

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JANUARY 9, 2014**

BOARD MEMBERS PRESENT: Alan Hassler, Chairman; Dale Peck, Vice-Chairman; Doralyn Genova, Treasurer; Robert Norman, Secretary; Robert Burger, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Kelly McLaughlin; Brian Sheley; Angie Beebe

GUEST: Jamie Hamilton, Home Loan and Investment

REGULAR MEETING

Chairman Hassler called the January 9, 2014 Regular Meeting to order at 5:05 p.m.

NEW BUSINESS

2014 Property Casualty and Liability Insurance Renewal and 2014 Workers Compensation Insurance Renewal – By Board consensus the Insurance Renewal items were moved up on the agenda. Jamie Hamilton of Home Loan and Investment was present to summarize the District's insurance coverage. He discussed how ratings, receipts, numbers of employees and loss ratios impact rates. The District's insurance rate increased 5.5% overall. Assistant Manager Reinertsen reported that the District's election of a \$1000 deduction on Workers Compensation has helped to reduce the rate. There were three claims in 2013, each of less than \$1,000. The Board thanked Mr. Hamilton for his presentation.

- Jamie Hamilton exited the meeting at 5:40 p.m.

MINUTES OF THE DECEMBER 5, 2013 REGULAR MEETING

Director Genova moved to approve the December 5, 2013 Regular Meeting Minutes as submitted. Director Burger seconded and the motion passed unanimously.

MINUTES OF THE DECEMBER 10, 2013 SPECIAL MEETING

Director Genova moved to approve the December 10, 2013 Special Meeting Minutes with the addition of a sentence thanking the presenters for the Cloud Seeding presentation. Director Peck 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 \$201,745.45 plus Benefits Checks of \$17,613.75 plus Supplemental Checks of \$99,088.74 for a total of \$318,447.94. Director Peck seconded the motion. Director Burger complimented Accounting Technician Beebe on the work completed on financials in the past year. The motion passed unanimously.

MANAGER'S REPORTS

Manager Tooker presented the Manager's Reports for November, 2013. There were no topics of significant discussion.

EXPRESS AGENDA

By Board consensus, one item, Clifton Christian Church Water Tap Fees Request, was removed from the Express Agenda and placed under Unfinished Business. One item, 2014 District Election, was removed from the Express Agenda and placed under New Business. Director Burger moved to approve Express Agenda items #1, 4, and 5 as submitted. Director Genova seconded and the motion passed unanimously. The approved items are as follows:

1. Project 2013-02 New 12" 32 ½ Road Water Line Project – The Contractor has completed installation of 3,200 feet of the total 4,900 feet of new 12" water line. The project is on schedule with a final completion identified by contract as February 26, 2014.
4. GVICo Auction – At the GVICo Auction held December 12, 2013 water shares were sold at an average cost \$508 per share. The District did not purchase any shares.
5. 2014 Water Rates Billing Insert – Customers will receive notification of the District's 2014 Water Rates on an insert mailed with Bills throughout the month of January, 2014. The new rates will appear on Bills beginning in February.

UNFINISHED BUSINESS

Clifton Christian Church Water Tap Fees Request – Assistant Manager Reinertsen reported that, following the Board's review of this item at the December 5, 2013 Regular Meeting, the new 1 ½" domestic water line was installed by the Clifton Christian Church at 615 I-70 Business Loop and the project is completed. A refund check has been generated to First Church of Christ Clifton, also known as Clifton Christian Church, in the amount of \$25,970.00, as authorized by the Board at the December 5, 2013 Regular Meeting.

Project 2008-02 MF/UF

a. Public Hearing February 6, 2014 Information and Newsletter – Manager Tooker reported that the District's Office lobby includes eight display boards showing visual renderings and summarizing project information in anticipation of the February 6, 2014 Public Hearing regarding Project 2008-02, MF/UF Project. The Preliminary Engineering Report is also

available for customer review. One customer has reviewed the information to date. A newsletter is being prepared promoting the Project, for distribution in customer billings in February.

b. State Revolving Loan Reimbursement Resolution 2014-01 – Manager Tooker provided a Resolution for Board review, regarding the reimbursement of expenses required for the Project prior to receipt of State Revolving Loan funding. The Resolution will be scheduled for Board action at the February 6, 2014 Regular Meeting.

c. Design Progress Report – Manager Tooker reported that Design meetings have commenced with Carollo Design Group. He and Water Treatment Plant Supervisor Sheley are scheduled to tour several universal platform treatment plant facilities next week.

Owner's Representative for Project 2008-02 MF/UF – Manager Tooker distributed a draft Scope of Services and cost summary for Burns and McDonnell Engineering to perform oversight duties on behalf of the District during design and construction of Project 2008-02 MF/UF. The first task would include attendance with District staff at next week's universal platform site visits, and the AWWA Membrane Conference in March. Director Norman moved to approve a reimbursement to Burns and McDonnell Engineering for hourly rate and travel costs associated with their attendance at the facility tours and membrane conference at the rates shown on Attachment A of the Burns and McDonnell Engineering oversight proposal, and direct Staff to continue negotiation of an agreement for services up to 40% design. Director Genova seconded and the motion passed unanimously.

NEW BUSINESS

2014 Property Casualty and Liability Insurance Renewal – Director Genova moved to approve the 2014 Property Casualty and Liability Insurance Renewal with Colorado Special Districts Property and Liability Pool and authorize payment in the amount of \$54,244.08. Director Peck seconded and the motion passed unanimously.

2014 Workers Compensation Insurance Renewal – Director Genova moved to approve the 2014 Workers Compensation Insurance with Colorado Special Districts Property and Liability Pool with the \$1,000 deductible and authorize payment in the amount of \$13,000.21. Director Peck seconded and the motion passed unanimously.

2014 Audit Services – Chadwick Steinkirchner, Davis & Co., P.C. – A letter of understanding of services was presented from Chadwick Steinkirchner, Davis & Co. P.C. for the provision of 2013 Audit services. Director Genova recused herself from this agenda item due to a family member being affiliated with the auditing firm. Director Burger moved to appoint Chadwick Steinkirchner Davis & Co. P.C. to complete the District's FY2013 Audit at a maximum cost of \$9,100 and authorize the Chairman to sign the letter. Director Peck seconded and the motion passed with Director Genova abstaining.

Resolution 2014-02 Designating Time, Location and Posting of Meetings – Director Peck moved to adopt Resolution 2014-02, A Resolution Designating Time, Location and Posting of Meetings for 2014. Director Peck seconded and the motion passed unanimously.

Resolution Text is as follows:

**RESOLUTION 2014-02
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 Mesa County Clerk and Records Office Clifton Branch; 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 9th day of January 2014.

Resolution 2014-03 Adopting Availability of Service Charge for 2014 – Manager Tooker presented a Staff Report (1/9/14 File, 2014 Staff Reports) summarizing 2013 average customer billing amounts that are used to calculate the 2014 Availability of Service Charge. Director Peck moved to adopt Resolution 2014-03, A Resolution For the Availability of Service Charge for 2014 and set the In-District Availability of Service rate at \$14.32/month and the Out-of-District Availability of Service rate

Resolution Text is as follows:

**RESOLUTION 2014-03
RESOLUTION FOR THE AVAILABILITY OF SERVICE CHARGE FOR 2014**

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 2014 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 2013 the average water usage charge for a Clifton Water District In-District customer was \$28.65/month per unit; and

WHEREAS, in 2013 the average water usage charge for a Clifton Water District Out-of-District customer was \$47.50/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 2014 Fiscal Year at 50% of the In-District average water bill in 2013, which equals \$14.32 per month per unit and the Out-of-District Availability of Service Charge for the 2014 Fiscal Year at 45% of the Out-of-District average water bill in 2012, which equals \$21.48/month per unit.

BE IT FURTHER RESOLVED, that this Resolution be adopted this 9th day of January 2014 and is effective January 9, 2014.

