

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JANUARY 5, 2017**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Secretary; Doralyn Genova, Treasurer; Edward Dan McElley, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Bret Guillory; Angie Beebe

REGULAR MEETING

Chairman Peck called the January 5, 2017 Regular Meeting to order at 5:04 p.m.

MINUTES OF THE DECEMBER 1, 2016 REGULAR MEETING

Director Genova moved to approve the December 1, 2016 Regular Meeting Minutes as submitted. Director McElley seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$406,080.22, plus Supplemental Checks of \$20,994.35, plus Special Check of \$8,804.64, plus Benefits Checks of \$16,606.76, plus HRA Disbursements of \$9,844.44, for a total of \$462,330.41. Director Sparks seconded and the motion passed unanimously.

MANAGER'S REPORT

Manager Tooker reviewed the corrective actions taken by Staff to address the problem of chemicals solidifying in the feed pumps for the MF/UF membrane cleaning process. He also reviewed the status and conditions of the Shoshone Water Right.

EXPRESS AGENDA

Director Genova made a motion to move the Project 2016-03 – Highway 50 Crossing Project to Unfinished Business. Director Diffendaffer seconded the motion which passed unanimously. There were no other items presented in the Express Agenda.

UNFINISHED BUSINESS

Project 2016-01 – F ½ Road Main Line Upgrade/Replacement Project – Assistant Manager Guillory reviewed the Staff Report *(1/5/17 File, 2017 Staff Reports)* for Project 2016-01. The Contractor, Dirtworks Construction, LLC has reached Substantial Completion of all work (except those items that cannot be completed at this time – asphalt repairs and sod replacement). Staff requested the Board suspend contract time until the Spring of 2017 to complete asphalt and sod repairs. Staff further requested that the Board authorize advertisement for Final Payment of those Contract items deemed Substantially Complete. Director Diffendaffer moved to suspend the contract time for Project 2016-01 issued to Dirtworks Construction LLC until which time asphalt and sod are available for installation, and to authorize Staff to advertise for Final Payment of those contract items deemed Substantially Complete as of December 16, 2016 at the February 2, 2017 Board Meeting. Director Genova seconded the motion which passed unanimously.

Project 2016-02 – 34 Road Main Line Upgrade/Replacement Project – Assistant Manager Guillory reviewed the Staff Report *(1/5/17 File, 2017 Staff Reports)* for Project 2016-02. He reported that all project work has been completed and is ready for final payment. Director Diffendaffer moved to authorize Staff to advertise for Final Payment at the February 2, 2017 Board Meeting, once the Contractor has submitted all required paperwork. Director Genova seconded the motion which carried unanimously.

Project 2016-03 – Highway 50 Crossing Bid Selection and Approval – Assistant Manager Guillory reviewed the informational Staff Report *(1/5/17 File, 2017 Staff Reports)* for Project 2016-03. He noted that the District received the amended United States Bureau of Land Management construction access permit. The Contractor plans to have the project completed by March 15, 2017. Information only no Board action requested nor required at this time.

NEW BUSINESS

2017 Property Casualty and Liability Insurance Renewal – Manager Tooker reviewed the 2017 Property Casualty and Liability Insurance Renewal Staff Report *(1/5/17 File, 2017 Staff Reports)* with the Board and identified that the quoted 2017 premium is \$1,309.94 greater than the 2017 Budget amount. Director Diffendaffer moved to transfer \$1,310 from the Contingency budget line item to the Insurance line item to fund the 2017 Property Casualty and Liability Insurance expense. Director Genova seconded and the motion passed unanimously.

Director Genova moved to approve the 2017 Property Casualty and Liability Insurance Renewal with Colorado Special Districts Property and Liability Pool and authorize payment in the amount of \$83,632.00. Director McElley seconded and the motion passed unanimously.

2017 Workers Compensation Insurance Renewal – Assistant Manager Reinertsen reviewed the 2017 Workers' Compensation Renewal Staff Report *(1/5/17 File, 2017 Staff Reports)* with the Board. Director Genova moved to approve the 2017 Workers Compensation Insurance with Colorado Special Districts Property and Liability Pool with the \$1,000 deductible and authorize payment

in the amount of \$10,980.63. Director Diffendaffer seconded and the motion passed unanimously.

FY 2016 Audit Services – Chadwick, Steinkirchner, Davis & Co., P.C. – Manager Tooker presented a letter of understanding of services (1/5/17 File, 2016 Audit) from Chadwick, Steinkirchner, Davis & Co. P.C. for the provision of FY 2016 Audit services. Director Genova recused herself from this agenda item due to a family member being affiliated with the auditing firm. Director McElley moved to appoint Chadwick, Steinkirchner Davis & Co., P.C. to complete the District's FY 2016 Audit and authorize the Board President to sign the letter. Director Diffendaffer seconded and the motion passed unanimously with Director Genova abstaining.

Resolution 2017-01 Designating Time, Location and Posting of Meetings – Director Genova moved to adopt Resolution 2017-01 (1/5/17 File, Resolutions), A Resolution Designating Time, Location and Posting of Meetings for 2017. Director McElley seconded and the motion passed unanimously. Resolution Text is as follows:

**RESOLUTION 2017-01
RESOLUTION DESIGNATING MEETING TIME, PLACE
AND 24-HOUR POSTING LOCATION**

WHEREAS, the Clifton Water District designates that all Regular Board of Directors Meetings will be held the first Thursday of each month at 5:00 p.m. located at the Clifton Water District Office, 510 34 Road, Clifton Colorado; and

WHEREAS, the Clifton Water District designates that the posting places for all Board of Directors meetings are the Clifton Water District Office and the following three additional locations; Clifton Sanitation District Office, Clifton Fire Department, and the United Postal Service, Clifton Branch Facility; and

WHEREAS, the Clifton Water District designates that the 24-hour Agenda Notice will be posted at the Clifton Water District Office; and

BE IT FURTHER RESOLVED, that this Resolution be adopted this 5th day of January 2017.

Resolution 2017-02 Adopting Availability of Service Charge for 2017 – Manager Tooker presented a Staff Report (1/5/17 File, 2017 Staff Reports, Resolutions) summarizing the 2016 average customer billing amounts used to calculate the 2017 Availability of Service Charge. Director Genova moved to adopt Resolution 2017-02, A Resolution For the Availability of Service Charge for 2017 and set the In-District Availability of Service rate at \$16.83 per month and the Out-of-District Availability of Service rate at \$25.25 per month. Director Sparks seconded and the motion passed unanimously. Resolution Text is as follows:

RESOLUTION 2017-02
RESOLUTION FOR THE AVAILABILITY OF SERVICE CHARGE FOR 2017

WHEREAS, the District has reviewed the Availability of Service Charge Policy; and

WHEREAS, the Availability of Service Charges are considered to be an equitable revenue contribution toward the repayment toward debt incurred by the Clifton Water District; and

WHEREAS, the Availability of Service Charge Policy is for those customers who benefit from the immediate availability of water service even though they are currently not receiving water; and

WHEREAS, all revenue generated by the Availability of Service Charge shall be used to repay the principal and interest on bonds and other outstanding indebtedness; and

WHEREAS, in the 2017 Fiscal Year the District has indebtedness for Water Revenue Bonds; and

WHEREAS, the said percentage of the Availability of Service Charge shall be determined by the Board; and

WHEREAS, in 2016 the average water usage charge for a Clifton Water District In-District customer was \$33.66/month per unit; and

WHEREAS, in 2016 the average water usage charge for a Clifton Water District Out-of-District customer was \$54.14/month per unit.

NOW THEREFORE BE IT RESOLVED, that the Clifton Water District Board of Directors establish the In-District Availability of Service Charge for the 2017 Fiscal Year at 50% of the In-District average water bill in 2016, which equals \$16.83 per month per unit and the Out-of-District Availability of Service Charge for the 2017 Fiscal Year at 47% of the Out-of-District average water bill in 2016, which equals \$25.25/month per unit.

BE IT FURTHER RESOLVED, that this Resolution be adopted this 5th day of January 2017 and is effective January 5, 2017.

Emergency Rate Annual Review – The Board reviewed the Staff Report (1/5/17 File, 2017 Staff Reports) regarding the 2009 Resolution establishing an Emergency Rate, and the 2016 calculation of rates (from the last time water rates were raised). Director Diffendaffer moved to adopt 2017 Exhibit A (Water Rates) to the 2009 Resolution Establishing an Emergency Rate. Director Genova seconded and the motion passed unanimously.

Director McElley then moved to place the Emergency Rate on hold until further Board action is taken. Director Genova seconded and the motion passed unanimously.

Budget Transfer – Contingency to Source of Supply – Manager Tooker reviewed the Staff Report regarding the LH Hurt Water Right Diversion through the Grand Valley Canal (1/5/17 File, 2017 Staff Reports). Director Genova moved to transfer \$4,670.00 from Contingency to the 2016 Water Assessment Budget Line Item to enable the use of the 4cfs LH Hurt Pump Right through the Grand Valley Canal for 2016. Director McElley seconded and the motion carried unanimously.

Staff member Beebe exited the meeting at 6:35 p.m.

EXECUTIVE SESSION

At 6:36 p.m., Director Peck moved to go into Executive Session, as per C.R.S. 24-6-402 (4)(e) for the purposes of discussing the District's negotiation stance regarding a possible insurance claim. Director Genova seconded and the motion passed unanimously. Directors Peck, Diffendaffer, Genova, McElley, and Sparks along with Staff members Tooker, Reinertsen, and Guillory were present.

The Board adjourned the Executive Session at 6:49 p.m.

ADJOURNMENT

The meeting was adjourned at 6:49 p.m. by Chairman Peck.

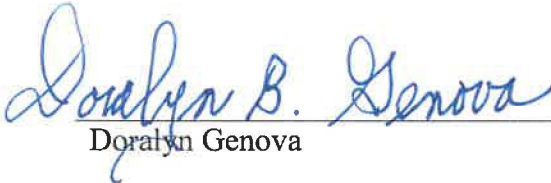
ATTEST:



Dale Peck



Stan Sparks



Doralyn Genova



Melvin Diffendaffer



Dan McElley

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, FEBRUARY 2, 2017**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Secretary; Doralyn Genova, Treasurer; Edward Dan McElley, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Bret Guillory; Angie Beebe; Brian Sheley

GUEST: Jamie Hamilton, Home Loan and Investment Company

REGULAR MEETING

Chairman Peck called the February 2, 2017 Regular Meeting to order at 5:02 p.m.

