that if there are more candidates for Director than there are offices to be filled, including candidates affidavits of intent to be write-in candidates, on, or before, the close of business on Friday, May 4, 1990, this Resolution shall be automatically repealed without further action by the Board.

The motion was seconded by Director Ballagh and passed unanimously.

Due to a conflict with the scheduled June Directors' meeting and the American Water Works Annual Meeting in Cincinnati, the June 1990 meeting was moved to June 13th so the Superintendent could be present.

The Superintendent and the Chief Operator told the Directors the new lab at Plant #2 would be complete by the May meeting and recommended that the May 16, 1990 meeting be held at Plant #2. It was the general consensus of the Directors that they would hold their May meeting at Plant #2 to observe the new lab at Plant #2 and inspect the facility in general.

Chief Operator Blount told the Directors that Carl Zimmerman, with the Colorado Soil Conservation Board, had arranged for 90 to 100 students from Mt. Garfield Middle School to visit Plant #2 in observation of Earth Day on April 19th. The students would leave Mt. Garfield Middle School equipped with trash bags and police Highway 6 and County Road 34 to Plant #2 where they would have lunch, tour the Plant, and be treated to an Earth Day speech relating to water from the Superintendent. In addition, the Mt. Garfield students would plant approximately 1,000 willows along the river bank by Plant #2. Director Ballagh recommended that the District contact Gilbert Wenger, a quasi-professional photographer, to attend the Earth Day observation at Plant #2, taking pictures to make into an album to be

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presented to Mt. Garfield Middle School in remembrance of the day and to utilize all of the public relations available from this event. He also recommended that the District pick up the tab for the film and the processing used by Mr. Wenger. It was the consensus of the Directors that this would be good public relations for the District.

There being no other business the meeting adjourned at 10:00 p.m.

John L. Ballagh  
Secretary

ATTEST:

Martin Garber

Paul G. Berrick

Fred W. Kuykendall Jr.

Wm. M. Eld

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held May 16, 1990  
at Clifton Water Treatment Plant #2

Present were President Barrick, Vice President Ela, Secretary Ballagh, Treasurer Garber and Director Kuykendall. Staff present were Superintendent Schuster, Chief Operator Blount and Lab Director Tooker. Also present was Clay Kinney of 132 32 Road. The May 1990 Directors' meeting was held at the new lab at Plant #2 in order to give the Directors a first-hand view of the work performed by the plant operators and a tour of the new lab.

Director Barrick called the meeting to order at 7:34. Director Barrick explained to the other Directors that Clay Kinney was attending the meeting to obtain an out-of-district tap at his home, 132 32 Road. Director Ballagh moved to approve Mr. Kinney's request for an out-of-district tap at out-of-district rates. The motion was seconded by Director Garber. The Superintendent informed the Directors that there would be approximately \$6,800 to \$8,800 worth of construction to bring water to the Kinney property depending upon which route was selected. The shortest and least expensive route was to bore Highway 50 just east of the Southridge pump house and then proceed northeasterly along the east right-of-way of Highway 145 to the Kinney property for an estimated cost of approximately \$6,800; or to go south of the race track where the Clifton line is already on the east side of the Highway right-of-way and proceed northeasterly for approximately 4,400 feet for an estimated cost of approximately \$8,800. After 20 minutes of discussion, Director Ela amended the motion to charge \$3,000 for the Kinney out-of-district tap and for Kinney to provide the trenching and backfill and for Clifton to furnish and install the pipe and meter assembly. The amendment to the motion was seconded by Director Ballagh and passed after a 10-minute discussion. The motion as amended then passed.

Director Ela moved to approve the minutes of the April 18, 1990 meeting as presented. The motion was seconded by Director Ballagh and passed unanimously.

Director Ela moved to accept the Financial Report and pay the Accounts Payable as listed on the Report in the amount of \$41,869.94 plus a \$30,000 transfer of funds from Palisades National Bank to Mesa National Bank in Clifton, two payments totalling \$12,695.74 to Clifton Sanitation District #2 for the Water District's portion of the crossing at I-70 B and 31 1/2 Road, \$55.90 to the Clifton Inn, \$275.43 to Diamond Shamrock, \$1,075 to the Postmaster, \$249.50 to Western Engineers and \$401.00 to Western Colorado Testing. The motion was seconded by Director Garber and passed unanimously.

The Superintendent told the Directors that the previous Superintendent, Charles Strain, and himself had met with Attorney Bechtel for approximately 2 hours earlier in the day to discuss the Charles Casteel suit. The Charles Casteel suit is double set for 9:00 a.m. on June 26th. Superintendent Schuster told the Directors that Attorney Bechtel thought the District had a very good chance of winning this suit but that nothing was sure when going to court.

Superintendent Schuster told the Directors that he had attended a meeting at EPA headquarters in Denver on April 25th where they had gone over EPA's letter dated April 10, 1990, paragraph by paragraph, with Superintendent

Schuster disputing some claims by the EPA and stating Clifton's position. As a result of that meeting Superintendent Schuster hired Dr. Donald R. Reichmuth, President of Geomax in Bozeman, Montana. Dr. Reichmuth flew in and met with Mr. Schuster over the weekend of May 12th & 13th. During his visit in Clifton, Dr. Reichmuth expressed his opinion that the rock structure was an enhancement to the river rather than a detriment and that it provided habitat for the endangered species as well as other aquatic species. Superintendent Schuster said he thought Dr. Reichmuth would also recommend the construction of at least one, possibly two, rock structures below the rock structure to provide backwater for the deeper part of the existing structure. Dr. Reichmuth also expressed a desire for the District to grow some vegetation, namely willow trees, in an area immediately west of the rock structure to provide flood plain protection. Dr. Reichmuth will inform the EPA, Fish & Wildlife and the Corps of Engineers of his opinions and is optimistic that his opinions will be accepted.

The Superintendent told the Directors that the Earth Day celebration on April 26th was a big success and students from Mt. Garfield Middle School planted approximately 1,000 willows in and near the river by the pump house.

Superintendent Schuster gave the Directors a draft of the Clifton/City Water Agreement for their review stating a copy had been sent on the the City for their review and expressed some optimism that the agreement would be ready for signing prior to August of this year.

Under old business Director Garber inquired as to the status of the credit cards the Superintendent was going to get for the Directors and staff. After some discussion the Superintendent stated if a credit card could be obtained without providing the personal credit status of the Directors that he would do so.

Superintendent Schuster told the Directors that he had been nominated to serve a 3-year term as the Rocky Mountain Section of the American Water Works National Director. He said that three other individuals had also been nominated and though he thought he had a slim chance to be elected, he was honored that he had been nominated.

There was some discussion on the graffiti on the 1,000,000 gallon storage tank north of I-70. Chief Operator Blount stated he thought he could cover the graffiti with a vinyl paint.

After all "old business" had been conducted, and before conducting "new business", Director Barrick administered the oath of office to John L. Ballagh, to serve a four-year term; William M. Ela, to serve a four-year term; Martin Garber, to serve a four-year term; and Fred M. Kuykendall, Jr., to serve a two-year term. These four were elected by Resolution of the Directors as provided for in the Colorado State Statutes since there were no more candidates for office than there were vacancies.

Superintendent Schuster requested that the Directors authorize two railroad bores. One railroad bore would be on the alignment of 31 Road and the DRG & W Railroad and the other would be at 31 1/2 Road and the DRG & W Railroad. After some discussion Director Ela moved to approve the bores contingent on Clifton Sanitation District #2 scheduling their bores at the same time in

order to save additional move-in/move-out costs provided that the carrier pipe would be extended beyond the railroad right-of-way so that only one permit would be required. The motion was seconded by Director Ballagh and passed unanimously.

Director Kuykendall inquired as to the liberal policy the District had adopted in providing out-of-district taps. After some discussion it was felt that the District's out-of-district tap policy was only liberal in areas not presently served by the Ute Water Conservancy District.

Director Garber requested that the Superintendent check into the possibility of Clifton furnishing water for Purdy Mesa residents in the event that those residents would contact the District for service.

Director Ballagh asked Operator Blount and Lab Director Tooker to check the water quality in Sink Creek from the Colorado River upstream to determine where the water quality was not deteriorated by salt.