Emergency Rate Annual Review – The Board reviewed the Staff Report regarding the 2009 Resolution establishing an Emergency Rate, and the 2014 calculation of rates. Director Peck moved to adopt Exhibit A to the 2009 Resolution Establishing an Emergency Rate, for the 2014 Emergency Rates and continue to place the Emergency Rate on hold until further Board action is taken. Director Genova seconded and the motion passed unanimously.

Grand Valley Irrigation Company Check Structure – Manager Tooker reported on a meeting with representatives of the Grand Valley Irrigation Company to discuss the design and construction of a Canal Check Structure. The GVICo is planning on lining the section of the Canal between 34 Road and 33 Road in 2014 – 2015. This would be an unplanned opportunity for the District to improve water delivery from the Canal. A proposal for engineering was submitted by Applegate Engineering, and there is an opportunity to obtain grant funds from the Colorado River Water Conservation District for the project. Director Genova moved to authorize Staff to seek a grant application with the Colorado River Water Conservation District for the Grand Valley Irrigation Check Structure, at an amount that does not exceed the allowable grant amount in the District's Water Enterprise Fund. Director Burger seconded and the motion passed unanimously.

2014 District Election – Assistant Manager Reinertsen presented an election calendar for 2014, pending possible legislative changes affecting Special District elections. The terms of office for Directors Genova, Hassler and Peck will expire in May, 2014. The election date is scheduled for May 6, 2014. Director Genova moved to adopt Resolution 2014-04, a Resolution Regarding the 2014 Clifton Water District Election, to identify Assistant Manager David Reinertsen as the District's Designated Elected Official, and to authorize execution of the Resolution and the Certificate of Appointment of Designated Elected Official. Director Peck seconded and the motion passed unanimously.

Resolution Text is as follows:

RESOLUTION 2014-04

2014 CLIFTON WATER DISTRICT ELECTION RESOLUTION

*WHEREAS, the term of office of Directors Genova, Hassler, and Peck shall expire after their successors are elected at the **regular** Special District election to be held on May 6, 2014 and take office; and*

*WHEREAS, in accordance with the provisions of the Special District Act ("Act") and the Uniform Election Code of 1992 ("Code), the Election must be conducted to elect three Directors to serve for a term of **four** years; and*

NOW, THEREFORE, be it resolved by the Board of Directors of the Clifton Water District in Mesa County, State of Colorado that:

1. *The regular election of the eligible electors of District shall be held on May 6, 2014, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, three Directors will be elected to serve a **four-year** term.*
2. *David A. Reinertsen shall be appointed as the Designated Election Official on behalf of the District and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code, or other applicable laws. The Election shall be conducted in accordance with the Act, Code, and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, appoint the Board of Canvassers, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished. The appointed person shall be appointed by the board and swear or affirm an oath of office. This document will be submitted to the Board as an official part of the election record. Exhibit A*
3. *One (1) walk-in voting place is established as set forth below:*
David A. Reinertsen, DEO
Clifton Water District Business Office
510 34 Road
Clifton, CO 81520
District Office Telephone Number (970) 434-7328
District Office Facsimile (970) 434-7338
dreinertsen@cliftonwaterdistrict.org
Office Hours: 8:00 AM to 5:00 PM, Monday through Friday – walk-in voting place will be open on election day between 7:00 am and 7:00 pm.
4. *Applications for a mail-in ballot are due to the Designated Election Official by the close of business on April 29, 2014, if the applicant wants the mail-in ballot mailed to him or her. If the applicant is willing to pick up his or her mail-in ballot, the deadline for filing the application with the Designated Election Official is the close of business on May 2, 2014.*
5. *Self Nomination and Acceptance petitions are available at the Designated Election Official's office located at the above address. All candidates must file a nomination petition with the Designated Election Official no later than 3:00 P.M. on **February 28, 2014**. A person who misses this deadline, but wishes to be a write-in candidate for office, shall file an affidavit of intent with the Designated Election Official no later than 5:00 P.M. on **March 3, 2014**.*
6. *If the only matter before the electors is the election of persons to office, and if at the close of business on **March 4, 2014**, there are not more candidates than offices to be filled at the election, including candidates filing affidavits of intent to be a write-in, the Designated Election Official shall cancel the Election and by Resolution declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with the Code.*
7. *Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, it being the Board's intention that the various provisions hereof are severable.*

8. *Repealer. All acts, orders, and resolutions, or parts thereof, of the Board which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.*

9. *Effective Date. The provisions of this Resolution shall take effect immediately.*

ADOPTED AND APPROVED this 9th day of January, 2014.

ADJOURNMENT

Director Burger moved to adjourn the meeting. Director Genova seconded and the motion passed unanimously. The January 9, 2014 Regular Meeting was adjourned at 7:05 p.m.


ATTEST:




Alan Hassler



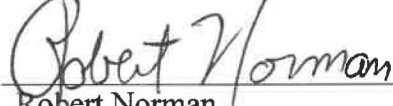
Doralyn Genova



Robert K. Burger



Dale Peck



Robert Norman

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, FEBRUARY 6, 2014**

BOARD MEMBERS PRESENT: Alan Hassler, Chairman; Dale Peck, Vice-Chairman; Doralyn Genova, Treasurer; Robert Norman, Secretary; Robert Burger, Director

STAFF MEMBERS PRESENT: Dale Tooker; Kelly McLaughlin; Brian Sheley; Angie Beebe

PUBLIC HEARING

Chairman Hassler called the February 6, 2014 Public Hearing to order at 5:02 p.m. The purpose of the Public Hearing is to receive public comment regarding the Clifton Water District Microfiltration Ultrafiltration Water Treatment Plant with an estimated project cost of \$16,000,000.00. The Public Hearing Notice was published in the Grand Junction Daily Sentinel on December 24, 2013 and December 29, 2013.

No citizens were present. Manager Tooker reported that one citizen came in to the office to review the Preliminary Engineering Report and talk with Staff, and that citizen was provided additional information as requested via email. No other citizens provided comments, written or verbal.

The Public Hearing was closed at 5:05 p.m.

REGULAR MEETING

Chairman Hassler called the Regular Meeting to order at 5:05 p.m.

MINUTES OF THE JANUARY 9, 2014 REGULAR MEETING

Director Genova moved to approve the January 9, 2014 Regular Meeting Minutes as submitted. Director Peck 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 \$88,609.05 plus Benefits Checks of \$19,937.15 plus Supplemental Checks of \$82,919.19 for a total of \$191,465.39. Director Burger seconded the motion. Accounting Technician Beebe summarized the process to reconcile the Clifton Sanitation District disbursement identified in the Reports. It was noted that audit entries to be made later in the year will affect the 2013 Ending Balances in the Financial Reports. The motion passed unanimously.

MANAGER'S REPORTS

Manager Tooker presented the Manager's Reports for December, 2013. Items of note were the total number of taps sold in 2013 was 50, compared to 67 in 2012. Water Usage for 2013 was down 9.8% over 2012. Plant Production for 2013 was down 8.9% over 2012. Credit card charges were reviewed, with a number of charges associated with Staff travel for membrane facility tours and training.

INFORMATIONAL REPORTS

MF/UF Facility Tour Open Platform – Manager Tooker presented an overview of the MF/UF membrane facility tours that he and Water Treatment Plant Supervisor Sheley attended January 15-17, 2014 in Arizona and California. The purpose of the tours was to see Open Platform membranes in operation. Open Platform is the approach recommended by the District's Project 2008-02 MF/UF design build contractor. One facility on the tour had one Open Platform in operation, and one proprietary membrane filtration system similar to one previously pilot tested by the District. Photos and videos of the tours were provided by Manager Tooker.

Director Peck moved to move Unfinished Business Item #1 – Project 2008-02 MF/UF Open Platform Discussion and Approval up on the Agenda. Director Genova seconded and the motion passed unanimously.