MINUTES OF THE JANUARY 5, 2017 REGULAR MEETING

Director Genova moved to approve the January 5, 2017 Regular Meeting Minutes as submitted. Director McElley seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$102,087.81, plus Supplemental Checks of \$93,361.15, plus Benefits Checks of \$17,852.16, plus HRA Disbursements of \$8,349.03, for a total of \$317,572.72, with the exceptions of check #34391 to Dirtworks Construction LLC and check #34392 to Eagles Nest Contracting which are scheduled for action under Unfinished Business. Accounting Technician Beebe pointed out the end of year financial disclaimer regarding 2016 values and amounts. Final adjustments will be made during the District's audit. Director Diffendaffer seconded and the motion passed unanimously.

2017 District Property and Liability and Workers Compensation Policy Review – The Chairman identified this item was moved from New Business to allow Mr. Hamilton to address items of interest from the District's 2017 policy renewals that were accepted at the January 5, 2017 Regular Board Meeting. Mr. Hamilton explained the recent premium increases associated with the Property and Liability coverages. The largest changes were observed in the coverages at the Water Treatment Plant and making sure that the contents of the Treatment Plant including the new MFUF equipment is adequately covered as contents verses being included in the Building coverage. Mr. Hamilton assured the Board that covering content value exclusive of the building value is a superior coverage and limits the District's exposure.

Mr. Hamilton exited the meeting at 5:30 p.m.

MANAGER'S REPORT

Manager Tooker identified that the number of Availability of Service accounts increased for the first time in several months. He also reported that the total number of new service taps sold for 2016 was 54 which compared to 77 sold in 2015.

INFORMATIONAL REPORTS

Assistant Manager Reinertsen reviewed the 2016 Drought Response Information Project (DRIP) Year in Review summary report of DRIP activities performed last year (*File 02-02-17, 2017 Informational Reports*). He also reviewed the 2017 planned activities, including the schedule of topics to be covered in the new DRIP Skills Workshops to be held monthly as a community information and education platform for various low impact water use practices.

Assistant Manager Guillory reviewed the Informational Report titled *In-House Engineering Design and Engineering Oversight* (*File 02-02-17, 2017 Informational Reports*). He identified the 2017 Water Line Replacement and Upgrade projects that will be designed in-house and the process that will be followed to get them to a construction bid ready status. Of the three projects identified in 2017, two will be designed, bid, and constructed in 2017, while the third will be design only, waterline upgrade on 32 Road from D to E Roads. The overall cost savings by performing the design in-house are estimated between \$35,000 and \$40,000.

EXPRESS AGENDA

Director Genova moved to approve the single Express Agenda item. Director Diffendaffer seconded the motion which passed unanimously. The Express Agenda item is as follows:

FY 2016 Audit Services – The Letter of Engagement for FY 2016 Audit Services was sent to Chadwick Steinkirchner, Davis & Co., P.C. and the onsite Audit is scheduled for March 6-10, 2017.

UNFINISHED BUSINESS

Project 2016-01 – F ½ Road Main Line Upgrade/Replacement Project – Assistant Manager Guillory reviewed the Substantial Completion Cost Summary Staff Report (*02-02-17 File, 2017 Staff Reports*) with the Board. Substantial completion project costs were identified and construction is 100% complete (excepting the final asphalt pavement repairs and sod replacement in front of Thunder Mountain Elementary School), totaling \$264,526.42. Substantial Final Payment has been advertised and there were no payment contest notices received. The project is considered substantially complete. Director Genova moved to authorize Substantial Final Payment in the amount of \$22,500.00, with the remaining retainage amount of \$3,535.00 to be released upon completion of outstanding items. Director Sparks seconded the motion which passed unanimously.

Project 2016-02 – 34 Road Main Line Upgrade/Replacement Project – Assistant Manager Guillory reviewed the Final Cost Summary Staff Report (*02-02-17 File, 2017 Staff Reports*) with the Board. Final project costs were identified and construction is 100% complete, totaling

\$202,797.19. Final Payment has been advertised and there were no payment contest notices received. The project is considered final and complete. Director Genova moved to authorize Final Payment of the withheld retainage and final quantity cost of \$22,478.90. Director McElley seconded and the motion passed.

NEW BUSINESS

Project 2017-01 Water Treatment Plant Manifold Project – Assistant Manager Guillory reviewed the Staff Report (*File 02-02-16, 2017 Staff Reports*) with the Board regarding design status of the next phase of the Water Treatment Plant Manifold Project. Director Diffendaffer moved to authorize Staff to begin the construction bid process with a Public Bid Opening date of March 1, 2017, with contract award being made at the March 2, 2017 Regular Board Meeting. Director Genova seconded the motion which passed unanimously.

Request from Dahl Built Homes for Relief of Plant Investment Fee Increase – Assistant Manager Reinertsen reviewed the Staff Report (*File 02-02-16, 2017 Staff Reports*) with the Board regarding the Plant Investment Fee increase relief request from Mr. Greg Dahl of Dahl Built Homes. Director Sparks moved to deny the request for relief from the recent Plant Investment Increase. Director McElley seconded and the motion passed unanimously.

District Reserves Investments – Manger Tooker presented a comparison table/graph showing District Investment growth and status over the period January 2006 through December 2016. He reported that with the recent interest rate increases in 5-year Government Rated investments, he would be moving funds held in the District’s liquid accounts to the higher interest rate investments. The District’s liquid accounts are receiving approximately a 0.2% interest rate whereas the 5-year Government investments are 2.0 to 2.5%. This was informational only and no Board action requested or required at this time.

ADJOURNMENT

The meeting was adjourned at 6:46 p.m. by the Chairman.

ATTEST:


Dale Peck


Stan Sparks


Doralyn Genova


Melvin Diffendaffer


Dan McElley

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, MARCH 2, 2017**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Secretary; Doralyn Genova, Treasurer; Edward Dan McElley, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Bret Guillory; Angie Beebe; Brian Sheley

REGULAR MEETING

Chairman Peck called the March 2, 2017 Regular Meeting to order at 5:00 p.m.

MINUTES OF THE FEBRUARY 2, 2017 REGULAR MEETING

Director Genova moved to approve the February 2, 2017 Regular Meeting Minutes as amended. Director Diffendaffer seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$271,543.33, plus Supplemental Checks of \$35,208.39, plus Benefits Checks of \$16,435.79, plus HRA Disbursements of \$4,121.75, for a total of \$327,309.26. Manager Tooker pointed out the voided check to Colorado Special District Association Property and Liability Pool and the replacement check that was issued. Director McElley seconded and the motion passed unanimously.

MANAGER'S REPORT

Manager Tooker identified that the number of new water taps sold in January 2017 was seven which compared to two sold in January 2016.

INFORMATIONAL REPORTS

Manager Tooker reviewed the actions taken regarding the recent Tier II Treatment Technique Violation Customer Notification. Required notifications were sent to all District customers via billing inserts and direct email notifications were sent to all paperless billing customers. Certification of notice delivery has been made to the Colorado Department of Public Health and Environment. District staff received less than 20 inquiries from customers regarding the notice.

Assistant Manager Reinertsen reviewed the District's Partnership for Safe Water – Directors Award for 2016 (*File 03-02-17, 2017 Informational Reports*). This is the 10th consecutive year that the District has met the requirements for earning this prestigious award from the US Environmental Protection Agency and the American Water Works Association that recognizes those drinking water purveyors that “*Improve the quality of water delivered to customers by optimizing water*

system operations". The District is one of only 16 Partnership for Safe Water utility providers in Colorado.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda items as presented. Director Sparks seconded the motion which passed unanimously. The Express Agenda items are as follows:

Project 2016-03 – Highway 50 Crossing – MA Concrete Construction's boring subcontractor has completed the 325 foot bore of Highway 50. MA Concrete Construction is installing the new 16" water line within the casing. The connection to the existing 12-inch line at the south end of the project has been completed. Work to have the pipe installed and backfilled south of Highway 50 by March 15 per our permit with the Bureau of Land Management is on schedule.

4" Water Line Upgrade In-House Project – Whitewater – Distribution staff is installing 1,600 lineal feet of new 4" PVC water line along Highland Avenue, Rogers Drive, and Turner Avenue in Whitewater. This new C-900 PVC line replaces an old 2" Schedule 40 PVC line that has been prone to breaking. Work on the main line is complete. New service lines are scheduled to be installed the week of February 27th.

2017 Line Replacements, In-House Engineering Design Status – Survey work along F ½ Road from 30 Road to 30 ½ Road is complete. Survey of the 32 Road corridor from D Road to E Road is complete. Final survey pick up for the second phase of the 34 Road project from the GVIC Canal to E ¼ Road is also complete. Design will be completed over the next month. Construction is planned for June through August, 2017.

2017 1st Quarter Finished Water Storage Tank Inspections – Distribution staff completed the 1st Quarter Finished Water Storage Tank Inspections and are working on maintenance items identified during the inspections. These formal quarterly inspections are now required by the CDPH&E to minimize the potential for external contamination of finished water storage tanks. This state requirement is the result of the water contamination event in Alamosa, CO in 2008.

2017 Children's Water Festival – The 21st Annual Children's Water Festival will be held at the Colorado Mesa University campus on May 15 and 16, 2017. District staff will have two presentation classes and will also provide Water Festival staffing support help as needed. As final planning and event coordination is completed, information will be provided for Board participation in events and VIP tours.

UNFINISHED BUSINESS

Project 2017-01 – Water Treatment Plant Manifold Project – Assistant Manager Guillory reviewed the WTP Piping Improvements Bid Opening and Recommendation Staff Report (03-02-17 File, 2017 Staff Reports) with the Board. Two bids were received, evaluated, and deemed valid by Assistant Manager Guillory. The low bid of \$1,048,288.00 submitted by PCL Construction, Inc. is greater than the budgeted funds for the project. Director Genova moved to transfer funds from Contingency (District Reserves) to the CASWTP Construction Expense Non-Operating Expense

Line Item in the amount of \$740,236 to complete construction of the 2017 WTP Effluent Manifold Project. Director Diffendaffer seconded and the motion carried unanimously.

Director Genova then moved to award Project 2017-01, WTP Effluent Manifold Project to PCL Construction, Inc. in the amount of \$1,048,288.00 and direct Staff to assembly required contract documents. Director Sparks seconded the motion which passed unanimously.