The Superintendent corrected a typo in the Superintendent's Report stating that the average salinity through April of 1989 should have been 715 ppm rather than the 877 ppm as shown in the Superintendent's Report.

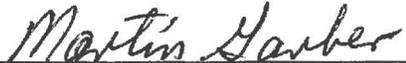
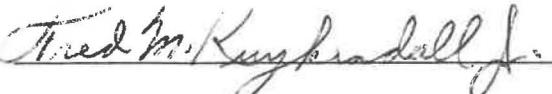
Director Barrick asked the Superintendent to explain why a two inch line was constructed for the taps at Stonegate Subdivision when there was an existing pipeline in the existing road. The Superintendent stated that the developer did not want to cut the asphalt and that the construction of the two inch line around the perimeter of the subdivision was less expensive than providing individual taps in the existing lines under the asphalt.

There being no other business the meeting adjourned at 9:20 p.m.

After the adjournment, Lab Director Tooker gave the Directors a tour of the new laboratory at Plant #2.

  
Secretary

ATTEST:


MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held June 13, 1990

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

Director Barrick called the meeting to order at 7:30 p.m. Director Ela moved to approve the minutes of the May 16th meeting as presented. The motion was seconded by Director Ballagh. Director Ballagh stated that the eighth paragraph in the second page stated the railroad running through Clifton as DRG&W Railroad whereas it is the D&RGW Railroad. With those corrections the motion to approve the minutes passed unanimously.

Director Ballagh moved to accept the Financial Report and pay the Accounts Payable in the amount of \$48,172.13 with the Directors knowing that \$150.00 of that \$48,172.13 was a donation to support the Municipal Water Providers' booth at the Colorado State Fair in Pueblo. The motion was seconded by Director Garber. Director Garber questioned the 1989 Cash Flow stating he thought it should be called District Reserve rather than Cash Flow. After some discussion the Superintendent noted that there was an error on the May 1990 Cash Flow Report showing that the increase year-to-date in Cash Flow 1989 was actually \$96,604.25 rather than the \$26,698.88 as shown on the Report. Director Garber also commented that he liked the Positive Cash Flow as of May 31, 1990 in amounts in excess of \$172,000. Director Ela questioned the District's investment in Freddie Macs and Ginnie Mae's since he had heard that HUD was in trouble like the FLSIC. During the discussion the Superintendent was instructed to find out from Palisades National Bank what they were using as collateral for the District's funds that were invested there in excess of \$100,000. The Directors also inquired as to why there was some programming on the BOSS statement. The Superintendent explained that the District was in the process of programming the computer for carrier route presort to reduce postage costs. Director Ela inquired as to the use of radios in reading meters and the Superintendent told Director Ela that the radios were basically used for communication between the office and the employees in the field. After a 40-minute discussion the motion passed unanimously.

Superintendent Schuster told the Directors that there is no change in the Charles Casteel suit which is still scheduled for June 26, 1990.

Superintendent Schuster had the claim of Christy Maddalone for damages incurred when she stepped on a meter pit at 3256 1/2 Collyer Avenue under "old business". Even though the matter was under old business he didn't think he had reported this incident to the Directors before. The Directors concurred it was the first they had heard of it.

The Superintendent said there was no change in the status of the rock structure in the river.

Superintendent Schuster told the Directors that Clay Kinney, who had attended the May 16th meeting requesting an out-of-district tap, had called the District and told them he had purchased a tap from the Ute Water District and would not take advantage of the Directors' allowance of an out-of-district tap for him.

Director Ballagh moved to accept the format of the draft agreement between the City and Clifton as presented with some changes in the preamble and after said changes were made to present the agreement to Attorney Hoskin for his review. Attorney Hoskin was selected to review the agreement to prevent a potential conflict of interest with the City's water attorney. The motion was seconded by Director Kuykendall and passed with Director Ela abstaining. Director Ela's reason for abstaining in the vote was to show that he did not participate in the selection of an attorney for the District.

Superintendent Schuster told the Directors that Betty South had signed the easement and it was now ready for recording after Director Barrick's signature and the attest of Director Ballagh as authorized several meetings ago.

Superintendent Schuster told the Directors that John Whiting had contacted him and told him that the Whiting water was now for sale in a "new light" as one of the Whiting brothers was moving from the area and the sale of the Whiting Brothers' interest in the Grand Mesa Reservoir Company could even be considered a distress sale. After some discussion Superintendent Schuster told the Directors that 875.6 acre-feet of the total decree had been developed. It was also the Superintendent's suggestion that possibly the Water Courts would only allow 70% of the developed water to be transferred for domestic use leaving 612.9 acre-feet of water. After some discussion Director Ela moved to reopen negotiations with the Whiting brothers in order for the District to acquire their interest in the Grand Mesa Reservoir Company for a total sale price of \$612,000. The motion was seconded by Director Garber and after some discussion passed with Director Kuykendall abstaining stating he did not feel qualified to cast a vote on that sum of money.

Superintendent Schuster told the Directors that the District had received two corporate credit cards from American Express in the name of the Clifton Water District with the names for Director Barrick and Superintendent Schuster and additional cards for the other Directors were available at the rate of \$55 per card per year. After some discussion Director Ballagh moved to get an American Express Card for Director Garber. The motion was seconded by Director Kuykendall. During the discussion Director Garber stated that he would not spend enough money in one year to save \$55 in taxes and it was his suggestion the District try the two cards for a period of one year to see how it works. In the call for the question there were no affirmative votes received. The motion failed. Director Ela moved to keep the two cards that the District had acquired in the names of Director Barrick and Superintendent Schuster. The motion was seconded by Director Ballagh and passed unanimously.

Director Kuykendall wanted a review of the Charles Casteel case. Director Ela took 10 minutes to explain the situation to Director Kuykendall. The explanation was satisfactory.

The Superintendent told the Directors that in a cursory study of providing water for the Purdy Mesa water users it was more expensive for Clifton to tool up to provide water to the area than it was for the area to provide their own treatment facility.

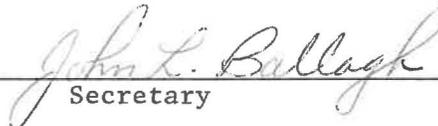
Under old business the subject of the meter readers, the resignation of Ron Davis, overtime hours for the employees, and the disability portion of the Personnel Manual were discussed. Director Ela asked the Superintendent that if in the attorney's review of the water meter readers not qualifying as private contractors if the subject of the qualifications of Ben Dowd Excavating Company came up. Superintendent Schuster stated that Attorney Bechtel had spent considerable time on this in the summer of 1989 and was satisfied that Ben Dowd Excavating qualified as a private contractor.

A thank-you letter from Laveta Kay was read to the Board. Also a letter of her resignation from the position of Office Manager was read to the Board and accepted. An acceptance letter of the position of Office Manager by Shirley Weaver was read to the Board and accepted.

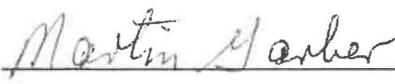
Superintendent Schuster told the Directors that Henry Mavrakis from Mavco had contacted him stating he had a client who had 56 shares of Grand Valley Irrigation Company Stock for sale at \$400 per share. Superintendent Schuster told Mr. Mavrakis that the District may consider the purchase at around \$200 per share but not \$400 per share. The Directors concurred that the Superintendent was allowed to offer up to \$200 per share for Grand Valley Irrigation Company shares.

Director Barrick told the Directors that the Clifton Store owned by Wayne Pond was for sale for \$100,000. Director Barrick said this is definitely a distress sale, that if Mr. Pond could not come up with \$100,000 it is possible that the bank would foreclose on the building. The Directors instructed the Superintendent to tell Mr. Pond that the District did have some interest in the building but would have to move slowly and for the Superintendent to inspect the building and present the pros and cons of purchasing the building at the July 18th meeting.

There being no further business the meeting adjourned at 10:17 p.m.