Project 2008-02 MF/UF Open Platform Discussion and Approval – Staff recommends that the Open Platform MF/UF membrane filtration system is the better position for the District to be in due to its flexibility, competitive bid environment reducing costs, and strong warranties provided by the Original Equipment Manufacturer (OEM). Director Peck moved to concur with Staff's recommendation and identify the Open Platform as the District's selection for Project 2008-02 MF/UF for the reasons identified. Director Genova seconded and the motion passed unanimously.

Drought Response Information Project – An Informational Report regarding 2014 planning for the Drought Response Informational Project was provided for to the Board. Further discussion will be scheduled for the March 6, 2014 Regular Meeting.

Water Rate Customer Comments – An Informational Report was reviewed summarizing customer comments received to date regarding the District's 2014 Water Rates. Staff is working with the restaurant owner who submitted written comments, to further discuss water usage and conservation efforts.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda items as submitted. Director Burger seconded and the motion passed unanimously.

1. Newsletter Regarding MF/UF Project – A Newsletter presenting the MF/UF Project to our customers has been printed for mailing with all customer Bills in February, 2014. A plain paper copy of the Newsletter is included in the Board Packet.

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2. Grant Application for Check Structure – Manager Tooker has completed and submitted the Colorado River Water Conservation’s (CRWCD) Water Supply Project Grant for the Engineering and Design of a Check Structure in the Grand Valley Irrigation Company Canal. The estimated project cost is \$38,000. The CRWCD Board will review the Grant Applications in March and make final selections in April of 2014.
 3. 2014 Election Update – Designated Election Official (DEO), Assistant Manager Reinertsen, participated in a webinar sponsored by the Colorado Special District Association addressing requirements of the upcoming May 6th election. Final legislative guidance and clarification regarding non-partisan elections should be available after February 19th. The pending guidance and clarification should not substantially affect the District’s May 6th election. Candidate *Self-Nomination and Acceptance Petition* forms are available from the DEO through February 28th.
 4. Project 2013-02 New 12” 32 ½ Road Water Line Project – Contractor, Dirtworks, has completed installation of all water pipeline. Final testing is being performed. Project will be “on hold” until asphalt plant re-opens weather permitting so that final paving repairs can be completed. Staff continues to finalize tie-in activities of the new 12” water line to the existing 27” transmission line in the E Road alignment.

UNFINISHED BUSINESS

Project 2008-02 MF/UF Open Platform Discussion and Approval – This agenda item was completed earlier in the meeting.

Drinking Water Revolving Fund (DWRF)

- a. DWRF Credit Report – Manager Tooker presented a Staff Report (*2014 Staff Reports*) and the Credit Report (*Project 2008-02 State Revolving Loan Fund*) which was prepared by the State as part of the Drinking Water Revolving Fund Application. The District was evaluated on twenty (20) indicators. Seventeen (17) were rated “strong”, two (2) are “average” and one (1) is “weak”. Manager Tooker noted that it is important to recognize the Credit Report was based upon 2012 Audited Financial Statements. The District has made adjustments to the Water Rate Structure which improves the financial data for 2013 and 2014. The State reported to him that if the current data were to have been used, all the categories would be “strong”.
- b. State Revolving Loan Reimbursement Resolution 2014-01 – Manager Tooker presented the Resolution which was tabled at the January 9, 2014 Regular Meeting. This Resolution protects the District’s ability to be reimbursed for purchases made before State funding and official documents are signed, such as shop drawings for Membrane acquisition. The District has expended funds for engineering which are reimbursable without the Reimbursement Resolution. Director Genova moved to adopt Resolution #2014-01, A RESOLUTION OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS, ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE, DECLARING ITS OFFICIAL INTENT TO REIMBURSE ITSELF WITH PROCEEDS OF A FUTURE BORROWING FOR CAPITAL EXPENDITURES TO BE UNDERTAKEN BY THE DISTRICT; IDENTIFYING THE CAPITAL EXPENDITURES AND THE FUNDS TO BE USED FOR SUCH PAYMENT; AND PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH. Director Peck seconded and the motion passed.

Resolution Text Inserted:

RESOLUTION 2014-01

A RESOLUTION OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS, ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE, DECLARING ITS OFFICIAL INTENT TO REIMBURSE ITSELF WITH PROCEEDS OF A FUTURE BORROWING FOR CAPITAL EXPENDITURES TO BE UNDERTAKEN BY THE DISTRICT; IDENTIFYING THE CAPITAL EXPENDITURES AND THE FUNDS TO BE USED FOR SUCH PAYMENT; AND PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the Clifton Water District, Acting by and Through Its Water Activity Enterprise ("District"), in the County of Mesa and the State of Colorado ("State"), is a political subdivision duly organized and existing pursuant to the constitution and laws of the State, in particular Title 32 of the Colorado Revised Statutes; and

WHEREAS, the Board of Directors of the District is the governing body of the District and have been duly elected and qualified; and

WHEREAS, the Board has determined that it is in the best interest of the District to make certain capital expenditures on a Project which generally consists of upgrading the District's Water Treatment Plant with Membrane Technology replacing 1977 circa sand filtration units that have exceeded their useful life (collectively, the "Project"); and

WHEREAS, the Board has been in contact with and made application to the State of Colorado Drinking Water Revolving Fund ("DWRF") and the Colorado Water Resources and Power Development Authority in regard to the availability of a loan to fund the Project; and

WHEREAS, the Board intends and reasonably expects to participate in borrowing to finance the Project, including an amount which is currently estimated not to exceed \$16,000,000 (the "Financed Amount"), to reimburse the District for the portion of such capital expenditures incurred or to be incurred subsequent to a period commencing 60 days prior the date hereof, and ending the later of 18 months of the date of such capital expenditure or placing the project in service (but in no event more than 3 years after the date of the original expenditure of such moneys); and

WHEREAS, in order to comply with provisions of the Internal Revenue Code of 1986, as amended (the "Code"), it is the Board's intention to declare that this Resolution shall constitute the "official intent" pursuant to 26 C.F.R. 1.150-2.

NOW THEREFORE BE IT RESOLVED that the Clifton Water District Board of Directors resolve that expenditures for the Project to upgrade the Water Treatment Plant to Membrane Technology before the DWRF loan proceeds are received, shall be reimbursed from such proceeds when available
ADOPTED AND APPROVED the 6th day of February, 2014

Project 2008-02 MF/UF Owner's Representative – Burns and McDonnell – Manager Tooker reported that Burns and McDonnell Engineering has not returned a signed agreement and this item will be tabled until the March 6, 2014 Regular Meeting.

NEW BUSINESS

Processing Electronic Checks in Automated Payment Processing System – Administrative Coordinator McLaughlin presented a Staff Report (2014 Staff Reports) requesting authorization to add electronic check processing to the District's automated payment processing system at a cost to the District of \$1.00 per transaction. Electronic check processing would enhance customer

satisfaction and reduce staff time associated with manually processing checks. Chairman Hassler directed Staff to research Statutes regarding the District's authority to absorb direct costs associated with alternate payment methods. The item was tabled to the March 6, 2014 Regular Meeting.

Bond Counsel and Public Finance Matter Representation – Manager Tooker reported that the two key bond counsel personnel the District has successfully worked with on recent and previous bond matters, Dee Wisor and Kimberly Crawford, have relocated to a different firm, Butler Snow LLP. In order to maintain continuity in upcoming financial matters requiring Bond Counsel, he recommends that the Board identify Butler Snow LLP to represent the District as Bond Counsel and transfer files identified from Sherman and Howard to Butler Snow LLP. Director Norman moved to authorize Manager Tooker to execute the Matter Disposition Instructions to identify Butler Snow LLP to continue representation; and the previous firm Sherman and Howard is authorized to release all of the files to the law firm of Butler Snow LLP. Director Peck seconded and the motion passed unanimously.