NEW BUSINESS

Funding Request – John McConnell Math and Science Center of Western Colorado – Assistant Manager Reinertsen reviewed the Staff Report (*File 03-02-17, 2017 Staff Reports*) with the Board regarding a funding request received from the John McConnell Math and Science Center of Western Colorado. The Center is moving into the new Colorado Mesa University Engineering Building, currently under construction. The Center is soliciting funds to construct an interactive water feature that will be prominently located in the main entrance atrium. The Executive Director, Ms. Jenn Moore, will attend the April Regular Board Meeting to discuss the project and the details of the requested funding. Information only, no Board action required or requested at this time.

ADJOURNMENT

The meeting was adjourned at 5:59 p.m. by the Chairman.


ATTEST:




Dale Peck



Stan Sparks



Doralyn Genova



Melvin Diffendaffer



Dan McElley

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, APRIL 6, 2017**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Secretary; Doralyn Genova, Treasurer; Edward Dan McElley, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Bret Guillory; Angie Beebe; Brian Sheley; Melissa Lemke

GUESTS: Ms. Jenn Moore – Executive Director John McConnell Math & Science Center of Western Colorado
Mr. John McConnell – Founder, John McConnell Math & Science Center of Western Colorado

REGULAR MEETING

Chairman Peck called the April 6, 2017 Regular Meeting to order at 5:00 p.m.

GUEST PRESENTATION

Manager Tooker introduced Ms. Jenn Moore and Mr. John McConnell of the John McConnell Math & Science Center of Western Colorado. A presentation by Ms. Moore was given to the Board that traced the history of the Math & Science Center and their plans for a new facility in the Colorado Mesa University's new Engineering Building. This new facility will include a hydrology exhibit that focuses on the water resources of the Grand Valley. The Center is currently soliciting funds for the construction of the new hydrology exhibit.

The Board thanked them for their presentation and they exited the meeting at 5:30 p.m.

MINUTES OF THE MARCH 2, 2017 REGULAR MEETING

Director Genova moved to approve the March 2, 2017 Regular Meeting Minutes as submitted. Director Diffendaffer seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$87,459.28, plus Supplemental Checks of \$314,799.19 plus Benefits Checks of \$16,440.45, plus HRA Disbursements of \$4,441.42, for a total of \$423,140.34. Chairman Peck asked about check to Diversified Underground Solutions. The check was reimbursement of District materials, labor, and equipment for an emergency water main repair from damage caused by Diversified Underground Solutions at 32 and D Roads. Accounting Technician Beebe reminded the Board members that the end of year 2016 values and amounts could change with the final 2016 audit numbers. Director McElley seconded and the motion passed unanimously.

MANAGER'S REPORT

Manager Tooker pointed out that the number of new water taps sold in February 2017 was five, compared to two in February 2016. He also pointed out that water sales are down compared to this time last year. Some of the factors identified that could result in lower water sales include weather and temperature conditions, the water conservation message, and water rates.

INFORMATIONAL REPORTS

Manager Tooker reviewed the summary report submitted by Value Enhancement Group, Inc. for their 2016 activities (*File 04/06/17, 2017 Informational Reports*). Value Enhancement Group, Inc. provides a third party oversight of the District's monthly financial activities. This summary is basically a report card on the District's internal financial operations and controls. Accounting Technician Beebe explained several of the identified month end items, such as the NSF payments, late CCOERA payments, and month end payroll disbursements.

Manager Tooker presented the Utilization Report for the 2016 HRA Plan Year (*File 04/06/17, 2017 Informational Reports*). Manager Tooker reported that the 2016 HRA budget item had a 53% underutilization representing a savings of \$144,862. The HRA has been effective in reducing the District's Health Insurance Premium expense and has provided an extremely positive employee benefit. Manager Tooker reviewed the cost savings over the past six years to the District of nearly \$700,000 in benefit costs.

Assistant Manager Reinertsen reviewed the Informational Report regarding the structural evaluation of the Middle Water Storage Tank (*File 04/06/17, 2017 Informational Reports*). Staff has secured the services of Burns and McDonnell Engineering to evaluate possible foundation settlement of the District's 3.7 million gallon finished water storage tank located north of Interstate 70. After evaluation of one year's worth of survey data, Burns and McDonnell recommended collecting an additional year of survey data before considering any remedial actions.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda items as presented. Director Diffendaffer seconded the motion which passed unanimously. The Express Agenda items are as follows:

FY 2016 Audit Services – Chadwick Steinkirchner, Davis & Co., P.C. – The onsite field audit for the FY 2016 Audit was scheduled March 6-10, 2017. The field investigation was completed in two days on March 6 and 7, 2017. A Draft of the FY 2016 Audit is expected to be presented to the Board at the May 2017 Board Meeting.

Project 2016-01 F½ Main Line Upgrade/Replacement Project – Final Asphalt was placed and striping was completed March 20, 2017. The sod will be replaced along the frontage of Thunder Mountain Elementary after the irrigation system is functioning this spring. As-Constructed drawings are being completed this week.

Project 2017-01 (WTP) Manifold Project – PCL Construction has mobilized on site and is in the process of verifying depth and location of critical buried utilities along the new 24-inch and 30-inch transmission pipe alignments. PCL started installation of the new 24-inch transmission piping Tuesday, March 28, 2017. The support pads for the above ground 24-inch piping were poured the week of March 20, 2017. Multiple submittals are being reviewed by Bret Guillory, and Matt Peyton (Carollo).

UNFINISHED BUSINESS

Project 2016-03 – Highway 50 Crossing – Assistant Manager Guillory reviewed the Staff Report requesting approval to advertise for final payment (04-06-17 File, 2017 Staff Reports). Assistant Manager Guillory identified several ‘punch list’ items that will be completed by the Contractor by April 14, 2017. Director Genova moved to authorize Staff to advertise for Final Payment at the May 4, 2017 Board Meeting, once the Contractor has submitted all required paperwork. Director Diffendaffer seconded the motion which carried unanimously.

Water Acquisition Plan – Manager Tooker presented the District’s Confidential Water Acquisition Plan to the Board for their review prior to future discussions. It was the Board’s consensus to have the Policy and Standards Committee meet and evaluate the document prior to the next regular Board Meeting on May 4, 2017.

Funding Request – John McConnell Math and Science Center of Western Colorado – Manager Tooker and Assistant Manager Reinertsen reviewed the Staff Report (File 04-06-17, 2017 Staff Reports) with the Board regarding the funding request from the John McConnell Math and Science Center of Western Colorado. The Board discussed the pros and cons regarding the funding request. Director Diffendaffer moved to fund the request made by the John McConnell Math & Science Center of Western Colorado for \$65,000 over a five year period. Director McElley seconded the motion. During Board discussion, the Board questioned how the Math and Science Center serves students in the area and in particular those without the financial ability to pay fees. The Board directed Staff to seek clarification of how the Math and Science Center serves the families, students and customers in the District. It was the consensus of the Board to table this item until Staff can provide information from the John McConnell Math and Science Center of Western Colorado.

NEW BUSINESS

Employee Wellness Award – Manager Tooker reviewed the Employee Wellness Award Staff Report (File 04-06-17, 2017 Staff Reports). This Report identified the criteria used in the past to recognize the employees for remaining healthy and thereby reducing health insurance expense. The Wellness Award is a payroll expense. Director Genova moved to approve an employee Wellness Award based upon 10% of the individual unspent HRA funds above \$1,000. Director Sparks seconded the motion which passed unanimously.


Project 2016-04 Effluent Manifold South Design Contract with Carollo – Manager Tooker reviewed the Staff Report, Effluent Pipe Manifold South – Design Services (04-06-17 File, 2017 Staff Reports). Manager Tooker discussed the additional design effort performed by Carollo Engineers. These additional efforts included the bid document preparation and formal bid evaluations and

award recommendations. Director Sparks moved to authorize an additional \$8,086.16 in additional engineering for the Design of the Effluent Pipe Manifold South Project. Director Genova seconded and the motion passed unanimously.

ADJOURNMENT

The meeting was adjourned at 6:46 p.m. by the Chairman.

ATTEST:



Dale Peck

- EXCUSED -

Stan Sparks


Doralyn Genova


Melvin Diffendaffer


Dan McElley

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, MAY 4, 2017**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Melvin Diffendaffer, Secretary; Doralyn Genova, Treasurer; Edward Dan McElley, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Bret Guillory; Angie Beebe; Brian Sheley; Melissa Lemke

REGULAR MEETING

Chairman Peck called the May 4, 2017 Regular Meeting to order at 5:00 p.m. Chairman Peck noted that Director, Stan Sparks had an excused absence from this meeting.

MINUTES OF THE MARCH 2, 2017 REGULAR MEETING

Director Genova moved to approve the April 6, 2017 Regular Meeting Minutes as submitted. Director Diffendaffer seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$364,048.52, plus Supplemental Checks of \$40,961.58 plus Benefits Checks of \$14,337.05 plus HRA Disbursements of \$2,540.81 for a total of \$421,887.96, with the exceptions of checks #34648 and #34649 payable to MA Concrete Construction which are scheduled for action under Unfinished Business. The Board inquired about the Profit and Loss Statement under General/Admin showing Utilities (expense) at 99.6% year to date. Manager Tooker explained the 99.6% year to date actual to budget is reported as the current period. The actual to budget for the full year is 25.8% of budget. The Board also pointed out that the District's Insurance paid was at 100% actual to budget. Manager Tooker explained that the Insurance expense is allocated 100% in January 2017 when the premiums are due. Staff takes each expense category and through trending and planning efforts, allocates expenses monthly throughout the year. Director Diffendaffer seconded and the motion passed unanimously.

MANAGER'S REPORT

Manager Tooker identified that production from Nanofiltration so far in 2017 has increased to 52.35% compared to 2016 42.92%. Additionally, Nanofiltration's Concentrate (waste product) was reduced from 14.3% in 2016 to 11.0% in 2017. This data represents a 9.42% increase in production and a 3.3% reduction in concentrate (waste). As a result, water quality has been improved and the "lost water" to waste efficiency has been improved. The reported improvements compared to last year are a direct result of changes made in the Nanofiltration operation and the replacement of 3 of the 4 membrane units.

INFORMATIONAL REPORTS

Assistant Manager Reinertsen presented the Informational Report on the Drought Information Project (DRIP) for 2017 (*File 05-04-17, 2017 Informational Report*). Reinertsen stated that workshops are will be offered by DRIP in conjunction with CSU Extension Service and will be made available on YouTube. The Annual DRIP Children's Coloring Contest has been changed to a Water Innovation Contest teaming up with the John McConnell Math & Science Center with the winner to receive annual passes to the Math & Science Center and a \$300 scholarship to participate in the Young Entrepreneurs Academy.