  
Secretary

ATTEST:


MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held July 18, 1990

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

Director Barrick called the meeting to order at 7:34 p.m. Director Ela said the word "that" on the third line on the third page should be removed to let the syntax flow more readily. Director Ballagh stated that the words in the second paragraph on page two of the minutes referring to the Betty South easement that the words "Director Barrick's" and "Director Ballagh" should be changed to "Chairman Barrick's" and "Secretary Ballagh". There being no other changes Director Ela moved to accept the minutes of June 13, 1990 meeting as corrected the motion was seconded by Director Ballagh. After some discussion the motion passed unanimously.

Director Ballagh moved to accept the financial report and pay the accounts payable in the amount of \$80,521.17 as shown on the report, plus a \$30,000.00 transfer of funds from Palisade National Bank to Mesa National Bank, \$20.00 to the Rocky Mountain section of American Water Works Association, \$344.00 to A.W.W.A./P.C.A., \$110.00 for advertisement in the U S West yellow pages, \$215.62 payment to Diamond Shamrock, \$284.95 to the Mesa County Road Department, \$125.00 to Mesa County Engineering Department and a payment of \$2,075.00 to the firm of Nelson Hoskins and Farina for legal services rendered. The motion was seconded by Director Ela. Director Ela expressed some concern about the American Express bill wanting to know just what items were included in that payment. Director Barrick stated that he had reviewed the statement and that the expenses were for Superintendent Schuster's travel to the A.W.W.A. Annual Conference in Cincinnati and that he had expressed his approval to make payment. Superintendent Schuster said that the American Express Card was to be used for mostly travel with any additional incidentals being reported to the Directors and with Office Manager Weaver crediting the proper accounts with any charges to American Express Card. Director Ela also expressed some concern about the payment of \$9,559.00 to the Special District Association of Colorado. Superintendent Schuster explained to Director Ela that that was an insurance payment and not for dues. There being no further discussion the motion passed unanimously.

Superintendent Schuster told the Directors that the Charles Casteel suit originally scheduled for June had been continued to August 22 due to a heart attack experienced by Mr. Casteel. After the continuance Mr. Casteel expired and Attorney Bechtel has not been able to contact Mr. Casteel's Attorney to see the status of the suit at this time.

Superintendent Schuster told the Directors that the negotiations between the District's consultant, Dr. Donald R. Reichmuth, and the Environmental Protection Agency and the Fish & Wildlife were virtually complete and that a submittal would be made to these government agencies prior to August 1, 1990. Superintendent Schuster showed the Directors a map of what Dr. Donald R. Reichmuth had proposed which included the construction of two additional rock structures in the river.

In the Clifton/City agreement, considerable discussion took place on the word "unification" in the Preamble. With generally considered that the word "unification" would be removed in three places in the Preamble and the Superintendent was to instruct the City of the Boards feeling in this regard. In addition a meeting with Attorney Hoskin was scheduled for 7:30 on July 25, at the water office for discussing the conclusion and preparation of the Clifton/City agreement.

Superintendent Schuster told the Directors that the City of Grand Junction had reopened a standing offer to the Whiting brothers to purchase their share of the Grand Mesa Reservoir Company at \$1,000.00 per developed acre foot of water. After some discussion it is the general consensus of the Directors to give the matter a rest to see what develops. After some thought Director Garber stated that he thought a cooperate purchase of the Whiting brothers share of the Grand Mesa Reservoir Company between the City and Clifton may be beneficial to both parties. After considerable discussion the Superintendent was instructed to discuss this matter with Utilities Manager Trainor in the advent that an agreement could be worked out. The Directors were adamant that any agreement with the Whiting brothers water would not be contingent on the Clifton/City Agreement in the paragraph above.

There was considerable discussion about the District purchasing the Clifton Store presently owned by Wayne Pond. In the previous meeting the Superintendent was instructed to present the Directors with the pros and cons of the purchase of the property. Superintendent Schuster said the pro is the location and the size of the property which would be good for the Water District and the water customers. The cons were the funds required to fix the building for an office. A long discussion followed about the space requirements of Clifton Water in the future. After this discussion Director Kuykendall thought it was premature for the District to think about buying property for an office at this time, the other Directors agreed.

Superintendent Schuster told the Directors that no payment had been received for the Rolling Hill Sanitation District for June or July. After some discussion the Superintendent was instructed to send a bill to Joseph Coleman demanding payment.

The committee which was established to review the sick leave and the disability leave of the District was instructed by Chairman Barrick to finish the portion of the disability leave which here to fore had not been changed.

Director Ballagh moved for the District to continue its policy and practice of initiating the availability of service charge after the original installation of a water meter rather than initiate the availability of service charge upon the installation of all the water facility in the subdivision. The motion was seconded by Director Garber. After a short discussion the motion passed unanimously.

Director Ballagh moved to accept the petition of the Southridge residents for inclusion within the Clifton Water District and set the date for public hearing for inclusion at the regular meeting of the Board of Directors on August 15, 1990. Director Garber seconded the motion. After very little discussion the motion passed unanimously.

Superintendent Schuster read aloud a letter dated July 15, 1990 from Lisa Lockwood requesting a variance in the water payment policy since she had been having trouble with her pregnancy. After some discussion Director Ballagh moved to allow a variance on District water payment policy for Lisa Lockwood

(a/c # 16-735-000; 3213 Nolene Ct) in accordance with an agreement reached between the customer and the Superintendent provided that the minimum monthly payments were \$20.00 and that the total balance was paid in full by June 30, 1991. Director Garber seconded the motion. After considerable discussion the motion passed unanimously. The Superintendent was requested to give the Directors an update on the agreement at the next meeting.

Under other new business Director Garber inquired as to when the District was to fix the air-vac valve on the water line along highway 50 going to Whitewater. The Superintendent said it was a matter of priorities but it just happened to be that the residents of Whitewater were informed on July 18 that they would be out of water on July 19th from approximately 8:30 a.m. to 1:00 p.m. while the air-vac valve was being fixed. There being no other business Director Barrick adjourned the meeting at 10:45 p.m.

John L. Ballagh  
Secretary

ATTEST:

Paul E. Barrick

Martin Garber

Fred M. Kempendall Jr.

Wm. M. Ed

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held August 15, 1990

Present were President Barrick, Vice President Ela, Secretary Ballagh, Treasurer Garber and Director Kuykendall. Staff present were Superintendent Schuster and Chief Operator Blount. Also present were Fred A. Powell and his daughter Sue C. Powell. The Powells are owners of different lots in the Southridge development.

Director Barrick called the meeting to order at 7:35 p.m. and immediately opened the public hearing for inclusion of the Southridge complex within the boundaries of the Clifton Water District. The Directors asked the Superintendent whether the public meeting had been properly published and the Superintendent stated that it was. After a very short discussion and with no apparent opposition to the inclusion of the property within the boundaries of the Clifton Water District, Director Garber moved to accept the property parcels as described in the publication within the boundaries of the Clifton Water District. The motion was seconded by Director Ballagh and passed unanimously. During the short discussion, Mr. Powell indicated that he was the owner of certain tap credits previously owned by Foster/Foster/Coleman. The Superintendent stated that the District had not been notified of any transfer of ownership of taps as per the agreement with the Fosters and Mr. Coleman.

Director Ela moved to approve the minutes of the July 18th meeting. The motion was seconded by Director Kuykendall. During the discussion the Directors wanted the following corrections: the word "with" in the second sentence of the first paragraph on page two to be changed to read "it was"; the word "cooperate" in the sixth line of the second paragraph on page two should be changed to "cooperative"; add a "s" to the word Hill in the fourth paragraph on page two so that it would read Rolling Hills Sanitation; the three words " here to fore" in the fifth paragraph on page two is actually just one word and finally add a period after court in the abbreviation of Nolene Ct. on the first sentence of page three of the minutes. With these corrections, the motion to approve the minutes of the July 18th meeting passed unanimously.

Director Ballagh moved for approval of the financial report and payment of the accounts payable as shown on the report plus three transfers of funds from Palisade National Bank. These transfers of funds included \$30,000.00 to Mesa National Bank, \$70,000.00 to COLOTRUST, and \$100,000.00 to the Grand Valley National Bank. In addition payment of \$170.00 to Dale Tooker, \$950.00 to Nelson, Hoskin and Farina, \$170.00 to D & M Wire Rope, \$110.00 to the Special District Association of Colorado, \$253.79 to Diamond Shamrock, \$9.90 to Mary Rice, \$9.60 to Zelphia Campbell and \$31.70 to Charles Short. The motion was seconded by Director Ela. After a few questions and a 10 minute discussion the motion passed unanimously.