Grand Valley Irrigation Company Drain Easement – Manager Tooker presented a Staff Report (2014 Staff Reports) summarizing a request from the Grand Valley Irrigation Company to install a drain line within an existing Grand Valley Power easement on District owned property. The drain installation could be beneficial to the District as part of future plans for a new intake structure. Director Norman moved to authorize Manager Tooker to negotiate an easement with Grand Valley Irrigation Company pursuant to exchange of the easement for installation of a large diameter pipe for an intake structure, and contingent upon agreement from Grand Valley Power regarding shared use of the easement. Director Peck seconded and the motion passed unanimously.

ADJOURNMENT

By consensus the Board adjourned the February 6, 2014 Regular Meeting at 7:25 p.m.

ATTEST:



Alan Hassler



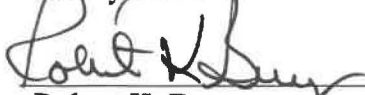
Dale Peck



Doralyn Genova



Robert Norman



Robert K. Burger

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, MARCH 6, 2014**

BOARD MEMBERS PRESENT: Alan Hassler, Chairman; Dale Peck, Vice-Chairman; Doralyn Genova, Treasurer; Robert Norman, Secretary; Robert Burger, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Kelly McLaughlin; Brian Sheley; Angie Beebe

REGULAR MEETING

Vice Chairman Peck called the Regular Meeting to order at 5:05 p.m. Chairman Hassler would arrive later in the meeting. One item was added to the Agenda under Unfinished Business, Grand Valley Irrigation Company Easement.

MINUTES OF THE FEBRUARY 6, 2014 PUBLIC HEARING AND REGULAR MEETING

Director Genova moved to approve the February 6, 2014 Public Hearing and Regular Meeting Minutes as submitted. Director Burger 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 \$131,169.67 plus Benefits Checks of \$19,083.20 plus Supplemental Checks of \$7,843.08 for a total of \$158,095.95. Director Norman seconded the motion. After discussion it was agreed that Depreciation Expense will be added to the bottom of the Profit and Loss Statement. The motion passed.

- Chairman Hassler arrived at the meeting at 5:15 p.m.

MANAGER'S REPORTS

Manager Tooker presented the Manager's Report for January, 2014. Credit Card expenses were noted for Manager Tooker and three Water Treatment staff to attend the Membrane Technology Conference held in Las Vegas March 9 – 13. During the Conference, District Staff and Carollo Engineering scheduled meetings with prospective Membrane Manufacturers interested in supplying equipment for Project 2008-02 MF/UF.

INFORMATIONAL REPORTS

Drought Response Information Project – Assistant Manager Reinertsen presented an Informational Report (3/6/14 File, 2014 Staff Reports) summarizing the results of the 2013 Drought Response Information Project (DRIP) and plans for community events in 2014. He also reported on the District's 29 customers who signed up for the DRIP "Flo" campaign in 2013. As part of the Grand Valley Regional Water Conservation Plan, the District will work with residential and commercial customers to complete a number of water use audits in 2014.

EXPRESS AGENDA

Director Burger moved to approve the Express Agenda item as submitted. Director Genova seconded and the motion passed unanimously. The approved Express Agenda item is as follows:

1. Project 2013-02 New 12" 32 ½ Road Water Line Project – The Contractor, Dirtworks Construction, LLC, has completed all project work with the exception of final asphalt paving repairs. The contract has been extended to April 10, 2014, to accommodate placement of asphalt once the asphalt plants reopen (tentative scheduled for the last week of March). The District's Distribution staff completed the tie-in of the new 12" line to the existing 27" water main in E Road. The connection has been tested and has been approved for normal operations once the need arises as customer demand increases this Spring.

UNFINISHED BUSINESS

Drinking Water Revolving Fund (DWRP) - A letter dated February 14, 2014, from Louanna Cruz, Project Manager, Grants and Loans Unit of the Colorado Department of Public Health and Environment was provided to the Board (3/6/14 File, State Revolving Loan Fund File). The State has determined that the District has met the requirements of the Revolving Fund Application's Technical, Managerial and Financial Report. The letter is "official" approval of the District for the Drinking Water Revolving Fund Loan. Final approval by the Colorado Water Resources and Power Development Authority (CWRPDA) is scheduled at their March 7, 2014 Board Meeting. CWRPDA Staff have stated the Clifton Water District is such a good credit risk that the CWRPDA approval of \$16 million dollars in funding to the District is a formality and that the District is on the Consent Agenda. Manager Tooker will be in attend the March 7, 2014 CRWPDA Board Meeting.

Project 2008-02 MF/UF Owner's Representative Burns and McDonnell – Manager Tooker reported that the Contract between the District and Burns and McDonnell regarding Owner's Representative services for Project 2008-02 MF/UF is being reviewed by the District's legal counsel. Burns and McDonnell continue to provide the District with services as the Project proceeds.

2014 Election Update – Assistant Manager Reinertsen, the District’s Designated Election Official, reported that three eligible candidates submitted the required paperwork for the May, 2014 Election for three positions on the District’s Board of Directors. By Statute the Election may be cancelled. Director Norman moved to adopt Resolution #2014-05, A Cancellation of Election and Declaration Deeming Candidates Elected. The Candidates Elected are Alan N. Hassler, Doralyn B. Genova, and Dale E. Peck. Director Burger seconded the motion and the motion passed unanimously.

Resolution Text is as follows:

**RESOLUTION 2014-05
CANCELLATION OF ELECTION
DECLARATION DEEMING CANDIDATES ELECTED**

Clifton Water District, Mesa County, Colorado

WHEREAS, the Designated Election Official of the District has been duly authorized by the Board of Directors to cancel and declare candidates elected at the close of business on the sixty-third day before the election to be conducted on May 6, 2014,

AND WHEREAS, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates,

NOW THEREFORE, pursuant to 1-5-208(1.5), C.R.S., the Designated Election Official HEREBY CANCELS the regular election to be conducted on May 6, 2014.

THE ELECTION IS CANCELED BY FORMAL RESOLUTION AND THE FOLLOWING CANDIDATES ARE DECLARED ELECTED FOR THE FOLLOWING TERMS OF OFFICE:

*Alan N. Hassler
3192 Bunting Avenue
Grand Junction, CO 81504
(Four year term May 2014 - May 2018)*

*Doralyn B. Genova
544 Dodge Street
Grand Junction, CO 81504
(Four year term May 2014 - May 2018)*

*Dale E. Peck
3047 ½ Wedgewood Avenue

Grand Junction, CO 81504
(Four year term May 2014 - May 2018)*

*Signed by: s/s Robert E. Norman Jr.
Member of the Board of Directors of the District*

*Contact Person for the District: David A. Reinertsen
Telephone Number of the District: (970) 434-7328
Address of the District: 510 34 Road, Clifton, CO 81520*

Processing Electronic Checks in Automated Payment Processing System – Manager Tooker reported that Staff is withdrawing a request to add electronic checks to the automated payment processing system that was presented at the February 6, 2014 Regular Meeting, in favor of moving forward to test the utilization of a Lockbox for mailed check payments. Staff will provide the Board with future Lockbox progress reports.

Grand Valley Irrigation Company Easement – Manager Tooker reported that he met with Grand Valley Irrigation Company (GVICO) representatives last week to discuss an easement requested by GVICO for a drainage line to be constructed on District property. The easement request was accompanied by an approval from Grand Valley Power (GVP), stating they have no concerns with the proposed drainage line within the GVP easement. Manager Tooker presented a draft Easement and related documents for Board review. (3/6/14 File, Grand Valley Irrigation Company File) In exchange for the District granting the Easement, a Memorandum of Understanding was discussed that would identify three future projects the District wants to pursue with the canal: 1) Relocate the District's intake structure to the west; 2) Construct an improved District's headgate in the area of the drainline; and 3) Construct a Check Structure in the canal. Director Genova moved to authorize Manager Tooker to sign and execute the Easement to Grand Valley Irrigation Company for the operation, maintenance and repair of a drainage facility on Clifton Water District property at 3390 E ¼ Road, and to hold delivery of the Easement pending the receipt of an executed agreement regarding the three items identified by Manager Tooker. Director Peck seconded and the motion passed unanimously.