Additionally, DRIP will sponsor the Colorado Foundation for Water Education's West Slope Water Fluency Class in June 2017 which includes community planning for town directors/managers and representatives from the oil and gas community.

Manager Tooker reviewed the Informational Report on the 2016 Backflow Prevention Summary Report (*File 05-04-17, 2017 Informational Report*). In summary, there were 116 Commercial Accounts with 84% returning testing results. Further, 159 Backflow Prevention Devices (89%) out of 178 Backflow Prevention Devices were tested. This report is submitted annually to the State of Colorado. The Board asked if there was a penalty for not reporting. Manager Tooker stated that ultimately the District could discontinue water service. However, continuing a softer approach has worked to show improvement over the past four years.

Manager Tooker commented on the handout from a customer's positive commentary intended for "The Daily Sentinel". The Board suggested that we post on Facebook and/or on our website.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda items as presented. Director Diffendaffer seconded the motion which passed unanimously. The Express Agenda items are as follows:

Project 2016-01 F $\frac{1}{2}$ Main Line Upgrade/Replacement Project – Final Asphalt was placed and striping was completed March 20, 2017. The sod will be replaced along the frontage of Thunder Mountain Elementary after the irrigation system is functioning this spring. As-Constructed drawings are being completed this week.

Project 2017-01 (WTP) Manifold Project – PCL Construction has mobilized on site and is in the process of verifying depth and location of critical buried utilities along the new 24-inch and 30-inch transmission pipe alignments. PCL started installation of the new 24-inch transmission piping Tuesday, March 28, 2017. The support pads for the above ground 24-inch piping were poured the week of March 20, 2017. Multiple submittals are being reviewed by Bret Guillory, and Matt Peyton (Carollo).

Children's Water Festival – This year's Children's Water Festival will be held on May 15 and 16, 2017 at Colorado Mesa University (CMU). Distribution Staff Cameron Deppe and Mark Dalley will present "How Water Gets to Your House" and Treatment Staff Kyle Bishop and Brian Sheley will present "From River to Tap". Several other Staff will be providing Festival

support service over the two days. Board Member VIP Invitations are being mailed out the week of May 1st for the VIP Tour scheduled for Tuesday, May 16th at 12:00 p.m.

SDA Regional Training Seminar – The SDA Regional Training Seminar for District Board Members, Managers, and Staff will be held on Wednesday, June 14th at the Mesa County Public Library Community Room. The seminar will run from 8:00 am until 12:15 pm and will cover various topics such as conflicts of interests, notice of meetings, and district powers. For those wanting to attend please let HR Coordinator/Administrative Assistant Lemke know by Friday, May 19th for her to make your reservation.

UNFINISHED BUSINESS

Project 2016-03 – Highway 50 Crossing Project – Assistant Manager Guillory reviewed the Staff Report stating that the project was completed on March 17, 2017. Advertising for Final Payment has also been completed (April 21 and April 26, 2017) requesting approval to advertise for final payment be made on May 4, 2017 (05-04-17 File, 2017 Staff Reports). Assistant Manager Guillory identified the project is complete and in service and came in under budget by \$38,384.29. Director Genova made motion to accept checks for \$15,979.78 and \$17,988.25 for payment to MA Concrete Construction for final payment. Director Diffendaffer seconded and the motion passed unanimously.

Funding Request – John McConnell Math and Science Center of Western Colorado – Manager Tooker reviewed the Staff Report (File 05-04-17, 2017 Staff Report) regarding the funding request from the John McConnell Math and Science Center of Western Colorado. The Staff Report was updated (page 4) to reflect clarification to questions raised at the April 6, 2017 Board Meeting. Manager Tooker summarized the various financial support provided to children and students of the Clifton Water District customers. The Board stated they were appreciative of the support that the Center offers to the District's young customer base. Director Genova moved to fund the request made by the John McConnell Math & Science Center of Western Colorado for \$65,000 over a five year period. Director Diffendaffer seconded the motion and the Board passed unanimously.

FY 2016 Draft Audit – Manager Tooker reported that this is informational only and that Chadwick Steinkirchner, Davis & Co., P.C. will present the FY 2016 Audit at the June 1, 2017 Board Meeting.

NEW BUSINESS

None

EXECUTIVE SESSION

At 5:56 p.m. Staff members Beebe and Sheley exited the meeting. Director Peck moved to go into Executive Session, as per C.R.S. 24-6-402 (4)(a) for the purposes of discussing Draft Water Acquisition Plan. Director Genova seconded and the motion passed unanimously. Directors Peck, Diffendaffer, Genova, McElley, and Manager Tooker, and Staff Reinertsen, Guillory, and Lemke were present. The Board adjourned the Executive Session at 7:20 p.m.

ADJOURNMENT

The meeting was adjourned at 7:20 p.m. by the Chairman.

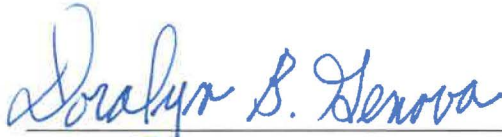
ATTEST:



Dale Peck

-Excused-

Stan Sparks



Doralyn Genova



Melvin Diffendaffer



Dan McElley

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JUNE 1, 2017**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Secretary; Doralyn Genova, Treasurer; Edward Dan McElley, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Bret Guillory; Angie Beebe; Brian Sheley; Melissa Lemke

REGULAR MEETING

Chairman Peck called the June 1, 2017 Regular Meeting to order at 5:00 p.m.

FY 2016 AUDIT

Mike Nelson with Chadwick, Steinkirchner, Davis & Co., P.C. presented the 2016 Audited financial statements to the Board. Mr. Nelson identified the improvement in the District's net position and increased financial health of the District in FY 2016. He noted that the District Net Position increased to \$1,987,532 in 2016 compared to \$1,632,507 in 2015 which is attributed to an increase in Cash and Investments and a decrease in liabilities. Mike Nelson praised the District financial health and noted the Working Capital Ratio for 2016 was a healthy 6.69 compared to 4.96 in 2015. Mr. Nelson answered the Board's questions and exited the meeting at 5:22 pm.

GUESTS: TRAVIS AND ANN NASH

Assistant Manager Reinertsen introduced guests, Travis and Ann Nash at 5:24pm. Travis Nash addressed the Board regarding a letter he had received from the District fining him \$1,000 for operating a valve in the Distribution System which shut off water to his property and impacted twenty-seven (27) other Customers. Mr. Nash is requesting relief from the penalty assessment. Mr. Nash explained that he was told by the former home owner where his shut-off valve was located (in a meter pit away from his home). Mr. Nash admitted to turning the valve off, but did not intend for District customers to be impacted by his decision. At the time, he was unaware that he had shut off the main valve.

The Travis and Ann Nash exited the meeting at 5:36 pm.

Chairman Peck moved for discussion of the Nashs' request for relief of the penalty for the Unauthorized Operation of District Facilities Policy #420, Section 8—Right of Exclusive Control, at 3113 A 1/8 Road (Customers Travis and Ann Nash), listed on the Agenda under New Business. The Board discussed the importance and purpose of the Policy #420 and the \$1,000 fine. Director McElley made a motion to charge the Nashs' \$250 fine and to require the installation of a customer-side shut-off valve by the homeowners. Director Genova seconded the motion and the motion failed (2 yea and 3 no votes). Director Diffendaffer made a motion to

charge the Nash's a \$150 fine and to require their installation of a customer-side shut-off valve. Director Sparks seconded and the motion passed (3 yea and 2 no votes). The Board directed Staff to communicate the Board's action by telephone and by mail.

MINUTES OF THE MAY 4, 2017 REGULAR MEETING

Director Genova moved to approve the May 4, 2017 Regular Meeting Minutes as submitted. Director Diffendaffer noted a punctuation error. Director Diffendaffer seconded and the motion passed unanimously with the correction to be made.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$96,552.97, plus Supplemental Checks of \$287,563.04 plus Benefits Checks of \$16,206.09 plus HRA Disbursements of \$7,707.39 for a total of \$408,029.49, with the exception of check #34713 payable to Dirtworks Construction LLC which is scheduled for action under Unfinished Business. Director Diffendaffer seconded and the motion passed unanimously.

MANAGER'S REPORT

Manager Tooker identified that upward trends are continuing to be observed in Active Taps, Total Water Sales (MG) and Nanofiltration production.

INFORMATIONAL REPORTS

None.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda item as presented. Director McElley seconded the motion which passed unanimously. The Express Agenda item is as follows:

Children's Water Festival – The 24th Annual Children Water Festival was held at Colorado Mesa University on May 15th and 16th. Over 2,500 5th graders from 37 schools participated this year. The schools attended from four (4) counties. Over \$16,000 was raised in donations (up from \$15,000 in 2016).

UNFINISHED BUSINESS

Project 2016-01 F ½ Main Line Upgrade/Replacement Project – Assistant Manager Guillory reviewed the Staff Report (06-01-17 File, 2017 Staff Reports) stating that the project was completed May 2, 2017. Advertising for Final Payment was completed which allows the District to release the remaining contract retainage and final quantities for pay items of \$6,559.00. Assistant Manager Guillory stated that no Payment Contest Notices were received and identified the project as successfully completed. Director Genova made motion to approve check #34713 for \$6,559.00 payable to Dirtworks Construction, LLC for final payment. Director McElley seconded and the motion passed unanimously.

FY 2016 Audit – Director Diffendaffer moved to accept the FY 2016 Audit and authorize Staff to distribute to the proper agencies. Director McElley seconded and the motion passed unanimously.

NEW BUSINESS

IDShield Identity Theft Coverage – Manager Tooker reviewed the Staff Report and the history behind the District adopting IDShield monitoring in 2016 to employees and their dependents (06-01-17 File, 2017 Staff Reports). He reminded the Board’s adoption of ID monitoring was due to the security breach of the HRA Administrator, FlexMagic that occurred in 2016. The District committed to coverage for one year beginning in May 2016. Manager Tooker requested Board consideration of continuing the IDShield monitoring for all full-time employees at a cost of \$8.95/month per employee (annual cost of \$2,255) and allow employees the option to continue dependent coverage (as was previously covered by the District) by electing coverage of \$10/month through payroll deduction.

Director McElley moved to accept continuance of ID theft monitoring for all active employees at the single rate of \$8.95 per month per employee (annual cost of \$2,255) with an option for family coverage paid through payroll deduction by the employee. Director Genova seconded and the motion passed unanimously.