The Superintendent reported that the Charles Casteel Estate still wish to pursue the suit and that the trial date was set for August 22, 1990 at 10:00 a.m. at Mesa County Court.

The Superintendent told the Directors that the report for the rock structure in the river had been mailed from Montana on August 13th but had not been received by the E.P.A. in Denver or the Clifton Water District but it was anticipated that the report would not contain any surprises as the Superintendent had been in contact with Doctor Donald R. Reichmuth constantly since commissioning the report in early May.

There was some discussion on the Clifton Water District assisting the City of Grand Junction in purchasing the Whiting Brothers water. After some discussion Director Ela moved to authorize the Superintendent to negotiate with the City of Grand Junction in the purchase of the Whiting Brothers share of the Grand Mesa Reservoir Company, consisting of fifty five percent (55%) of the total shares, with the understanding that the District would pay \$612,000.00 toward the purchase and provide a low interest loan in the amount of \$268,000.00 to the City provided that the District be assured 612 acre feet (200 million gallons) of water per year (in perpetuity) of that water. The balance of the water would be for the use of the City. The motion also contained a proviso that any agreement with the City contain an appropriate flexibility of point of delivery of the water. That is, that the District could accept delivery of this water in its untreated state at a cost less than receiving treated water from the City. It was generally agreed by all the Directors that the details would have to worked out as the negotiations with the City proceeded. The motion was seconded by Director Ballagh and after a short discussion passed unanimously.

Director Ballagh moved to accept the Clifton/City agreement as discussed with attorney Hoskin on July 25th and instructed Chairman Barrick to execute said agreement and Secretary Ballagh to attest to Chairman Barrick's signature. The motion was seconded by Director Ela and passed unanimously. The Superintendent told the Directors that there would possibly be a press conference called for the week of August 20th when the Grand Junction City Council ratified the contract as signed by Grand Junction's City Manager and City Clerk.

Superintendent Schuster told the Directors that the Rolling Hills Sanitation District had not paid their June and July payments and that the only response he got to a letter to Mr. Coleman was a copy of a letter that Mr. Coleman had sent to Mark Hermunstad. Mark Hermunstad is the attorney for the Valley Vista Homeowners Association. Superintendent Schuster told the Directors that in order to protect their \$75,000.00 mortgage on the Rolling Hills Sanitation Company property, that approximately \$150,000.00 would have to be spent to bring the sewage facilities up to standards. After some discussion which included who actually owns the sewer lines in the subdivision, what kind of monthly revenue can be expected from providing treatment and what kind of operations and maintenance costs are involved, the matter was tabled. The Superintendent was instructed to obtain the requested information and report back at the September meeting.

The committee that had been appointed to study the disability leave portion of the personnel manual reported that there was no action and suggested that they would have something to present at the September meeting.

Director Ballagh asked about the Lisa Lockwood situation which she requested a variance to the payment policy. The Superintendent stated that he wrote a letter expressing the Board's decision to Lisa Lockwood in accordance with the discussion at the July 18th meeting and had not received a response from her. However, he did go on to state that she had made a payment of \$20.00 as requested by the Directors and assumed that she had agreed to the Directors requirements laid out at the July meeting.

Director Ela moved to appoint Superintendent Schuster to prepare the 1991 budget for the boards review and approval. The motion was seconded by Director Garber and passed unanimously.

Director Barrick inquired as to the disposition of a concrete divider box that the District disturbed in construction approximately three years ago on property at F 3/4 Road just east of property owned by Virgil Parkhurst. The Superintendent reported that the divider box was disturbed during construction three years ago but was repaired immediately after it was brought to the District's Attention and that he did not feel that the District had any more responsibility after this length of time since the irrigators had not expressed any concern.

There being no other business before the Directors, the meeting adjourned at 9:55 p.m.

John L. Ballagh  
Secretary

ATTEST:

Martin Garber

Paul E. Barrick

Wm. M. Ela

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held September 19, 1990

Present were President Barrick, Secretary Ballagh, Treasurer Garber and Director Kuykendall. Vice President Ela had stated that he would be approximately ten minutes late. Director Ela's tardiness was excused. Staff present were Superintendent Schuster and Chief Operator Blount. Also present was Steve Swihart who owns the property at 622 34 1/2 Road.

Director Barrick called the meeting to order and asked Steve Swihart to make his presentation. Superintendent Schuster told the Directors that several years ago there were several tracts of land in the vicinity of F and 34 1/2 Road that were included in the District. These properties have been served by Clifton Water for approximately thirty years and that the Swihart property was not included in the inclusion as the property was in an estate and since there were no improvements on the property, water was not required. Superintendent Schuster also stated that Ute's water line was a considerable distance away from the Swihart property and that Clifton had a line running right in front of the property. Steve Swihart then gave his pitch to why he wanted to be included in the District. Director Garber moved to publish notice of a public meeting to be held on October 17, 1990 to discuss the inclusion of the Swihart property within the Clifton Water District and that the Ute Water District receive notice of said public hearing and that plant investment fees and water service be provided at In-District rates. The motion was seconded by Director Ballagh. Director Ballagh argued that the Swihart property would still be subject to Ute's mil levy so therefore Ute should not have a problem and the property was contiguous with District boundaries on three of the four sides and he thought it only right that Clifton approve the inclusion. Director Ela arrived during and became a part of the discussion. After twenty five minutes the motion passed unanimously.

Director Garber moved that the minutes of the August 15, 1990 meeting be approved as presented. The motion was seconded by Director Ballagh who entered into a discussion considering some minute points in the minutes. After a short discussion the motion passed unanimously.

Director Ballagh moved for approval of the Financial Report and payment of the accounts payable of \$42,013.39 as shown on the report plus a transfer of funds of \$30,000.00 from Palisades National Bank to Mesa National Bank; \$1,000.00 to the Postmaster; \$364.14 to Diamond Shamrock; \$3,178.10 to G and G Paving; \$205.51 to Decorex Industries; \$723.87 to Inland/Riggle Oil Co; \$1,791.46 to Geomax and \$75.00 to Mesa County Engineering for road permits. The motion was seconded by Director Garber and after a ten minute discussion passed unanimously.

Superintendent Schuster told the Directors that the District was successful in defending against Charles Casteel and suggested that Chuck Strain be compensated for his troubles. The Superintendent stated that he estimated that Mr. Strain had approximately twenty five hours preparation time and at

Minutes of Board Meeting  
September 19, 1990  
Page two

the rate of \$20.00 per hour \$500.00 would be in line. After some discussion Director Ela moved to pay Chuck Strain \$500.00 for his participation in the Charles Casteel case. Director Kuykendall seconded the motion and it passed unanimously.

Superintendent Schuster stated that the E.P.A. had accepted the report as prepared by Geomax. The E.P.A. agreed in essence that the rock structure provided better habitat for the endangered species but also stated that the rock structure provided better habitat for the predators of the endangered species and wanted to know how we were going to mitigate that problem. The Superintendent stated that the Geomax was in the process of preparing a letter in response to the predator problem and that the contents of the letter was discussed over the telephone with Superintendent Schuster and he was in agreement with the wording. The Superintendent also stated that the water had backed up causing cattails and additional wetlands so it was doubtful if E.P.A. would make them remove the structure as it would destroy some wetlands.

Superintendent Schuster told the Directors that in essence they had supported a resolution at their August 15th meeting allowing President Barrick to sign an agreement with the City of Grand Junction but had not passed a resolution allowing the signature as required by the agreement itself. Director Ela moved to accept the following resolution:

WHEREAS, at the present time the only source of raw water for the Clifton Water District is the Colorado River, and;

WHEREAS, the concentration of dissolved solids in the Colorado River is at its greatest in the winter months, exceeding the 500 parts per million as recommended by the United States Environmental Administration, and;

WHEREAS, it has been estimated that the future value of the savings to the District is \$4,020,827, and;

WHEREAS, it is in the best interest of the Clifton Water District to provide a source of softer water during the winter months to avoid the white, milky film on dishes, silverware and other household pots and pans due to the concentration of salts in the water.