NEW BUSINESS

Clifton Sanitation District Irrigation Request for Submetering of Commercial Irrigation Flows – Included in the Board Packet was a letter from the Clifton Sanitation District (3/6/14 File) requesting that the District cooperatively work with CSD to monitor, measure, maintain and adjust billing for Commercial Customers using irrigation water through the installation of a sub-meter on the irrigation line. The request is prompted by CSD's rate structure charging Commercial Customers based on water usage. In the summer, many Commercial Customers use domestic metered water to irrigate strips of grass causing their sewer bills to be elevated. Manager Tooker commented that the District's water rate increase to \$5.50/1000 gallons above 18,000 gallons was intended to be a water conservation effort to deter excessive use in any customer using above 18,000 gallons/month. He noted that Commercial accounts do use more water than residential and also have the ability to reduce their usage without the need for submetering. Manager Tooker stated that he had suggested the District could provide a Winter Averaging calculation to the Sanitation District as a solution. It was the consensus of the Board that they are not interested in sub-metering irrigation lines, but would consider alternative ideas that may be presented by Clifton Sanitation District in the future.


PERSONNEL

The Board recognized Administrative Coordinator Kelly McLaughlin for her achievements during her tenure at the Clifton Water District. McLaughlin's last day with the District is March 14, 2014, after six years of employment.

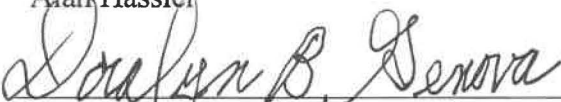
ADJOURNMENT

Director Genova moved to adjourn the March 6, 2014 Regular Meeting. Director Burger seconded and the motion passed unanimously. The meeting was adjourned at 6:50 p.m.

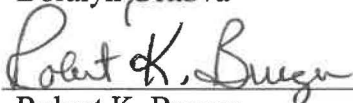
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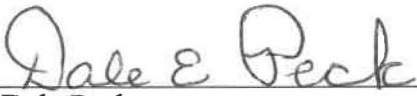
Alan Hassler



Doralyn Genova



Robert K. Burger



Dale Peck



Robert Norman

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, APRIL 3, 2014**

BOARD MEMBERS PRESENT: Alan Hassler, Chairman; Dale Peck, Vice-Chairman; Doralyn Genova, Treasurer; Robert Norman, Secretary; Robert Burger, Director

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

GUEST PRESENT: Joe Drew, Drew Financial

REGULAR MEETING

Chairman Hassler called the Regular Meeting to order at 5:03 p.m. He then moved Agenda Items, Drinking Water Revolving Fund (DWRF); Bond Counsel and Public Finance Matter Representation; and, Project 2008-02 MF/UF from the Unfinished Business section of the Agenda to this point in the Meeting.

Drinking Water Revolving Fund (DWRF) – Mr. Joe Drew reported to the Board the conditions and restrictions contained in the financing documents received from the Colorado Water Resources and Power Development Authority (CWRPDA) pertaining to the Drinking Water Revolving Fund (DWRF) Loan. Mr. Drew reviewed the loan process and discussed the Memo to the Board from Manager Tooker that summarized the process. Mr. Drew also reviewed the conditions of the District’s current Debt Service and the effect of the 2013 Refinancing activity in preparation for the acceptance of the DWRF Loan. Mr. Drew described the necessity for a Parameters Resolution as prepared by the District’s Bond Counsel, Kim Crawford of Butler and Snow.

Director Genova moved to adopt the DWRF Loan Parameters RESOLUTION NO. 2014-06

A RESOLUTION APPROVING A LOAN FROM THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY; AUTHORIZING THE FORM AND EXECUTION OF THE LOAN AGREEMENT AND A GOVERNMENTAL AGENCY BOND TO EVIDENCE SUCH LOAN; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATED THERETO; AND PRESCRIBING OTHER DETAILS IN CONNECTION THEREWITH.

Director Burger seconded the motion. Board discussion identified the need to have Section 3 Delegation be consistent with the delegation wording presented in Section 1 of the document, and to assure that authorized signature of documents can be by any two persons of the group identified in the Resolution consisting of the Board members and the District Manager. Additionally, the Board Chairman Hassler called for a roll call vote:

Directors voting in the affirmative:	Genova	Burger	Norman
	Peck	Hassler	

Directors voting in the negative: None

The Clifton Water District Board of Directors adopted the DWRF Loan Parameters Resolution 2014-06 unanimously.

Bond Counsel and Public Finance Matter Representation – Manager Tooker presented the Bond Counsel Engagement Letter submitted by Butler Snow LLP for Board discussion and acceptance. Director Genova moved to have the District President sign the Engagement Letter with Butler Snow LLP on behalf of the Clifton Water District, Acting By and Through Its Water Enterprise Fund with the following modification: Remove Dale Tooker from Personnel Section and replace with the District Manager. Director Peck seconded and the motion passed unanimously.

Project 2008-02 MF/UF

Owner’s Representative Contract: Burns & McDonnell – Manger Tooker reported that the contract edits are once again being reviewed by Burns & McDonnell legal representation. The final agreement will be presented for Board approval at the May 1, 2014 Regular Board Meeting.

40% Design Contract: Carollo Engineering – Manager Tooker reported that Carollo Engineering continues to develop the 40% design package. Once the 40% design is complete, the Guaranteed Maximum Price (GMP) for the upcoming Design Build Contract can be negotiated. Approximately 30% of the GMP will be Membrane Units and 70% will be for construction and engineering activities. Staff has requested a “preliminary cost estimate” from Carollo to provide to CWRPDA by May 2, 2014. Information only, no Board action required at this time.

Membrane Procurement: Carollo Engineering – Manager Tooker reported that Carollo has prepared Membrane Procurement Bid Documents and will be receiving bids on April 23, 2014. Carollo will evaluate the bids and prepare a recommendation to the District and develop a Project Cost for the Design Build Agreement. Information only, no Board action required at this time.

Design Build Contract: Carollo Design Build Group – Manager Tooker reported that the Design Build Contract is currently being evaluated by the District’s legal Counsel and will be presented in draft form to the Board for review at the May 1, Board of Directors Meeting. Information only, no Board action required at this time.

- Mr. Drew exited the meeting at 6:15 p.m.

MINUTES OF THE MARCH 6, 2014 REGULAR MEETING

Director Genova moved to approve the March 6, 2014 Public Hearing and Regular Meeting Minutes as submitted. Director Peck 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 \$142,686.66 plus Benefits Checks of \$19,551.45 plus Supplemental Checks of \$176,081.90 for a total of \$338,320.01. Director Peck seconded the motion. After general discussion, the motion passed unanimously.

MANAGER'S REPORTS

Manager Tooker presented the Manager's Report for February, 2014. River water quality conditions were identified and discussed.