Design Build Seminar – Carollo Engineering – Manager Tooker reported that Vinnie Hart from Carollo Engineering had invited him to speak at a Design Build seminar in Oklahoma City, Oklahoma. Carollo Engineering had offered to cover Manager Tooker’s expenses. Manager Tooker requested Board approval to participate and utilize District funding for this opportunity. Manager Tooker added the expense was not specifically identified in the District’s Budget however; there are funds available in the Training line item of the Budget. Director Genova made motion to approve Manager Tooker to attend the Design Build Seminar in Oklahoma City, Oklahoma. The Board discussed the value and opportunity of Manager Tooker sharing the District’s successful Design Build experience with other organizations. Director McElley seconded and the motion passed unanimously.

ADJOURNMENT

The meeting was adjourned at 6:45 p.m. by the Chairman.

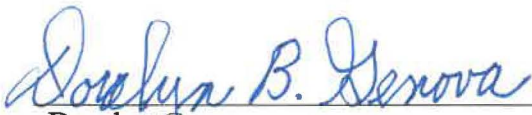
ATTEST:



Dale Peck



Stan Sparks



Doralyn Genova



Melvin Diffendaffer



Dan McElley

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JULY 6, 2017**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Secretary; Doralyn Genova, Treasurer; Edward Dan McElley, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Bret Guillory; Angie Beebe; Melissa Lemke

REGULAR MEETING

Chairman Peck called the July 6, 2017 Regular Meeting to order at 5:00 p.m.

MINUTES OF THE JUNE 1, 2017 REGULAR MEETING

Director Genova moved to approve the June 1, 2017 Regular Meeting Minutes as submitted. Director Diffendaffer seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$561,150.63, plus Supplemental Checks of \$15,157.04 plus Benefits Checks of \$16,308.40 plus HRA Disbursements of \$7,956.20 for a total of \$600,572.27. Manager Tooker reported the May financials under spending reflects a healthier percentage increase due to capital purchases coming to fruition such as the Poly Line Replacement Project underway and the Manifold Project near completion. Director Diffendaffer seconded and the motion passed unanimously.

MANAGER'S REPORT

Manager Tooker identified continued growth in Active Taps, Total Water Sales (MG) and Nanofiltration production remains strong. We have seen positive increase in water sales with a 2.5% growth from 2016.

INFORMATIONAL REPORTS

Assistant Manager Guillory reviewed the Informational Report on Project 2017-01 Water Treatment Plant Manifold Project Update (07-06-17 File, 2017 Informational Reports). He identified the project went very well due to pre-planning meetings, strong staff support, and working with a

very solid contractor (PCL) which led to a well-executed coordination effort and successful outcome.

Assistant Manager Reinertsen presented the Informational Report on the Preemptive Poly Service Line Replacements (07-06-17 file, 2017 Informational Reports). He reviewed the 2017 Budget of \$84,320 allocated to perform eighty (80) poly service line preemptive replacements this year in the Wedgewood Subdivision. The District is working toward cost savings with this much needed effort to replace the outdated poly lines. This is an ongoing project for the District as it is estimated that 4,270 poly service lines remain to be upgraded and replaced.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda item as presented. Director Diffendaffer seconded the motion which passed unanimously. The Express Agenda items are as follows:

FY 2016 Audit – The Audit letter to the Board of Directors was omitted from the June’s Board Meeting and was emailed to the Board on June 2, 2017. A copy of the letter was included in the July Board Packet.

SDA West Slope Water Forum – The Colorado Special District Association is hosting the West Slope Water Forum on July 25, 2017 at the Grand Valley Fire Protection District located in Parachute, CO. There will be a panel discussion on West Slope water diplomacy, water management, future collaborations, and what the future holds.

UNFINISHED BUSINESS

SDA Regional Training Seminar Briefing – Staff members Lemke and Reinertsen, and Director McElley presented highlights of the SDA Regional Training Seminar Briefing held on June 14, 2017 at the Mesa County Library. Compensation for Directors increased and study sessions attended by Directors classify as a special meeting. Compensation was covered under new business. Elections for Special Districts are under consideration in 2018 changing regular biennial elections from Even to Odd years. Director McElley closed stating his support of attending the training and recommended new Board Members attend the annual SDA Training Seminar as beneficial instruction. He requested clarification of a vacated Director’s term when one is appointed to fill said vacancy. Assistant Manager Reinertsen clarified completion of a vacancy term is served by either one or two, two-year terms depending on the time of term vacancy. The offsetting four-year Board member terms are critical to assure proper Board member turn-over in accordance with the term limit statute.

Designation of Mesa County Clerk’s Office as Required Posting Location – Assistant Manager Reinertsen explained to the Board the need to correct an oversight in Resolution 17-01 concerning posting of the District’s meetings. The District will need to post at the Mesa County Clerk’s office located at 200 South Spruce, Grand Junction, CO. Director Genova moved to amend 17-01 Resolution to include Mesa County Clerk and Recorder office at 200 South Spruce

Street, Grand Junction, CO as one of the District's designated locations to post meeting notices. Director McElley seconded the motion and the motion passed unanimously.

NEW BUSINESS

Board Compensation –Assistant Manager Reinertsen presented a Staff Report (07-06-17 File, 2017 Staff Reports) identifying the changes to Board compensation that was presented at the Special District Association (SDA) Regional Training Seminar held on June 14, 2017. House Bill, HB17-1297: Maximum Compensation for Meeting Attendance increases the maximum annual compensation for Board Members of Title 32 Special Districts from \$1,600 to \$2,400. Maximum pay for scheduled meeting attendance remains at \$100 per meeting which also includes scheduled Study Sessions or training events as qualifying for attendance compensation as long as a quorum is in attendance. Director Genova made a motion to approve an increase to Directors compensation not to exceed \$2,400 per year, payable not to exceed \$100 per meeting attended, effective August 9, 2017, unless a referendum petition is filed. Director Diffendaffer seconded the motion and the motion passed unanimously.

Out of District Service Request – 4132 Highway 50, Whitewater, CO – Assistant Manager Reinertsen presented the Staff Report (07-06-17 File, 2017 Staff Reports) requesting consideration of an Out of District service request at 4132 Highway 50, Whitewater, CO (Mesa County Tax Schedule ID # 2967-133-00-219). Director McElley moved to approve Mr. Carrasco's request to be served domestic water as an Out of District account located at 4132 Highway 50, Whitewater, CO (Mesa County Tax Schedule ID # 2967-133-00-219), and that this account will serve no more than one (1) single domestic water service tap governed by all District policies, and to include a condition that Mr. Carrasco provides proof of a recorded utility easement from the property owner of the adjacent property to the west that will allow placement of the customer water service line to the subject parcel, before the District can accept payment of the required Plant Investment Fee. Director Diffendaffer seconded and the motion passed unanimously.

Utility Billing System Feasibility Evaluation – Manager Tooker presented the Staff Report (07-06-17 File, 2017 Staff Reports) requesting approval to begin working on a Feasibility Plan and subsequent recommendation to replace the existing Springbrook Utility Billing software. The Feasibility Plan would be presented to the Board for funding consideration in the 2018 Budget. Director Genova made a motion to initiate the internal development of a Feasibility Evaluation to replace the current Springbrook Utility Billing Software, to be presented for budgetary consideration in 2018. Director Sparks seconded the motion and the motion passed unanimously.

At 6:39 p.m. Staff member Beebe exited the meeting.

EXECUTIVE SESSION

At 6:40 p.m., Director Peck moved to go into Executive Session, Pursuant to C.R.S. 24-6-402(4)(b) to discuss the CONFIDENTIAL Shoshone report from Attorney Keever. Director Sparks seconded and the motion passed unanimously. Directors Peck, Sparks, Diffendaffer,

Genova, and, McElley and Manager Tooker, Assistant Manager Reinertsen, Assistant Manager Guillory, and Administrative Assistant Lemke were present.

The Board exited the Executive Session at 6:46 p.m.

ADJOURNMENT

The Regular Meeting was adjourned at 6:46 p.m. by the Chairman.

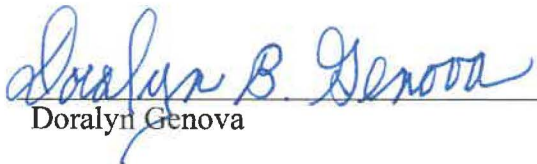
ATTEST:



Dale Peck



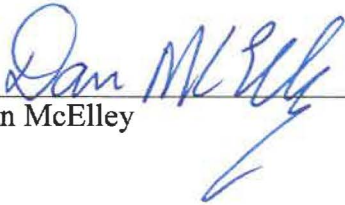
Stan Sparks



Doralyn Genova



Melvin Diffendaffer



Dan McElley

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, AUGUST 3, 2017**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Secretary; Doralyn Genova, Treasurer

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Bret Guillory; Angie Beebe; Brian Sheley; Melissa Lemke

REGULAR MEETING

Chairman Peck called the August 3, 2017 Regular Meeting to order at 5:00 p.m. Chairman Peck noted that Director, Dan McElley had an excused absence from this meeting.

MINUTES OF THE JULY 6, 2017 REGULAR MEETING

Director Genova moved to approve the July 6, 2017 Regular Meeting Minutes with corrections noted. Director Diffendaffer seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$55,699.99, plus Supplemental Checks of \$143,373.25 plus Benefits Checks of \$19,849.52, plus HRA Disbursements of \$5,586.63 for a total of \$224,509.39. Manager Tooker reported the June financials show a reduction in cash flow as a result of the expense of the various capital projects currently in construction. The expenses were planned and a good example of how the District is utilizing previously collected revenue to be used in the replacement of existing infrastructure. Director Diffendaffer seconded and the motion passed unanimously.

MANAGER'S REPORT

Manager Tooker noted that Taps Purchased in 2017 is almost 15% higher year to date than 2016. He also identified that the Availability of Service Taps (active but not in use) are at 241 compared to 259 for the same period last year. Year to date Water Sales are within 0.1% of 2016. Finally, the recent change out of Nanofiltration membranes have led to a 23.5% increase in Nano Effluent.

INFORMATIONAL REPORTS

Assistant Manager Reinertsen clarified the information presented at the July 6, 2017 Board Meeting regarding the recent change to Director compensation. Reinertsen identified that House Bill 17-1297 compensation changes are only applicable for Directors serving terms that start after on or after January 1, 2018. The compensation schedule for those Directors will be a maximum of \$2,400 per year.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda item as presented. Director Diffendaffer seconded the motion which passed unanimously. The Express Agenda items are as follows:

2017 SDA Annual Conference – The SDA Annual Conference is being held in Keystone, Colorado. The SDA University is Wednesday, September 13 with the remainder of the Conference on Thursday, September 14 and Friday, September 15. A preliminary conference agenda was included in the Board Packet. Please notify Melissa Lemke by August 9, 2017 if you wish to attend the Conference, and which nights you would like lodging reservations.