NOW, THEREFORE, BE IT RESOLVED by the BOARD OF DIRECTORS of the CLIFTON WATER DISTRICT that the Agreement between the City of Grand Junction and the Clifton Water District signed by the Chairman of the Board and the Board's Secretary is approved in its entirety.

The motion was seconded by Director Kuykendall and passed unanimously.

The Superintendent told the Directors he had contacted the City and offered them \$612,000 00 in return for 200,000,000 gallons of water per year if the City would buy the Whiting Brothers shares of the Grand Mesa Reservoir. The City responded saying they had taken the Whiting Brothers offer under advisement and had not made a decision.

Superintendent Schuster told the Directors that Rolling Hills Sanitation District had not made their June, July, August or September payment and suggested the District consider foreclosure on the mortgage held by the

District. After some discussion Director Ela moved to consult with Attorney Bechtel to get complete information on steps to take for foreclosure in accordance with Rule 120 or obtain reasonable alternatives for foreclosure. The motion was seconded by Director Ballagh and passed unanimously.

Director Ballagh moved to authorize the Superintendent to contact another Attorney in the event that Attorney Bechtel still felt that there could be a conflict of interest for starting the steps for foreclosure. The motion was seconded by Director Garber and passed with four affirmative votes and one abstention. Director Ela again stated that he was abstaining from the District selecting an Attorney.

Superintendent Schuster gave a report on the Municipal Water Providers booth at the State Fair in Pueblo as well as the report on The Rocky Mountain Section of the American Water Works annual conference at Vail stating that Clifton had a high profile in both instances and thanked the Board of Directors for supporting him during his three years of moving thru the chairs of the Section. He stated that he had one year left as past Chairman but the time and money commitment would not be near as great as it has been for the last three years. The Directors then discussed the Special District Association Conference at Breckinridge. Director Garber stated that the SDA Insurance pool was doing very well. Normally, the pool paid only 18% of the premium collected for claims, but due to the recent hail storm in Denver the percentage had jumped to 24%. During the discussion Director Ballagh suggested that the staff become very familiar with the OSHA regulations, Director Barrick stated that our investment policy was bare bones as to what other districts had adopted and the pros and cons of amendment #1 was discussed at some length. Again the topic of bylaws for the District was discussed and the Superintendent was instructed to contact the Division of Local Government to see if they had made any progress in this area so that the District would have a guide as to which bylaws to adopt.

There was no report from the disability leave committee. Director Kuykendall hand delivered a letter to Chairman Barrick which Chairman Barrick read aloud. It was a letter of resignation from Director Kuykendall. Director Kuykendall stated that the present mood of the Board was that of a spend thrift. Director Garber countered that he thought the Board was very conservative. Director Ela stated that he did not want Fred to go as he provided considerable insight in the purchase of winter water from the City and had made a considerable contribution to the Board. Director Barrick stated that he enjoyed serving on the Board as there was a diversity of ideas and he ask Director Kuykendall to reconsider. Director Kuykendall stated that he would not reconsider and that was final. Director Ela moved to regretfully accept Director Kuykendall's resignation. Director Ballagh regretfully seconded the motion and regretfully everybody passed the motion unanimously. Director Kuykendall took leave from the meeting. Chairman Barrick immediately reappointed the Disability Leave Committee making Director Ballagh Chairman and Director Garber as the other member of the committee.

The Superintendent had a certificate of election results of the May 8th election and ask that the Chairman and Secretary sign the certificate so that it could be sent to the Division of Local Government.

Superintendent Schuster had asked the Directors to consider the purchase of

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Lots 6 and 7, Block 3, Clifton, for \$10,000.00 and Lots 4 and 5, Block 3, of Clifton, for \$7,500.00. Superintendent told the Directors that he had signed a contract to purchase Lots 6 and 7, Block 3, Clifton, contingent on approval from the Board of Directors. The seller had accepted the \$10,000 offer (the asking price was \$13,900). After some discussion Director Garber moved to ratify the Superintendent's decision to get a contract on Lots 6 and 7, Block 3, Clifton, in the amount of \$10,000.00 and to negotiate with the agent of Lots 4 and 5, Block 3, Clifton, starting with an offer of \$5,000.00 and not to exceed \$7,500.00. The motion was seconded by Director Ballagh and passed unanimously.

Superintendent Schuster told the Directors that the Directors of Ute Water Conservancy District and the Mesa County Planning Commission had a meeting discussing Ute's roll in providing fire protection. It was Schuster's observation from reading the minutes of the meeting that the Mesa County Planning Commission was receptive to Ute's position.

Superintendent Schuster stated that the Colorado Water Conservation Board had asked the District and the City of Grand Junction to support the Buzzard Creek Reservoir project. At the meeting Superintendent Schuster represented Clifton Water District and Bill Cheney represented the City of Grand Junction. Schuster and Cheney both stated that they supported the concept of the project but would not financially support the project unless a pipeline could be constructed from the reservoir to their treatment plants as they did not want to use the Colorado River as a conveyance of the water due. The Directors generally agreed with the Superintendent's position.

The Directors took a quick look at the proposed 1991 budget and asked the Superintendent to take a look at a few numbers in the budget and they would take a harder look at the budget at the October meeting.

The Superintendent read aloud a letter from a retired Colorado legislator, Fred Anderson, requesting money for WATER PAC. After some discussion it was the consensus of the Directors that they would not financially support WATER PAC.

At 11:00 p.m. Director Ballagh moved to recess the Directors meeting until 7:30 p.m. on Tuesday September 25, 1990, as the hour was getting late and he thought the Director needed to be fresh to discuss the balance of the agenda which was seconded by Director Ela and passed unanimously.

September 25, 1990, 7:30 p.m.

Chairman Barrick reconvened the recessed September 19th meeting at 7:30 p.m. Present were President Barrick, Vice President Ela, Secretary Ballagh, and Treasurer Garber. Superintendent Schuster was the only Staff member present.

The Directors looked over the September 24, 1990, printing of the proposed 1991 budget. The major emphasis was on the wages and benefit package for the 1991 budget and for the past three years. After a forty minute discussion, Superintendent Schuster was asked to provide the Directors with an analysis of the wage and benefit package for their review. The Superintendent was also asked to check on a retirement plan where the employer matched the employee's contribution. Other adjustments in the 1991 Minutes of Board

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budget were discussed as the budget became fine tuned.

Several names were brought up as a possibility to fill the vacancy created by the resignation of Fred Kuykendall. Every candidate discussed had some very positive attributes. After a twenty minute discussion, Director Ballagh was asked to contact George Wheeler to see if he would be interested in serving the District as a Director.

The Superintendent told the Directors that the Purdy Mesa Livestock Water Company had expressed an interest in obtaining Clifton water. The Purdy Mesa Livestock Water Company provides water for about fifty water users in the Kannah Creek area. The water users had expressed a desire to have Clifton pump drinking water to their homes. Superintendent Schuster said the most economical way of providing water to these users was to construct a treatment facility on the Grand Mesa and feed water to them by gravity. He estimated the cost of a 30 to 50 gallon per minute treatment facility to cost about \$50,000.

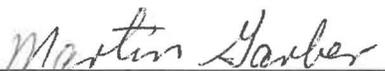
The Directors excused the Superintendent and went into an executive session to discuss the Superintendent's performance and compensation. The Directors reconvened the meeting after the executive session. Director Martin moved to raise the Superintendent's annual salary to \$58,550 and for the additional \$5,000 to be taken from the budgets contingency fund effective September 1, 1990. The motion was seconded by Director Ela and passed unanimously.

The meeting adjourned at about 11:00 p.m.

  
Secretary

ATTEST:

  
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MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held October 17, 1990

Present were President Barrick, Vice President Ela, Secretary Ballagh, Treasurer Garber. Superintendent Schuster was the only staff member present. Also present was Steve Swihart who owns the property at 622 34 1/2 Road.