INFORMATIONAL REPORTS

Colorado Special Districts Property and Liability Pool Safety and Loss Prevention Grant – Assistant Manager Reinertsen presented an overview of the Safety and loss Prevention Grant the District received as a result of continued participation in the Colorado Special Districts Property and Liability Safety Program. The District was awarded \$2,698 for 2013, bringing the total Grant balance available to \$3,435.83. Grant funds can be used for reimbursement up to 50% of eligible safety and loss prevention purchases. In the past these funds have been used for new security hardware for facility access doors.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda items as submitted. Director Peck seconded and the motion passed unanimously. The approved Express Agenda items are as follows:

1. 32 and E Road Waterline Replacement – This project was identified as an in-house line replacement project to be completed in conjunction with the Mesa County/CDOT intersection upgrade project. Delays with the Mesa County/CDOT schedule, the District moved forward with this project beginning March 24th. The District project includes replacing the 27-inch steel transmission line and all distribution line connections that are within the CDOT right-of-way. The existing 35 year old steel line is being replaced with 24-inch fused PVC pipe with new connections and valves to the existing 27-inch steel line on the east a 20-inch" Asbestos Concrete (AC) line on the west. The project is being performed by Distribution Staff supported by Dirtworks Construction providing excavation equipment and operation. As identified by the special conditions of the CDOT utility permit, the project is being completed one half at a time. The east half is scheduled for repaving on Monday, March 31st with excavation starting on the west half on Tuesday, April 1st. All work is scheduled for completion by Tuesday, April 8th.
2. 8th Annual Grand Junction Water Seminar – District Staff members will be presenting four different presentations at this two-day seminar being held on April 3rd and 4th at Two Rivers Convention Center. Topics will include the District's Meter QA/QC Program, Valve and Hydrant Exercising Program, Membrane Maintenance and Cleaning Practices, and the Outsourced Bill Print and Mail Program.
3. Water Festival – The 21st Annual Children's Water Festival will be held on May 19th and 20th at Colorado Mesa University. District Staff are scheduled to present three classroom sessions and to help out in various areas of the event. If any Board member would like to participate, there are opportunities for assisting at the DRIP booth or feel free to just stop by on either day and enjoy the fun learning and lunch with the participants.

UNFINISHED BUSINESS

Project 2013-02 New 12" 32 ½ Road Water Line Project – Assistant Manager Reinertsen reported that asphalt repairs and final clean-up are scheduled for completion by the Contractor, Dirtworks Construction, LLC, by April 9, 2014. It was the consensus of the Board for Staff to complete the advertising for Final Payment in order for Final Payment to be made at May 1, 2014 Board Meeting. A Final Project Cost Summary will be presented at that meeting.

NEW BUSINESS

Project 2014-01 F 5/8 Road Main Line Upgrade/Replacement – Assistant Manager Reinertsen requested Board authorization to begin the construction bid process this 2014 construction project to replace an existing 4" water main with a new 8" PVC water main. Director Norman moved to authorize Staff to initiate the bid process for Project 2014-01. Director Genova seconded and the motion passed unanimously.

Exclusion Request – Roger Cochran (Tax Parcel #2967-133-00-195) – The District received a letter from Mr. Roger Cochran requesting exclusion of his 0.17 acre parcel in Whitewater. Mr. Cochran is in the process of splitting an adjacent parcel owned by him and combining this small separate tract into one of the proposed new parcels. Director Norman moved to authorize initiation of the Exclusion Process for Mesa County Tax Parcel #2967-133-00-195 by setting a Public Hearing for May 1, 2014. Director Peck seconded the motion which passed unanimously.

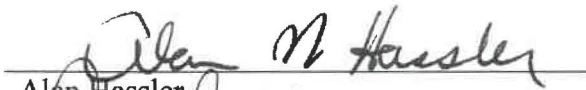
Colorado Mesa University Out-of-District Service Request (115 South Highway 141) – The District received a request from Colorado Mesa University for Out-of-District water service to the parcel located east of the Western Colorado Drag Strip, which is located directly east of the District's 'Plant One' site at the intersection of Highway 50 and 32 Road (aka Highway 141). A police and fire training facility is planned for this site. After discussion, it was the consensus of the Board for Staff to request more information regarding the projected water needs for the planned facility before the request could be considered.

409 Bristol Court – District Facilities Tampering Incident – Manager Tooker presented a Staff Report identifying a tampering incident of District facilities (unauthorized water main valve operation) by J & K Trucking. Penalties had been previously assessed and paid. Manager Tooker identified options for additional penalties and assessments for Board consideration due to the severity of the incident. It was Board consensus to assess additional penalties at this time, however, Staff was directed to monitor this contractor's performance and report to the Board any future performance discrepancies for Board action.


ADJOURNMENT

Director Genova moved to adjourn the April 6, 2014 Regular Meeting. Director Peck seconded and the motion passed unanimously. The meeting was adjourned at 7:35 p.m.

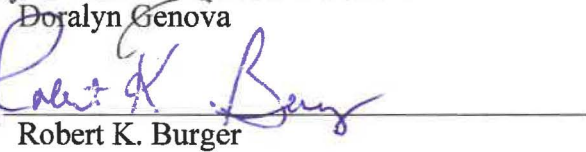
ATTEST:




Alan Hassler




Doralyn Genova



Robert K. Burger



Dale Peck



Robert Norman

RESOLUTION NO. 2014-06

A RESOLUTION APPROVING A LOAN FROM THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY; AUTHORIZING THE FORM AND EXECUTION OF THE LOAN AGREEMENT AND A GOVERNMENTAL AGENCY BOND TO EVIDENCE SUCH LOAN; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATED THERETO; AND PRESCRIBING OTHER DETAILS IN CONNECTION THEREWITH.

WHEREAS, the Clifton Water District Acting By And Through Its Water Activity Enterprise (the "District"), in the County of Mesa and State of Colorado, is duly organized and existing under the Constitution and the laws of the State of Colorado; and

WHEREAS, the members of the Board of Directors of the District (the "Board") have been duly elected, chosen and qualified; and

WHEREAS, the Board has heretofore determined that the interest of the District and the public interest and necessity demand and require the acquisition, construction, and completion of a certain microfiltration and ultrafiltration water treatment facility, at a cost of not less than \$16,000,000, including design, engineering, legal, financing and administrative costs relating thereto, and any other costs incidental thereto (the "Project"); and

WHEREAS, the Board has determined that in order to finance the Project, it is necessary and advisable and in the best interests of the District to enter into a loan agreement (the "Loan Agreement") with the Colorado Water Resources and Power Development Authority ("CWRPDA"), a body corporate and political subdivision of the State of Colorado, pursuant to which CWRPDA shall loan the District an amount of not to exceed \$16,000,000 (the "Loan") for such purposes; and

WHEREAS, CWRPDA will obtain moneys to fund the Loan to the District through the issuance of its bonds (the "CWRPDA Bonds"); and

WHEREAS, the District's repayment obligations under the Loan Agreement shall be evidenced by a governmental agency bond (the "Bond") to be issued by the District to CWRPDA, and payable from the Pledged Property (as defined in the Loan Agreement); and

WHEREAS, the Bond and the Loan Agreement (collectively, the "Financing Documents") may be approved by the Board without an election; and

WHEREAS, the Financing Documents shall be a revenue obligation of the District, payable from the Pledged Property; and

WHEREAS, there have been presented to the Board the forms of the Financing Documents; and

WHEREAS, the District has previously issued its Water Revenue Refunding Bonds, Series 2013 (the "2013 Bonds") which have a lien on the Pledged Property; and

WHEREAS, pursuant to the resolution authorizing the issuance of the 2013 Bonds (the "2013 Resolution"), the District may issue additional bonds with a lien on the Pledged Property which is on a parity with the lien thereon of the 2013 Bonds upon compliance with certain conditions set forth in the 2013 Resolution and the Board determines that such conditions can be met so that the lien of the Financing Documents on the Pledged Property is on a parity with the lien of the 2013 Bonds; and

WHEREAS, the Board desires to approve the forms of the Financing Documents and authorize the execution thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CLIFTON WATER DISTRICT ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE IN THE COUNTY OF MESA AND STATE OF COLORADO:

Section 1. Approvals, Authorizations, and Amendments. The forms of the Financing Documents presented at this meeting are incorporated herein by reference and are hereby approved. The District shall enter into and perform its obligations under the Financing Documents in the forms of such documents, with such changes as are not inconsistent herewith and as are hereafter approved by the Chairman of the Board and President of the District (the "Chairman") , any member of the Board, or the District Manager of the District (the "District Manager"). Any two of the group consisting of the Chairman and Secretary of the District (the "Secretary"), and the District Manager are hereby authorized and directed to execute the Financing Documents and to affix the seal of the District thereto, and further to execute and authenticate such other documents or certificates as are deemed necessary or desirable in connection therewith. The Financing Documents shall be executed in substantially the forms approved at this meeting.