DRIP Booth at Mesa County Fair – A total of ten (10) District Staff members provided coverage for a number of time slots at the DRIP Booth at the Mesa County Fair from Tuesday, July 25th through Saturday, July 29th. The DRIP presence at the Mesa County Fair was an effort to continue the public awareness campaign and to provide the valuable community service of free chilled water to Fair attendees. This year's booth had a Western Saloon motif and was air conditioned which was a hit with the Fair attendees.

2017 Colorado River District's Annual Water Seminar, September 15th – Included in the Board Packet is the agenda for the Colorado River District's Annual Water Seminar, to be held at the Two Rivers Convention Center, located in Grand Junction. If interested, please let Melissa Lemke know so that reservations can be made. This year's topic theme is "Points of No Return?"

UNFINISHED BUSINESS

Project 2017-01 Manifold Project – Assistant Manager Guillory presented a Staff Report (08-04-17 File, 2017 Staff Reports) requesting Board approval to advertise for final payment, once the Final Payment Request is received. Assistant Manager Guillory reported that Staff was negotiating several additive and deductive change orders to the project that were identified during the last month of construction. Director Diffendaffer moved to authorize Staff, once the Contractor has submitted all required paperwork, to advertise for Final Payment at the September 7, 2017 Board Meeting. Director Genova seconded and the motion passed unanimously.

NEW BUSINESS

Designate Person to Prepare FY 2018 Budget – By statute the Board must appoint an individual to prepare the FY 2018 Budget. Director Genova made a motion to appoint Manager Tooker to prepare the FY 2018 Budget. Director Diffendaffer seconded and the motion passed unanimously.

Budget Committee – The Budget Committee includes Directors Peck and Diffendaffer along with Manager Tooker. After discussion, it was the consensus of the Board to continue with the Budget Committee as currently structured.

Designate Colorado Special District's Property & Liability Pool Representative – Director Diffendaffer moved to designate Chairman Peck as the District's representative at the Colorado

Special District's Property and Liability Pool Annual Meeting to be held in conjunction with the Colorado Special District's 2017 Annual Conference with Director Sparks assigned in the alternate role. Director Genova seconded and the motion passed unanimously.

Colorado State Parks One-Year Parking Lot Lease Agreement Renewal – Manager Tooker reviewed a Staff Report (08-03-17 File, 2017 Staff Report) regarding the Renewal of the Colorado State Parks One-Year Lease for Parking Area between the State of Colorado acting through the Department of Natural Resources and the District. He reported that the District had experienced a positive relationship and the conditions of the agreement were fulfilled. Director Sparks moved to have the District write a letter to the Department of Natural Resources renewing the Parking Lot Lease for another 12-month period. Director Genova seconded and the motion passed unanimously.

Project 2017-02 (F ½ Road Water Line Upgrade Project) and Project 2017-03 (34 Road Water Line Upgrade Project) – Assistant Manager Guillory reviewed the Staff Report (08-03-17 File, 2017 Staff Report) identifying the budgeted waterline upgrade projects that are ready for the construction bid process to begin. The two projects are both continuation projects of 2016 upgrades on F ½ Road and 34 Road. Staff requested Board authorization to begin the bid advertising process with Bid Awards being issued by the Board at the October 5, 2017 regular Board Meeting. Director Diffendaffer moved to authorize Staff to begin the construction bid advertising process for Projects 2017-02 (F ½ Road 6" Waterline Upgrade) and 2017-03 (34 Road 8" Waterline Upgrade). Director Genova seconded and the motion passed unanimously.

District Administrative Office – 2018 Expansion – Manager Tooker reviewed a Staff Report (08-03-17 File, 2017 Staff Report) identifying need to begin planning for a 2018 building expansion project. The planning process will address the current and projected needs for the District's Administrative Office facilities. It was the consensus of the Board to move forward with the District Administrative Office planning process and determine funding requirements during the FY 2018 Budget process.

SDA Western Slope Water Forum De-Briefing – Manager Tooker reported that he, Chairman Peck and Director Sparks attended the SDA's Western Slope Water Forum, held in Parachute, CO. The forum covered strategic planning efforts to deal with the effects being observed as a result of climate change. The forum's focus was on the Colorado River allocation and how future demands on water coupled with a reduction of flow will need to be strategically addressed by entities.

ADJOURNMENT

The Regular Meeting was adjourned at 6:20 p.m. by the Chairman.

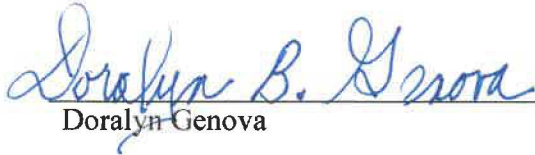
ATTEST:



Dale Peck



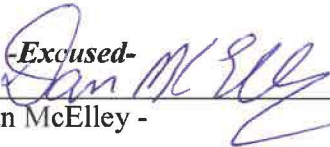
Stan Sparks



Doralyn Genova



Melvin Diffendaffer

~~Excused-~~


Dan McElley -

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, SEPTEMBER 7, 2017**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Secretary; Doralyn Genova, Treasurer; Dan McElley, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Angie Beebe; Brian Sheley; Melissa Lemke

REGULAR MEETING

Chairman Peck called the September 7, 2017 Regular Meeting to order at 5:00 p.m. Chairman Peck noted that Director Sparks called into the meeting.

MINUTES OF THE AUGUST 3, 2017 REGULAR MEETING

Director Genova moved to approve the August 3, 2017 Regular Meeting Minutes. Director Diffendaffer seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$178,626.21, plus Supplemental Checks of \$5,369.80 plus Benefits Checks of \$18,329.01, plus HRA Disbursements of \$9,992.72 for a total of \$212,317.74. Manager Tooker discussed the Cash Balance History included in the Financial Notes and pointed out the increase in Reserves after the implementation of Water Rates designed to collect a portion of the District's depreciation expense. Additionally in this same time period the MF/UF Project was completed and other distribution infrastructure projects were completed. The District's Reserves look favorable. Director Sparks seconded and the motion passed unanimously.

MANAGER'S REPORT

Manager Tooker reported there was a 26% increase in Taps Purchased compared to 2016 and as a result of the warmer weather, water sales also increased compared to the previous year.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda item as presented. Director Diffendaffer seconded the motion which passed unanimously. The Express Agenda item is as follows:

Discrimination/Harassment/Diversity Staff Training – The District's employment attorney, Michael Santo, will be providing training to Staff on September 21 and 26. The training will focus on Section 2 of the District's Personnel Policy emphasizing discrimination, harassment and diversity in the workplace. The District's training is an effort to provide an educational platform

to minimize conflict and strengthen respect and cultural awareness benefiting the employee and the District.

UNFINISHED BUSINESS

Project 2017-01 Manifold Project – Manager Tooker presented a Staff Report Advertising for Final Payment has been completed for Project 2017-01. (09-07-17 File, 2017 Staff Reports). Staff is requesting Board approval for Final Payment of Contract Retainage in the amount of \$53,670.55, and Final Volume Summary Payment of \$13,101.26 for a total of \$66,771.81. Director Genova made a motion to accept the check for \$66,771.81 for payment to PCL Construction Inc., for final payment. Director McElley seconded and the motion passed unanimously.

FY 2018 Budget – Manager Tooker presented the draft 2018 Proposed Budget. This is preliminary budget information and no action is requested.

NEW BUSINESS

2018 Health Insurance – Manager Tooker presented a Memorandum to the Board concerning the District’s 2018 Employee Health Insurance (09-07-17 File, 2017 Memos). The Memorandum outlines the uncertainty of health insurance and the District’s unknown health insurance situation for 2018 and because of the December 1, 2017 renewal date, the Board will have a condensed time frame to evaluate premiums for 2018. Staff will be meeting with the Rocky Mountain Health Plan HMO representative in mid-October and will have the 2018 premiums presented to the Board at the November Board Meeting.

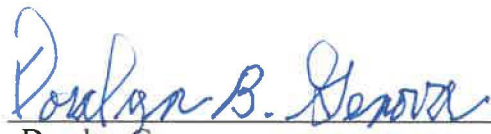
ADJOURNMENT

The Regular Meeting was adjourned at 6:00 p.m. by the Chairman.

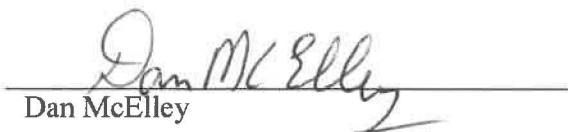
ATTEST:


Dale Peck


Stan Sparks


Doralyn Genova


Melvin Diffendaffer


Dan McElley

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, OCTOBER 5, 2017**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Secretary; Doralyn Genova, Treasurer; Dan McElley, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Angie Beebe; Brian Sheley; Melissa Lemke, Amanda Fleming and Jacob Lenihan

REGULAR MEETING

Chairman Peck called the October 5, 2017 Regular Meeting to order at 5:00 p.m.

MINUTES OF THE SEPTEMBER 7, 2017 REGULAR MEETING

Director Genova moved to approve the September 7, 2017 Regular Meeting Minutes. Director Diffendaffer seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$98,613.74, plus Supplemental Checks of \$15,650.72 plus Benefits Checks of \$19,357.97 plus HRA Disbursements of \$9,285.16 for a total of \$142,907.59. Manager Tooker referred to the Supplemental Check Run and identified invoices from vendors that appear on both the Regular and Supplemental Check Runs. Typically, all vendor invoices are accumulated and paid with one check. In this case, invoices were received after the Regular check run and were included in the Supplemental Check Run. Director Diffendaffer seconded and the motion passed unanimously.

MANAGER'S REPORT

Manager Tooker reviewed the August 2017 Manager's Report identifying a 2% increase in Water Sales compared to this time last year, and 48% increase in Tap Purchases both of which indicate an improving economic picture.

INFORMATIONAL REPORT

Assistant Manager Reinertsen reported the District had a guest speaker from the Mesa County Sheriff's Department covered bear awareness as we go into the fall season. He also mentioned the District's security breach in September where a number of items were stolen. In addition, there were two instances of trespassing on the District's property with the Mesa County Sheriff responding and citing individuals for trespassing.

EXPRESS AGENDA

No Express Agenda items.

UNFINISHED BUSINESS

FY 2018 Budget – Manager Tooker reviewed the 2018 Proposed Budget highlighting significant areas of change. No action was requested.