Director Barrick opened the public hearing for the inclusion of 622 34 1/2 Road within the boundaries of the Clifton Water District. Director Barrick read aloud a letter from the Ute Water Conservancy District dated October 12, 1990 and signed by C. E. Stockton for the Ute Water Conservancy Board of Directors which did not necessarily object to the inclusion within the Clifton Water District but asked Clifton to require the Swiharts to obtain a release from Ute prior to Clifton serving them water. After a discussion that lasted approximately fifteen minutes Director Ballagh moved to include the Swihart property at 622 34 1/2 Road within the boundaries of the Clifton Water District recognizing the property is: 1) contiguous to the boundaries on three of the four sides; 2) approximately one quarter of a mile distant from Ute's water line and 3) by allowing the Swiharts to include within the District and obtain Clifton Water would prevent a duplication of services. The motion was seconded by Director Garber stating that he thought it was in the best interest of all concerned to provide the Swiharts with service from the Clifton Water District with in district rates. The motion passed unanimously.

Director Barrick adjourned the public hearing and convened the regular meeting of the Board of Directors of Clifton Water District. Director Ela moved to accept the minutes of the September 19, 1990 meeting. The motion was seconded by Director Garber. Director Ballagh had some problems with the second paragraph on page four where the minutes did not reflect the distasteful position of the Ute Water Conservancy District to provide water for fire protection purposes and the county planning commissions willingness to accept Ute's position. There were two typos in the minutes. After a short discussion the motion passed unanimously.

Director Ballagh moved to accept the Financial Report and pay the accounts payable in the amount of \$56,451.86, plus a \$30,000.00 transfer of funds from Palisades National Bank to Mesa National Bank; \$225.00 to Boss Discount Center; \$74.00 to BoWest Corp; \$256.79 to Hoff Co. Inc; \$88.37 for Schuster's expenses; \$1,060.41 to Moore Business Forms; \$75.00 to Castings Inc; \$71.30 to Two Way Communications; \$664.00 to the American Waterworks Association; and \$367.74 to Diamond Shamrock. Director Ela seconded the motion and after a short discussion the motion passed unanimously.

Director Ballagh told the Directors that he had contacted George Wheeler, 3045 Teller Ave, and that he was willing to serve as a Director. Director Ballagh moved to appoint George Wheeler to fill the vacancy on the Board created by the resignation of Fred Kuykendall. Director Ela seconded the motion and it passed unanimously.

Superintendent Schuster told the Directors that Dr. Reichmuth had replied in a three page letter to the Environmental Protection Agency concerning the habitat for the predators of the endangered species in the Colorado River. He also reported that the Environmental Protection Agency notified the District that they were in violations of certain sections of the law and that the E.P.A. would impose a \$25,000.00 fine on the District and that the rock structure had to be removed but that the fine could be substantially reduced if the District would cooperate with the E.P.A. Superintendent Schuster said that a phone call from Dr. Reichmuth to the E.P.A. may have reversed EPA's decision to require the removal of the structure as environmental damage could be done by the removal whereas there is no damage to the environment by leaving the structure in place. The Superintendent told the Directors that Attorney Bechtel and Dr. Reichmuth had not conferred yet but once they had conferred that Attorney Bechtel would contact the Attorney for the E.P.A. and set up a date for a preliminary hearing on the matter.

Superintendent Schuster told the Directors that the Purdy Mesa Livestock Water Company was still interested in obtaining water from the District but that they wanted the water under a little different terms and conditions than the District had accepted the Whitewater area into the District. It is the Superintendent's understanding that the water users on the Purdy Mesa Livestock Water Company pipe line were willing to let Clifton invest in a treatment facility on the Mesa and for the District to recoup their investment at an eight per cent interest rate over the next twenty years plus the cost of operations and water but the final proposal was yet to be made.

The Superintendent stated that the firm of Dufford, Waldeck, Milburn and Krone had been retained for the foreclosure action on Rolling Hills Sanitation Company. Attorney Krone was out of town and he had not conferred with him as to what the status of the foreclosure proceedings were at this time.

Director Ballagh gave an outline of a change to the personal manual which would change the term "disability leave" to "leave of absence". In a nutshell the leave of absence would be a maximum of thirty consecutive calendar days during the employee's term as an employee of the District with health insurance being the only benefit paid during that time. The Superintendent took notes of the outline presented by Director Ballagh with instructions to present them to Attorney Bechtel for final wording.

The Superintendent informed the Directors that the purchase of 302 and 306 Front Street had been completed. The District and owners of 146 3rd street were still in negotiations. The last proposal of the owner was \$7,000.00 for the property which was a counter proposal to the District's offer of \$5,000.00.

The Directors reviewed the October 4th, 1990 draft of the 1991 budget for approximately forty five minutes. After which the Superintendent was instructed to make various changes in the October 4th 1990 draft, such changes being the the addition of \$612,000 for purchase of water with the revenue for such purchase to come from District reserves and to add a line item called, "overtime" under the wages and benefits section, and to publish "Notice" of a public hearing for the 1991 budget set for November 21, 1990.

Under other old business Director Barrick inquired as to the status of the

railroad crossing permit from the D & R G W Railroad. Superintendent Schuster told the Directors that the real estate agent for the railroad had been ill but that he had talked to some of his subordinates and was told that the crossing permit should be in the hands of the District in approximately two weeks.

The Superintendent asked the Directors if they would be interested in participating in a xeroscape seminar to be sponsored by various landscaping companies in the valley at the Hilton Hotel on March 9 and 10, 1991. The Directors told the Superintendent to get more information on what is required in the participation so they can make a decision at the November meeting.

Superintendent Schuster brought up the potential liability the District may have due to two of their overhead ditch crossings. Mainly the crossing at 30 Road and the Grand Valley Canal and 31 Road and the Highline Canal. The Superintendent told the Directors that a lady had reported a dangerous condition and that the District may want to do something about it. After a lengthy discussion the Superintendent was instructed to write to the District's insurance company to get a risk assessment. Director Barrick also suggested that a 16 gauge sheet of steel be welded to the fans that are presently on the overhead crossings to discourage trespassing.

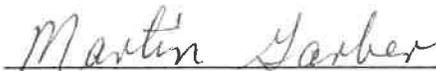
Director Ela moved that the District continue its tradition of providing turkeys for the employees and the Directors for Thanksgiving or Christmas. The motion was seconded by Director Garber and passed unanimously.

Director Ela inquired about two of the Attorney's charges to the District in the September billing. Superintendent Schuster told the Directors that one of the charges was a reply to the Districts opposition to the town of Palisade augmenting water from the Grand Valley Canal by using the effluent from the sewer lagoons and other seep water and that the other matter was an opposition to a water right requested by the City and County of Denver Board of Water Commissioners. Superintendent Schuster could not remember exactly what was involved in the Denver Water Departments request to the water courts but that he would find out and report at the November meeting. Director Ela stated that as a matter of policy it should be the Board that makes the decision whether to oppose water rights rather than the Superintendent.

There being no other business the meeting adjourned at 10:15 P.M.

ATTEST:

  
Secretary









MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held November 21, 1990.

Present were President Barrick, Vice President Ela, Secretary Ballagh, and Treasurer Garber. Also present were Director elect George Wheeler, Superintendent Schuster and Chief Operator Blount. Ruth Hutchins was also present.

Director Barrick called the meeting to order at 7:30 p.m. and administered the oath of office to George E. Wheeler.

Director Barrick then turned the meeting over to Ruth Hutchins who identified herself as a shareholder of Grand Valley Irrigation Company (GVIC). Mrs. Hutchins was present to discuss the GVIC annual meeting scheduled for 1:00 p.m. on December 1, 1990 at the Grand Junction High School auditorium. Mrs. Hutchins said she has followed the Bureau of Reclamation (USBR) and the GVIC negotiations and has observed during the negotiations no protection was allowed for "saved water." Water saved cannot be used to increase salinity in the Colorado River which Mrs. Hutchins translates to no additional farm being put into production with the "saved water." She went on to state that "saved water" would be allocated in accordance with the laws of the State of Colorado. She asked for the District's proxy for the GVIC annual meeting or for the District to send a Board Member to the annual meeting to see what is going on and to support her views and her nominees in voting the District's 1,221 shares of GVIC. Mrs. Hutchins stated that her position is to slow down the negotiations between the GVIC and the USBR. Mrs. Hutchins left the meeting approximately 7:55 p.m.