The execution of any instrument or certificate or other document in connection with the matters referred to herein by any two of the group consisting of the Chairman, the Secretary

and the District Manager, or by other appropriate officers of the District, shall be conclusive evidence of the approval by the District of such instrument.

Section 2. Election to Apply Supplemental Act. Section 11-57-204 of the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, C.R.S. (the "Supplemental Act") provides that a public entity, including the District, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act. The Board hereby elects to apply all of the Supplemental Act to the Financing Documents.

Section 3. Delegation.

(a) Pursuant to Section 11-57-205 of the Supplemental Act, the Board hereby delegates to the Chairman, any member of the Board, and the District Manager the independent authority to make the following determinations relating to and contained in the Financing Documents, subject to the restrictions contained in paragraph (b) of this Section 3:

- (i) The interest rate on the Loan;
- (ii) The principal amount of the Loan;
- (iii) The amount of principal of the Loan maturing in any given year and the final maturity of the Loan;
- (iv) The dates on which the principal of and interest on the Loan are paid; and
- (v) The existence and amount of reserve funds for the Loan, if any.

(b) The delegation in paragraph (a) of this Section 3 shall be subject to the following parameters and restrictions: (i) the net effective interest rate on the Loan shall not exceed 5.00%; (ii) the principal amount of the Loan shall not exceed \$16,000,000; and (iii) the final maturity of the Loan shall not be later than September 1, 2037.

Section 4. Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Act, the Financing Documents shall contain a recital that it is issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bond after its delivery for value.

Section 5. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Financing Documents provided herein shall be governed by Section 11-57-208 of the Supplemental Act and this Resolution. The amounts pledged to the payment of the Financing Documents shall immediately be subject to the lien of

such pledge without any physical delivery, filing, or further act. The lien of such pledge shall have the priority described in the Loan Agreement. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

Section 6. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the Financing Documents shall be commenced more than thirty days after the issuance of the Bond.

Section 7. Limited Obligation; Special Obligation. The Financing Documents are payable solely from the Pledged Property and the Financing Documents do not constitute a debt within the meaning of any constitutional or statutory limitation or provision.

Section 8. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal of or interest on the Bond. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bond and as a part of the consideration of its sale or purchase, CWRPDA specifically waives any such recourse.

Section 9. Disposition and Investment of Loan Proceeds. The proceeds of the Loan shall be applied only to pay the costs and expenses of acquiring, constructing and equipping the Project, including costs related thereto and, to the extent permitted under federal tax laws, reimbursement to the District for capital expenditures heretofore incurred and paid from District funds in anticipation of the incurrence of long-term financing therefor, and all other costs and expenses incident thereto, including without limitation the costs of obtaining the Loan. Neither CWRPDA nor any subsequent owner(s) of the Loan Agreement shall be responsible for the application or disposal by the District or any of its officers of the funds derived from the Loan. In the event that all of the proceeds of the Loan are not required to pay such costs and expenses, any remaining amount shall be used for the purpose of paying the principal amount of the Loan and the interest thereon.

Section 10. District Representative. Pursuant to Exhibit B of the Loan Agreement, the Chairman and the District Manager are hereby designated as the Authorized Officers (as defined in the Loan Agreement) for the purpose of performing any act or executing any document relating to the Loan, the District, the Bond or the Loan Agreement. A copy of this Resolution shall be furnished to CWRPDA as evidence of such designation.

Section 11. Estimated Life of Improvements. It is hereby determined that the estimated life of the Project to be financed with the proceeds of the Loan is not less the final maturity of the Loan.

Section 12. Direction to Take Authorizing Action. The appropriate officers of the District and members of the Board are hereby authorized and directed to take all other actions necessary or appropriate to effectuate the provisions of this Resolution, including but not limited to such certificates and affidavits as may reasonably be required by CWRPDA.

Section 13. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the District and members of the Board, not inconsistent with the provisions of this Resolution, relating to the Financing Documents, or actions to be taken in respect thereof, are hereby authorized, ratified, approved, and confirmed.

Section 14. CWRPDA's Official Statement. The appropriate officers and employees of the District are hereby authorized and directed to furnish and supply information concerning the District to CWRPDA for use in the preparation of an Official Statement to be used to market the CWRPDA Bonds.

Section 15. Repealer. All acts, orders, ordinances, or resolutions, or parts thereof, in conflict herewith are hereby repealed to the extent of such conflict.

Section 16. Severability. Should any one or more sections or provisions of this Resolution be judicially determined invalid or unenforceable, such determination shall not affect, impair, or invalidate the remaining provisions hereof, the intention being that the various provisions hereof are severable.

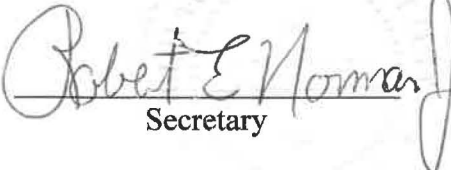
Section 17. Resolution Irrepealable. After said Bond is issued, this Resolution shall be and remain irrepealable until said Bond and the interest thereon shall have been fully paid, satisfied and discharged.

ADOPTED on April 3, 2014.


Chairman of the Board and President

[SEAL]

Attest:


Secretary

STATE OF COLORADO)
)
 COUNTY OF MESA) SS.
)
 CLIFTON WATER)
 DISTRICT)

I, the Secretary of the Board of Directors of Clifton Water District, Mesa County, Colorado (the "District"), do hereby certify:

(1) The foregoing pages are a true and correct copy of a resolution (the "Resolution") passed and adopted by the Board of Directors (the "Board") of the District at a regular meeting of the Board held on April 3, 2014 by an affirmative vote of a majority of the members of the Board as follows:

Name	"Yes"	"No"	Absent	Abstain
Alan Hassler	✓			
Dale Peck	✓			
Robert Norman	✓			
Doralyn Genova	✓			
Robert Burger	✓			

(2) The members of the Board were present at such meeting and voted on the passage of such Resolution as set forth above.

(3) The Resolution was approved and authenticated by the signature of the Chairman of the Board and President of the District, sealed with the District seal, attested by the Secretary and recorded in the minutes of the Board.

(4) There are no bylaws, rules or regulations of the Board which might prohibit the adoption of said Resolution.

(5) Notice of the meeting of April 3, 2014, in the form attached hereto as Exhibit A was posted in at least three public places within the limits of the District, and, in addition, such notice was posted in the office of the Mesa County Clerk and Recorder not less than three days prior to the meeting in accordance with law.

WITNESS my hand and the seal of said District affixed this April 3, 2014.

(SEAL)



Robert E. Norman, Jr.
Secretary

EXHIBIT A
Attach Notice of Meeting

20494555 v3

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, MAY 1, 2014**

BOARD MEMBERS PRESENT: Alan Hassler, Chairman; Dale Peck, Vice-Chairman; Doralyn Genova, Treasurer; Robert Norman, Secretary.
Director Robert Burger was excused.

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

GUESTS PRESENT: Joe Drew: Drew Financial
Anthony Beeson: Burns & McDonnell Engineering Co.

PUBLIC HEARING

Chairman Hassler called to order the Public Hearing at 5:05 p.m. regarding the requested Property Exclusion by Roger and Linda Cochran, in accordance with C.R.S. 29-1-106 *Et.Seq.* The Notice of Public Hearing (05/01/13 File, Property Exclusion File, Daily Sentinel Legal Notices file) was confirmed as published in the Grand Junction Daily Sentinel in accordance with C.R.S. 29-1-106(3)(a). No members of the public were present at the hearing. Assistant Manager Reinertsen reported that no comments had been received regarding the requested Cochran property exclusion. Chairman Hassler closed the Public Hearing at 5:06 p.m.

REGULAR MEETING

Chairman Hassler called the Regular Meeting to order at 5:06 p.m. He then moved Agenda Item, Drinking Water Revolving Fund (DWRF) from the Unfinished Business section of the Agenda to this point in the Meeting.