District Administration Office 2018 Expansion – Manager Tooker verbally presented the preliminary estimates from FCI Construction for the proposed Office expansion which were higher than expected. FCI Construction originally built the District's Administration Office and were requested to provide budgetary estimates. The Office Expansion will be discussed with the Budget Committee.

Briefing of Special District Association Conference – Directors, Peck, McElley and Sparks were in attendance at the 2017 Annual Conference in Keystone, Colorado from September 13-15, 2017. The Directors stated the Conference was excellent, presentations were well attended and provided highlights and information obtained from the conference to the Board.

Update on Colorado River District Annual Water Seminar – Director Diffendaffer attended the Colorado River District Annual Water Seminar on September 15, 2017 in Grand Junction, Colorado. Director Diffendaffer presented information from the seminar having an impact to the entire Colorado River Basin.

NEW BUSINESS

Request for Proposal for Project 2017-04 GIS/Hydrologic Modeling – Manager Tooker requested Board approval to advertise for Request for Proposal (RFP) for Project 2017-04 GIS/Hydrologic Modeling. Director Genova moved to approve the Request for Proposal for Project 2017-04 GIS/Hydrologic Modeling. Director McElley seconded and the motion passed unanimously.

Math and Science Center Membrane System Exhibit – Manager Tooker reported that the Math and Science Center had reserved physical space for a possible exhibit describing Membrane Technology. Manager Tooker stated he would be contacting Carollo Engineering, H2O Innovations and Toray to see if there would be interest in teaming up to develop a small scale demonstration unit. This was information only, no action was necessary.

Personnel Manual Section 2 – General – Manager Tooker reported that the District's employment attorney, Michael Santo, identified components of the Personnel Manual Section 2 – General that need to be updated to encompass recent legislative changes. Once a draft is prepared by Attorney Santo, the Personnel Committee (Dale Peck and Dan McElley) will convene to review Mr. Santo's revisions for future Board consideration and approval.

ADJOURNMENT

The Regular Meeting was adjourned at 6:50 p.m. by the Chairman. Staff members, Reinertsen, Sheley, Beebe, Lemke, Fleming and Lenihan exited the meeting.

EXECUTIVE SESSION

At 6:51 p.m., Director Peck moved to go into Executive Session, as per C.R.S. 24-6-402 (4)(f) for the purposes of discussing personnel matters. Director Genova Seconded and the motion passed unanimously. Directors Peck, Sparks, Diffendaffer, Genova, and McElley and Manager Tooker were present.

The Board reviewed with the Manager his performance.

The Board exited the Executive Session at 7:25pm Directors Peck, Sparks, Diffendaffer, Genova, and McElley were present along with Manager Tooker.

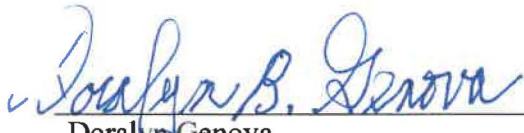
ATTEST:



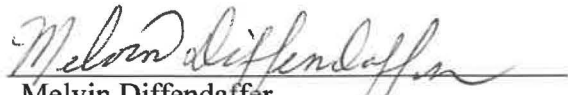
Dale Peck



Stan Sparks



Doralyn Genova



Melvin Diffendaffer



Dan McElley

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, NOVEMBER 2, 2017**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Secretary; Dan McElley, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Angie Beebe; Brian Sheley; Melissa Lemke, Jacob Lenihan and Isaac Brown

REGULAR MEETING

Chairman Peck called the November 2, 2017 Regular Meeting to order at 5:00 p.m. The Chairman noted that Director Doralyn Genova had an excused absence from this meeting.

MINUTES OF THE OCTOBER 5, 2017 REGULAR MEETING

Director Sparks moved to approve the October 5, 2017 Regular Meeting Minutes. Director Diffendaffer seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Diffendaffer moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$108,805.95, plus Supplemental Checks of \$10,920.02 plus Benefits Checks of \$18,487.55 plus HRA Disbursements of \$17,376.02 for a total of \$155,589.54. Manager Tooker reviewed the Statement of Cash Flow and the increase of the Reserves of the District at the end of the month compared to 2016. Director McElley seconded and the motion passed unanimously.

MANAGER'S REPORT

Manager Tooker reviewed the September 2017 Manager's Report.

INFORMATIONAL REPORT

None presented.

EXPRESS AGENDA

Director Diffendaffer moved to approve the Express Agenda item as presented. Director McElley seconded the motion which passed unanimously. The Express Agenda (*File 10/26/17*) item is as follows:

2017 Preemptive Poly Service Line Replacement Program Update – Distribution crews on Thursday, October 26, 2017 completed the eighty (80) budgeted and planned Preemptive Poly

Service Line Replacements. The final completion will include additional asphalt and concrete. Once these follow-up items are finished, Final Costs will be provided in an Informational Report.

The Grand Valley Irrigation Company Notice of 2017 Annual Shareholders Meeting – The 2017 Annual Shareholders Meeting of the Grand Valley Irrigation Company will be held at 1:00 pm on December 2, 2017 at the Ute Water Conservancy District office located at 2190 H ½ Road, Grand Junction, CO. The Annual Grand Valley Irrigation Company Auction will be held at 10:00 a.m. on Thursday, December 14, 2017 in the Grand Valley Irrigation Company business office, located at 688 26 Road, Grand Junction, CO.

UNFINISHED BUSINESS

FY 2018 Budget – Manager Tooker presented and reviewed the Draft 2018 Budget (*File 10-26-17, 2018 Budget*). The Budget Committee and Staff identified a number of Budget items that had significant changes from the 2017 Budget. After the Board discussion, Director Diffendaffer moved to set the Budget Hearing regarding the District's FY 2018 Budget for Thursday, December 7, 2017 at 5:00 p.m. and have Staff secure the necessary postings and advertisement. Director Sparks seconded and the motion passed. The Budget Committee will continue to refine the Budget for final presentation and adoption at the December 7, 2017 Board of Directors Meeting.

2018 Health Insurance – Manager Tooker reviewed the Board Memorandum (*File 10-26-17, 17 Confidential Board Memorandum*) concerning Employee Health Insurance. Manager Tooker presented to the Board an option to renew employee health insurance for the month December 2017 at an increased cost of \$5,200. Renewing for December would take advantage of reduced premiums offered beginning in January 2018. The initial premium increase delivered was 33%. By taking advantage of the one month December renewal, the January renewal would reduce the overall premium increase down to 26%.

Director Sparks moved to renew the Employee Health Insurance for December 2017 for one month only at a premium cost increase of \$5,200. Director McElley seconded and the motion passed unanimously. Director Sparks moved to change the 2018 Health Insurance Policy Plan renewal date to January 1, 2018, to take advantage of the reduced premiums for 2018. Director McElley seconded and the motion passed unanimously.

Personnel Manual Section 2- General – Manager Tooker reported that the Personnel Manual Section 2 – General remained on Agenda and no action was needed. It is expected that Attorney Santo will have a draft version for December Board Meeting consideration and approval.

NEW BUSINESS

2017 Audit Services - Chadwick Steinkirchner, Davis & Co., P.C. – Manager Tooker presented the standard letter of Engagement for FY 2017 Audit Services to be provided by Chadwick, Steinkirchner, Davis & Co. The cost of the FY 2017 Audit is not to exceed \$9,100 (*File 10-26-17 2018 Audit*). Director Diffendaffer moved to accept the letter of engagement by Chadwick, Steinkirchner, Davis & Co., P.C. and further authorized the Board President and District

Manager to sign the engagement letter. Director McElley seconded and the motion passed unanimously.

2018 Water Rates and Plant Investment Fee – Manager Tooker reviewed the Plant Investment Fee Structure Memo (File 10-26-17, 17 Board Memorandum) recommending an increase of the Plant Investment Fee for the standard 3/4” x 5/8” water service to \$6,500. This increase is based upon a System Equity Evaluation per Active Tap. The current System Equity per Active tap is \$6,744 and the proposed \$6,500 is less than this value. Director Diffendaffer moved to increase the Plant Investment Fee for the standard 3/4” x 5/8” water service \$500 to a total of \$6,500, effective January 1, 2018. Director Sparks seconded the motion which passed unanimously.

Operating Policy #420 – Review of Section 10 – Leak Adjustment – Manager Tooker reviewed the Operating Policy #420, Calculation of the Leak Adjustment, Section 10.3.3.1. The Board discussed the Policy and referred the item to the Policy Committee to review and to bring to Board at future date.

Holiday Turkey or Ham – Director Diffendaffer moved to continue the District’s long-standing tradition of providing each employee and Board Member with their choice of a turkey or a ham for Thanksgiving or Christmas. Director Sparks seconded and the motion passed.

ADJOURNMENT

The Regular Meeting was adjourned at 7:30 p.m. by the Chairman.

ATTEST:




Dale Peck



Stan Sparks

-Excused-

Doralyn Genova



Melvin Diffendaffer



Dan McElley

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, DECEMBER 7, 2017**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Doralyn Genova; Treasurer, Secretary; Dan McElley, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Angie Beebe; Brian Sheley; Melissa Lemke, Lacey Bouton, Amanda Fleming and Isaac Brown

GUEST PRESENT: Mr. Jamie Hamilton, Home Loan and Investment

PUBLIC HEARING

Chairman Peck called to order the Public Hearing at 5:00 p.m. regarding the District's Proposed FY2017 Budget, in accordance with C.R.S. 29-1-106 *Et. Seq.* The Notice of Public Hearing (12/7/17 File, 2018 Budget File, Daily Sentinel Legal Notices) was confirmed as published in the Grand Junction Daily Sentinel in accordance with C.R.S. 29-1-106(3)(a). Manager Tooker reported that no comments have been received regarding the Proposed Budget from members of the public. No members of the public were present. Chairman Peck closed the Public Hearing at 5:01 p.m.

REGULAR MEETING

Chairman Peck called the December 7, 2017 Regular Meeting to order at 5:01 p.m.

GUEST PRESENTATION

Manager Tooker introduced Jamie Hamilton of Home Loan and Investment. Mr. Hamilton summarized the District's 2018 Property Casualty and Liability Insurance (12/7/17 File, Insurance – 2018 Property, Casualty). Mr. Hamilton explained that the District's insurance rates have increased 5.19%, up \$4,400 primarily as a result of nationwide flood and fire events. Mr. Hamilton also reviewed the District's Worker's Compensation policy (12/7/17 File, Insurance – Workers Comp), stating the District has a very low Experience Modification of .70, indicating the District's commitment to safety and proactive approach to providing a safe work place.