Director Ballagh moved to accept the minutes of the October 17, 1990 meeting. The motion was seconded by Director Garber. During the discussion phase, Director Ballagh suggested that the wording toward the end of the second paragraph on page 2 be changed to correct the sentence structure and to mention that the Board took no action as there had been no proposal made by the Purdy Mesa Livestock Water Company. Director Ela stated that Attorney Krohn's name was misspelled on the third paragraph of page 2. Director Ela also stated that in addition to health insurance being paid during a leave of absence that the District also intended to continue to accrue funds to the employees' retirement. In the sixth paragraph of page 2 the word "Daft" should have been "Draft." In addition to the corrections above, Director Ela stated that his intention in the last paragraph on page 3 was to have the attorney's charges initially authorized by the Superintendent and confirmed by the Board of Directors in making decisions to oppose, or support, water rights applied for by others. After discussion on the corrections to the minutes the motion passed unanimously.

Director Ballagh moved to accept the financial report and pay the accounts payable in the amount of \$71,580.92 as shown on the report, plus a \$35,000.00 transfer of funds from Palisades National Bank to Mesa National Bank; \$991.48 to Great Lakes Instruments, Inc.; \$25.00 to the Rocky Mountain Section of the AWWA; \$156.26 for Martin Garber's expenses to the SDA meeting in September;

\$127.32 for Dale Tooker's expenses to attend a Water Quality Workshop in San Diego and \$456.15 to Diamond Shamrock. The motion was seconded by Director Ela. During a thirty minute discussion, the Directors had questions concerning payments to various companies, parts of the Profit and Loss Statement and the Balance Sheet. When all these questions were answered the motion passed unanimously.

Superintendent Schuster stated that Dr. Reichmuth, Attorney Bechtel and himself had had a conference call with EPA in Denver on November 5, 1990. The EPA has advised Attorney Bechtel, in response to the conference call, that they have reconsidered their initial intention to fine the District \$25,000.00. The EPA is now giving the District two alternatives, these alternatives are: (1) to pay a \$20,000.00 fine and apply for a 404 permit after the fact for the rock structure in the river; (2) or for the District to appear at a hearing and have a penalty set by the Administrative Law Judge and apply for a 404 permit. The Superintendent advised the Directors that he had contacted the insurance company to see if the penalty could be paid from the District's errors and omission insurance. Director Garber stated that his inclination would be to inquire to our insurance company to see if the errors and omissions insurance would pay the \$20,000.00 fine less the deductible, and if they would, to go for that alternative. But if our errors and omissions insurance does not cover the \$20,000.00 fine, then we should tell the EPA that we'd prefer to have an Administrative Law Judge set the fine. Director Ela agreed. Director Ballagh registered caution in dealing with the federal government considering their ability to collect fines. After some discussion Director Elas moved to proceed with a hearing in the event the errors and omissions insurance would not cover the \$20,000.00 fine. The motion was seconded by Director Ballagh. Director Ela indicated that Attorney Bechtel could probably ascertain the inclination of the Administrative Law Judge by the questions being asked during the hearing and, if it appeared that the District would be in trouble, that they could capitulate on the hearing and accept the \$20,000.00 fine.

The Purdy Mesa Livestock Company project was on the agenda, but having received no proposal from them the Director's took no action.

Superintendent Schuster gave Director Wheeler a short history of the Foster/Coleman (Rolling Hills Sanitation Company) association with the District. The Superintendent explained that Attorney Krohn said that there were two types of foreclosures, one type being Public Trustee foreclosure and the other being the Judicial foreclosure. Attorney Krohn has suggested that the District go for the Judicial foreclosure to clear up an error in the description in the Deed of Trust and for the District to acquire the fixtures that were not part of the real property secured by the Deed of Trust. After some discussion Director Ela moved to authorize Attorney Krohn to proceed with the foreclosure in accordance with Rule 120 through the Judicial foreclosure procedure and to include recuperating the District's attorney cost in the procedure. The motion was seconded by Director Garber and passed unanimously.

The Directors had received the copy of a letter dated November 9, 1990 from Attorney Bechtel recommending the adoption of a temporary disability leave policy for the personnel manual which would replace the existing disability leave policy that Betty considered deficient in some items. The disability

leave policy as recommended in her letter of November 9, 1990 was to have been constructed around some guide lines as presented by the Disability Leave Committee at the October meeting. Directors Ballagh and Garber noted some inconsistencies in the recommended policy. Upon stating their concerns, Director Barrick assigned the Disability Leave Committee the task of rewriting a temporary disability leave policy based on the foundation as presented in Attorney Bechtel's letter of November 9, 1990.

Superintendent Schuster told the Directors that the property at 146 3rd Street had been purchased at a price of \$6,500.00.

Director Ela moved to adopt the following resolution:

WHEREAS, the DIRECTORS have adopted the annual budget for 1991 in accordance with the Local Government Budget Law, on the 21st day of November, 1990, and;

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

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

ESTIMATED EXPENDITURES:

Water Purchases	\$ 689,000
Other General Expenses	213,100
All Wages & Benefits	434,250
Operating Expenses	140,840
Office Expenses	50,250
Plant #2 Expenses	193,150
Bond Principal	125,000
Bond Interest	90,050
Contingency	129,790

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TOTAL ESTIMATED EXPENDITURES \$ 2,065,430

ESTIMATED REVENUES:

Sale of Water	\$ 1,149,200
Sanitation District	9,000
City of Grand Junction	75,000
Penalty & Turn Fees	40,000
Sale of Taps	30,000
Availability of Service Fee	6,480
Interest	138,750
Property Taxes	0
Miscellaneous	5,000

TOTAL ESTIMATED REVENUE	\$1,453,430
From Reserves	612,000
<hr/> TOTAL FUNDS AVAILABLE	<hr/> \$2,065,430

IT IS FURTHER RESOLVED, that there is appropriated from the funds of the DISTRICT, Two Million, Sixty Five Thousand, Four Hundred Thirty Dollars (\$2,065,430) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 1991 or thereafter. The motion was seconded by Director Ballagh and passed unanimously.

At the October board meeting Superintendent Schuster told the Directors that the Western Chapter of the Associated Landscape Contractors of Colorado had asked the District to participate in a Xeriscape seminar, March 9th and 10th of 1991, at the Hilton Hotel. The Directors tabled the matter as the Superintendent did not have sufficient information for the Directors to make a decision. The Superintendent told the Directors that a booth at the seminar would cost \$162.50 and that materials to set up the booth were readily available from the Municipal Water Providers. The Municipal Water Providers had used this material at the Colorado State Fair in Pueblo and that this material was available for the District to use. After a short discussion Director Ballagh moved to have the Clifton Water District set up a booth at the Xeriscape seminar at the Hilton Hotel and to use the Municipal Water Providers display that was used at the state fair. The motion was seconded by Director Ela and passed unanimously.

Under other old business Director Garber inquired as to whether or not the District had heard from Ute concerning the issuance of a tap at 622 34-1/2 Road. The Superintendent told the Directors that there had been no further communication with Ute on that matter. Director Garber inquired as to whether or not the piping had been completed so that the District could accept winter water from the City of Grand Junction. Superintendent Schuster told the Directors that the piping was completed late Saturday afternoon, November 17th, and at approximately 8:00 p.m. water from the city was flowing through the District system. Director Garber inquired also concerning the District's liability of the canal crossings that was discussed at the October meeting. Superintendent Schuster stated that in an exchange of letters with the insurance agency that they had indicated that we done about all we could do except that the insurance company suggested we add some barb wire to the fans presently on the canal crossings. Director Ballagh inquired as to why there is no overtime in October shown on the Superintendent's report. The Superintendent told the Directors that twenty-four hours of overtime was shown on the cash flow sheet which is a part of the Superintendent's report.

Concerning the special District Association of Mesa County "Meet Your Government Representative Dinner" on December 5, 1990, it was determined that all five (5) Directors and two (2) spouses, in addition to staff members, would be attending the dinner.