MINUTES OF THE NOVEMBER 2, 2017 REGULAR MEETING

Director Genova noted she was abstaining from discussion and action on the November 2, 2017 Meeting Minutes due to her absence from that meeting. Director Diffendaffer moved to approve

the November 2, 2017 Regular Meeting Minutes. Director McElley seconded and the motion passed unanimously with Director Genova abstaining.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$188,618.78 plus Supplemental Checks of \$8,951.15 plus Benefits Checks of \$23,750.85 plus HRA Disbursements of \$4,214.91, plus Board Payroll Checks of \$6,116.53 for a total of \$231,652.22. Director Diffendaffer seconded and the motion passed unanimously.

MANAGER'S REPORT

Manager Tooker reviewed the October 2017 Manager's Report. He noted that the raw water river flow water quality has been noticeably better when compared to the measured water quality values of 2016.

INFORMATIONAL REPORT

None presented.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda item as presented. Director Diffendaffer seconded the motion which passed unanimously. The Express Agenda (*File 12/7/17*) items are as follows:

Colorado River Basin Round Table Meeting – The November meeting of the Colorado River Basin Roundtable was hosted by the District. The meeting was held in the training room of the Water Treatment Plant. There were 35 attendees along with three District staff members attending. Once the meeting was over, Treatment Plant Staff led tours of the new MF/UF facility for the attendees. This was a unique opportunity to showcase our state-of-the-art filtration facility and help educate key representatives dealing with basin-wide water issues.

2017 Children's Water Festival Recap – In this month's payables, the District's cost share of the 2017 Children's Water Festival is included. This year's total expenses were \$22,810.66 with \$16,600 cash donations received leaving \$2,070.22 as the District's share of the remaining balance. This year's festival was the 24th consecutive one held, and had over 2,500 5th graders in attendance representing 115 different elementary school classrooms (including schools from Cedaredge and Delta to Rifle, Silt, and Glenwood Springs), with over 50 different presentation classes, and over 375 volunteers (presenters and staff). This Children's Water Festival continues to be the premier water festival in the State of Colorado.

2017 DRIP Recap – The 2017 DRIP activities included several DRIP Tips classes held this summer covering various water conservation topics presented by DRIP members and the CSU Extension Service, an informational booth at a Palisade Sunday Market, a water and information giveaway at the Mesa County Fair, and a water giveaway at the Grand Junction Airshow. A new marketing plan was considered and will be launched in 2018. The District's share of the 2017 total expenditures of \$10,841.14 was \$3,535.69 and was included in this month's payables.

UNFINISHED BUSINESS

Water Rates 2018 – Manager Tooker presented and explained the 2017 Cost of Service Analysis (12/7/17 File and Cost of Service Analysis). The Analysis is used by the Board to evaluate revenue and expense projections for upcoming fiscal year. The information and data in the Executive Summary was reviewed and the recommendation was made that no water rate increase was necessary for 2018. Manager Tooker also identified that 2018 would be the second consecutive year that Water Rates remained the same. He further recommended that the Board continue monitoring the decline in excess revenue held in reserve for Depreciation and future System Replacements. Director Diffendaffer moved to retain the current Water Rate Structure with no rate increase for 2018. Director McElley seconded and the motion passed unanimously.

Adoption of FY 2018 District Budget – Manager Tooker presented the Final 2018 Budget for discussion. Director McElley moved to approve the 2018 Budget and adopt the Appropriation Resolution (*Resolutions, 2018 Budget, 12/7/17 File*) of the Clifton Water District Board of Directors Acting By and Through Its Water Activity Enterprise for the 2018 Budget Year; and further resolve that there is appropriated funds of the District Acting By and Through its Water Activity Enterprise, Seventeen Million Six Hundred Eighteen Thousand and Forty Four Dollars (\$17,618,044) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2018 or thereafter. Director Genova seconded and the motion passed unanimously.

The Resolution Text is inserted as follows:

APPROPRIATION RESOLUTION OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE FOR THE 2018 BUDGET YEAR

A resolution appropriating sums of money to the various accounts, in the amounts and for the purposes as set forth below, for the Clifton Water District Acting By and Through its Water Activity Enterprise, Mesa County, Colorado, for the 2018 Budget Year.

WHEREAS, the Directors have adopted the annual Budget for 2018 in accordance with the Local Government Budget Law, on the 7th day of December, 2017, and;

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

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

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

ESTIMATED BEGINNING BALANCE \$10,490,224

ESTIMATED EXPENDITURES

Operating Expenses

Source of Supply \$31,559
Water Treatment \$819,211
Transmission & Distribution \$489,669
General & Administrative \$407,804
Labor Expenses \$2,294,443
Total Operating Expenses \$4,042,686

Non-Operating Expenses

Capital Expenses \$3,452,650
Bond Principal & Interest \$1,050,268
Emergency Fund \$374,768
Reserve Fund \$436,000
Contingency \$8,261,672
Total Non-Operating Expenses \$13,575,358

TOTAL ESTIMATED EXPENDITURES \$17,618,044

ESTIMATED REVENUES

Operating Revenue

Sale of Water \$5,680,286
System Fees \$419,280
Sanitation District \$37,860
Penalty and Fees \$109,050
Turn Fees \$90,600
Total Operating Revenue \$6,337,076

Non-Operating Revenue

Plant Investment Fees \$585,000
Main Line Extension Fees \$20,000
Disposal of Assets \$6,000
Availability of Service \$49,700
Interest \$105,000
Bond/Grant Proceeds \$0
Property Taxes \$0
Lease Income \$12,444
Construction Reimbursements \$0
Tap Installation \$1,600
Miscellaneous \$11,000
Total Non-Operating Revenue \$790,744

TOTAL ESTIMATED REVENUE \$7,127,820
Estimated From Reserves \$10,490,224

TOTAL FUNDS AVAILABLE \$17,618,044
ESTIMATED ENDING BALANCE (\$0)

IT IS FURTHER RESOLVED, that there is appropriated from the funds of the District Acting By and Through its Water Activity Enterprise, Seventeen Million Six Hundred Eighteen Thousand and Forty Four Dollars (\$17,618,044) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2018 or thereafter.

I hereby certify the forgoing is a true copy of a Resolution adopted by the Board of Directors of the Clifton Water District Acting By and Through its Water Activity Enterprise at the Regular Board of Directors Meeting held on December 7, 2017. Said Budget was displayed for inspection and notice of said display for inspection was duly published in accordance with C.R.S. § 29-1-106.

Director McElley then moved to direct Staff to process the 2018 Budget documents to the appropriate reporting entities. Director Genova seconded and the motion passed unanimously.

Personnel Manual Section 2 – General – Manager Tooker reported that Attorney Santo has provided a draft revision to Personnel Manual Section 2 – General. This draft revision will be reviewed by the Personnel Committee in early 2018. After review, the Committee will present to the Board for consideration and approval. No action required at this time.

Operating Policy #420 – Section 10 Leak Adjustment – Manager Tooker reported that the Policy Committee will convene in early 2018 to review possible Policy changes and then present to the Board for change considerations and approvals. No action required at this time.

NEW BUSINESS

2018 Property and Casualty and Liability Insurance Renewal – Manager Tooker reviewed the 2018 Property Casualty and Liability Insurance Renewal Staff Report (12/7/17 File, 2017 Staff Reports) with the Board and identified that the quoted 2018 premium increased by 5.19% and the 2018 Budget is adequate to fund the \$89,352.00 expense. Director Diffendaffer moved to approve the 2018 Property Casualty and Liability Insurance Renewal with Colorado Special Districts Property and Liability Pool and authorize payment on January 2, 2018 in the amount of \$89,352.00. Director Genova seconded and the motion passed unanimously.

2018 Workers Compensation Insurance Renewal – Assistant Manager Reinertsen reviewed the 2018 Workers' Compensation Renewal Staff Report (12/7/17 File, 2017 Staff Reports) with the Board. Director Diffendaffer moved to approve the 2018 Workers Compensation Insurance with Colorado Special Districts Property and Liability Pool with the \$1,000 Deductible and authorize payment on January 2, 2018 in the amount of \$11,604.00. Director Genova seconded and the motion which passed unanimously.

24-Hr Flex – Third Party Administration of HRA Evaluation and 2018 Agreement – Manager Tooker reviewed the renewal of the **24-Hr Flex** as the District's Third Party Administrator of the 2018 Health Reimbursement Arrangement and Section 125 program. No Agreement changes are proposed and the service **24-Hr Flex** has provided the District has been excellent. Staff recommended continuation with **24-Hr Flex** as the District's Third Party Administrator for the 2018 Health Reimbursement Arrangement and Section 125 program. Director Genova moved to approve **24-Hr Flex** as the District's Third Party Administrator and authorize the Manager to sign the Third Party Agreement for 2018. Director Diffendaffer seconded the motion which passed unanimously.

Budget Transfer from Contingency to Water Treatment Plant Chemicals (WTP) Chemicals – Manager Tooker reviewed the Staff Report (12/7/17 File, 2017 Staff Reports) requesting a Budget Transfer of \$15,000 from Contingency to WTP Chemicals. The 2017 Budget amount under-projected the amount of Nanofiltration cleaning chemicals needed for 2017. Director Diffendaffer moved to authorize the \$15,000 Budget Transfer from Contingency to WTP Chemicals. Director Genova seconded the motion which passed unanimously.

EXECUTIVE SESSION

At 6:31 p.m., Director Peck moved to go into Executive Session, as per C.R.S. 24-6-402 (4)(f) for the purposes of discussing personnel matters. Director Genova Seconded and the motion passed unanimously.

Staff members, Reinertsen, Sheley, Beebe, Lemke, Bouton, Brown and Fleming exited the meeting. Directors Peck, Sparks, Diffendaffer, Genova, and McElley and Manager Tooker remained for the Executive Session.

The Board exited the Executive Session at 7:03 p.m.

After exiting the Executive Session, it was Board consensus to approve a 3% salary increase for the Manager, retroactive to December 1, 2017.

ADJOURNMENT

The Regular Meeting was adjourned at 7:06 p.m. by the Chairman.

ATTEST:



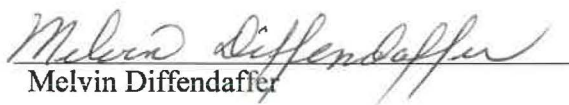
Dale Peck



Stan Sparks



Doralyn Genova



Melvin Diffendaffer



Dan McElley