Director Ela moved that the engagement letter from Chadwick, Steinkirchner, Davis and Company in the amount of \$3,015.00 for the 1990 audit be approved. The motion was seconded by Director Wheeler and passed unanimously.

The request of Westran to receive an out of district tap was considered. After some discussion Director Garber moved to approve a tap for Westran at the boundary of the District for the regular plant investment fee of \$2,250.00 with appropriate valving to prevent the customer from deleting the supply of water to other Whitewater customers. The motion was seconded by Director Ela and passed unanimously.

During the discussion concerning the annual meeting of the Grand Valley Irrigation Company, it was indicated that all Directors that could, would attend, and that the Directors would vote the District's shares in accordance with the concensus of a caucus of the Directors present.

Director Ela moved for the Superintendent to be authorized to offer up to \$205.00 per share for Grand Valley Irrigation Company stock at the annual auction provided that no more than 159 shares were purchased. The motion was seconded by Director Garber and passed unanimously.

Director Garber also said that the authorization to spend \$205.00 per share applied to the ten shares offered to the District by Eugene Gerhardt. The Superintendent was instructed to so advise Mr. Gerhardt.

The Superintendent requested that the District be authorized to become a part of the "Eyes and Ears Program" sponsored by the Public Service Company of Colorado in the State of Colorado. Director Ballagh so moved. The motion was seconded by Director Ela and passed unanimously.

Director Wheeler moved to authorize the Superintendent to hire additional office help for twelve to twenty hours per week at a rate of \$5.00 per hour. Motion was seconded by Director Ballagh and passed unanimously.

Director Ela told those present that Mark Eckert, Mesa County Administrator, had made a remark at a League of Women Voters meeting that the Clifton Water District had declined to improve water lines to provide fire protection. After some discussion it was surmised that Mark Eckert was in error when he said that it was Clifton Water District that had declined the water lines, but instead it was the concensus of those present that it was the Ute Water Conservancy District that he was referring to. During the discussion, Director Garber said that he wanted to the District to take a hard look at improvements in the Whitewater area as they were just as much a part of the District as that portion of the District lying North of the Colorado River.

Director Barrick brought up a discussion initiated by Mesa County concerning fire flows in the 201 area. There is a short, but heated, discussion in defining what the intent was in setting the 201 boundaries.

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

ATTEST:

Paul E. Barrick

W. M. E. C.

John L. Ballagh  
Secretary  
Martin Garber

Jay E. Wheeler

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS  
CLIFTON WATER DISTRICT

Held December 19, 1990:

Present were President Barrick, Vice President Ela, Secretary Ballagh, Treasurer Garber and Director Wheeler. Also present were Superintendent Schuster, Terry Mariner (a resident of the Clifton Water District and a member of the Ute Water Conservancy Board of Directors) and Melvin Langland, a resident of Whitewater.

Director Barrick called the meeting to order at 7:30 p.m. Director Barrick then called upon Melvin Langland to present his case. Melvin Langland owns the property that's contiguous with the south end of the Clifton Water District in the Whitewater area and he presented a petition to the Board of Directors asking for an inclusion of his property within the district. Superintendent Schuster then read aloud a letter from Mr. Langland asking that he be allowed to pay his tap fee over an eighteen month period. After some discussion which included whether or not there is sufficient pressure to serve Mr. Langland, Director Ballagh moved to accept his petition and to publish notice of a public meeting to be held on January 16, 1991 to discuss inclusion of the Langland property within the Clifton Water District. The motion was seconded by Director Wheeler and passed unanimously. Director Ballagh stated that it was not timely to discuss the terms for paying for the tap fee at this time, but rather it would be more timely after the property was included within the district.

Director Wheeler moved to approve the minutes of the November 21, 1990 meeting with the following corrections: These corrections were to delete the "s" from the word "Elas" so it reads "Ela" and to replace the word "regular" with the words "Out-of-District plant investment fee" in the first paragraph on page 5. The motion was seconded by Director Ballagh and passed unanimously. When Superintendent Schuster read the contents of the first paragraph on page 5 it reminded him that Westran was advised of the Director's approval of an Out-of-District tap but that Westran may construct the building in Grand Junction, rather than in Whitewater, and may not need the tap.

Director Ballagh moved to accept the Financial Report and pay the accounts payable plus payments of \$190.13 to Arnhold Fabrication; \$153.25 to Grand Valley Rural Power Lines; \$272.14 to Kwik Kopy; \$85.00 to Overpass Store; \$68.50 to The Glass Brokerage; \$288.00 to Castings, Inc.; \$2,271.00 to Bermad, Inc.; \$389.48 to Diamond Shamrock, and a \$30,000.00 transfer of funds from Palisade National Bank to Mesa National Bank. The motion was seconded by Director Garber. After a short discussion, which included an explanation of why the November receipts were approximately \$100,000.00 less than the October receipts, and the request that the number of abandoned taps in the District be subtracted from the number of taps sold that shows on the Superintendent's report. The motion passed unanimously.

Superintendent Schuster told the Directors that the liability insurance company had denied the request for paying the \$20,000.00 fine to EPA as

finances are not insured. After a short discussion, the Directors asked the Superintendent to find out if the insurance company would pay for the removal and relocation of the rock structure should the District elect to do so. The Superintendent said that he would contact the insurance company and get an answer for the January meeting.

Superintendent Schuster told the Directors that even though the Purdy Mesa Livestock Water Company was on the agenda that he had nothing to report in this regard.

Superintendent told the Directors that the Judicial Foreclosure on the Rolling Hills Sanitation Company was preceding but he didn't know the exact status at this time.

After discussion on the two bores under the D&RGW Railroad, Director Ela moved to sign all necessary agreements and papers allowing the District to proceed with the bores under the railroad. One of the agreements was a licensing agreement between the District and D&RGW Railroad and an Intergovernmental Agreement for a railroad bore project between the District and Clifton Sanitation District #2. The motion was seconded by Director Garber and passed unanimously.

Director Ballagh, Chairman of the Leave of Absence Committee, gave a short report. His report included deleting the term "Leave of Absence" in favor of "Temporary Disability Leave" and a few other items which the committee requested be reviewed and approved by Attorney Bechtel before adoption.

The Superintendent stated that the lowest bid at the December 13th auction for shares of the Grand Valley Irrigation Company was \$210.00 and that the District did not purchase any shares at the auction but that the District did purchase ten (10) shares of stock from Eugene Gerhardt at a price of \$205.00 per share. This now gives the District a total of 1,251 shares.

Director Ela requested that the next SDA of Mesa County dinner meeting include a question and answer format. Director Ballagh stated that he thought that the discussion at the dinner should be limited to a certain number of subjects to discourage rambling. All in all the Directors that attended the SDA of Mesa County dinner meeting were relatively pleased with the gathering.

Director Ela moved to authorize the Superintendent to request bids for a 1991 pickup to be opened at the January 16, 1991 meeting. The motion was seconded by Director Wheeler and passed unanimously.

Billy Harrison of 3123 A 1/2 Road had requested an Out-of-District tap at the same location. At the present time, Mr. Harrison has a tap at the property which serves his business and that the closest Ute water line was over a quarter of a mile away. After some discussion, Director Ballagh moved to grant a second Out-of-District tap to Mr. Harrison at the 3123 A 1/2 Road address. The motion was seconded by Director Wheeler and passed unanimously.

Under other new business, Director Ballagh moved to include the property owned by the Clifton Water District on Orchard Mesa, namely that property in the Whitewater Hill area, in the publication for public hearing along with

the Langland property. The motion was seconded by Director Garber and passed unanimously.

Director Garber stated that the city had drained their flow line out across the easement that the Clifton Water District has for their 4" line serving Mrs. Roy and that the drain water had washed away the soil to approximately a depth of 1' from Clifton's water line and requested that the Superintendent ask the city to repair the road on the easement and put a culvert in the drainage to prevent further erosion and, in general, take responsibility for their actions rather than leaving Clifton with a mess. The Superintendent stated that he would write a letter to the city stating the District's concerns and asking they make the necessary repairs.

There being no further business, the meeting adjourned at 9:15 p.m.

ATTEST:

John L. Ballagh  
Secretary

Paul E. Barnick  
Mayor, M. Ela

Martin Garber  
George E. Whelan