Drinking Water Revolving Fund (DWRF) – Manager Tooker provided the current status of the DWRF process schedule. Mr. Joe Drew discussed Debt Service for \$15 and \$16 million loan values and handed out Debt Service evaluations for the two scenarios. Mr. Drew stated that his assessment shows that the District's financial position is satisfactory to cover the Debt Service for a loan up to the \$16 million value and he presented the estimated Annual Debt Service payments of \$1,220,000 for \$15 million and \$1,281,000 for \$16 million. In preparation for the DWRF, Mr. Drew had previously used an estimated Annual Debt Service of \$1,325,000 in his preliminary valuation therefore, the two current Debt Service estimates are below the preliminary baseline used for the DWRF Loan Approval. He added the District has done an excellent job at preparing for the future debt service by rate increases the previous three years and refinancing of the 2003 Colorado Water Resources and Power Development Loan in October of 2013. Mr. Drew was questioned by the Board on his opinion related to using Cash Reserves of the District to reduce the Loan Value needed to fund the Project. Mr. Drew, responded his estimates of the DWRF interest rate is 2.7% and currently the District is receiving less than 1% in the investment market and given the current position of the investment market, the District would be wise to use as much Cash Reserves as they are comfortable with to reduce

the Loan Value thereby reducing the Annual Debt Service. The Board reviewed 2014 revenue projections and the effects of recent Water Rate increases with Staff. Staff added the latest Project Cost Estimates before any efforts to reduce the scope of engineering are ranging from \$15.5 to \$16 million. The Board discussed many options associated with establishing a Loan Value combined with using District Cash Reserves to fund the Project. Director Norman moved to request a loan amount of \$14,000,000 from the Drinking Water Revolving Fund for the purpose of funding the District's MF/UF Project. Director Genova seconded the motion. Chairman Hassler called for a roll call vote:

Directors voting in the affirmative: Genova Norman
 Peck Hassler

Directors voting in the negative: None

The Clifton Water District Board of Directors unanimously agreed to request a loan value of \$14,000,000 from the Drinking Water Revolving Fund for the purpose of funding the District's MF/UF Project.

- Mr. Drew exited the meeting at 6:25 p.m.

MINUTES OF THE APRIL 3, 2014 REGULAR MEETING

Director Genova moved to approve the April 3, 2014 Regular Meeting Minutes as submitted. Director Peck 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 \$205,796.97 plus Benefits Checks of \$19,036.17 plus Supplemental Checks of \$186,192.45 plus a Special Check of \$15,482.31 for a total of \$426,507.90. Director Peck seconded the motion. Staff provided clarification to the question of tracking MF/UF project specific training and travel costs to the project and not administrative accounts. The motion passed unanimously.

MANAGER'S REPORTS

Manager Tooker presented the Manager's Report for March, 2014. Year to date New Tap sales were highlighted and discussed.

INFORMATIONAL REPORTS

2013 Year End Health Reimbursement Arrangement (HRA) Status Report – Manager Tooker presented the Utilization Report for the 2013 HRA Plan Year. Manager Tooker reported that the 2013 HRA budget item had a 49% underutilization representing a savings of \$128,415 savings. Manager Tooker identified that the HRA has been effective in reducing the District's Health Insurance Premium expense and has provided an extremely positive employee benefit. Director

Norman requested that the resolution pertaining to the 2013 HRA “Wellness Award” be placed in the June Board Packet for Board discussion.

Update on Colorado Water Plan Development – Assistant Manager Reinertsen provided several handouts pertaining to the recent Colorado River Basin Roundtable meeting he attended in Glenwood Springs. One of the handouts included the basin-wide themes that are being identified and discussed in the Basin’s Colorado Water Plan presentation that is being submitted to the Governor by the end of July 2014.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda items as submitted. Director Peck seconded the motion. After a brief discussion by Director Norman regarding the Bureau of Reclamation licensing requirements for improvements within the 75 foot centerline of the US Government Highline Canal, the motion passed unanimously. The approved Express Agenda items are as follows:

1. Water Festival – The 21st Annual Children’s Water Festival will be held on May 19th and 20th at Colorado Mesa University. District Staff are scheduled to present three classroom sessions and to help out in various areas of the event. If any Board member would like to participate, there are opportunities for assisting at the DRIP booth or feel free to just stop by on either day and enjoy the fun learning and lunch with the participants.
2. Project 2014-01 F 5/8 Road Main Line Upgrade/Replacement – Staff is working with Austin Civil Group (project designer) to update design and bid quantity takeoffs. Construction Bid Packages will be available for contractor pickup after May 22, 2014. The Pre-Bid Tour will be held on Thursday, June 5, 2014 with a Bid Opening scheduled for Wednesday, June 25, 2014. Construction Contract Award recommendation will be presented for Board consideration at the July 3, 2014 Regular Board Meeting.

UNFINISHED BUSINESS

Project 2013-02 New 12” 32 ½ Road Water Line Project – Assistant Manager Reinertsen presented a Staff Report (05/01/14 File, 2014 Staff Reports, Project 2013-02 File) summarizing the final costs associated with Project 2013-02, New 12” 32 ½ Road Water Line, totaling \$318,452.87. Final Payment has been advertised and no payment contest notices were received. The Project is now considered final and complete. Director Genova moved to authorize Final Payment of \$15,482.31. Director Norman seconded and the motion passed.

Project 2008-02 MF/UF

- a. Owner’s Representative Contract – Staff presented the Contract with Burns & McDonnell for Board signature. The Contract had been reviewed and amended by legal counsel of both Burns & McDonnell and the District. This Contract covers the efforts put forth by Burns & McDonnell through the signing of the final Design Build Contract between the District and the Carollo Design Build Group. Director Peck moved to authorized signing of the Owner’s Representative Contract by the District

Chairman. Director Norman stated that he recognized the timing of the issue but in the future, the Board needed more time to evaluate a Contract of this value. Director Genova seconded and the motion passed unanimously.

- b. Membrane Procurement – Carollo Engineering – Carollo has received the resubmitted bids for the Membrane Procurement portion of the project. Staff has taken part in the review and discussion of the submitted bids and concurs with the Carollo Design Build Group’s recommendation to select H20 as the preferred membrane vendor for the project.

Design Build Contract – Staff continues to develop the Design Build Contract. The District Manager is working with Carollo representatives to reach agreement on contractual language. The final agreement will be presented to the Board for review and comment prior to the June 5, 2014 Regular Board Meeting. Manager Tooker requested the availability of the Construction Committee of the Board to be available in the next three weeks to assist in reviewing the Contract and the Project Value prior to presentation to the Board for approval.

Exclusion Request – Roger Cochran (Tax Parcel #2967-133-00-195) – Assistant Manger Reinertsen presented the completed Parcel Exclusion “Decision List” for Tax Parcel #2967-133-00-195 (05/01/13 File, Property Exclusion File). The Board reviewed and discussed the completed “Decision List” and reached consensus that the exclusion of this Whitewater parcel would be in the best interests of the District, the property owner, and Mesa County. Director Peck moved to adopt Resolution 2014-07, A Resolution to Exclude the Cochran Private Property. Director Genova seconded and the motion passed unanimously.

Resolution Text is as follows:

RESOLUTION TO EXCLUDE THE COCHRAN PRIVATE PROPERTY

WHEREAS on March 19, 2014, Roger and Linda Cochran, petitioned the Clifton Water District Board of Directors to exclude property from within the boundaries of the Clifton Water District generally described as follows:

*Tax Parcel: 2967-133-00-195
Description: THAT PT LOT 16 MESERVE FRUIT TRACTS SEC 13 2S 1E
LYG N & E OF HWY.*

WHEREAS said owner desires to not receive domestic water service from the Clifton Water District for this parcel, and,

WHEREAS the Board of Directors of the Clifton Water District has determined that it is in the District’s best interest to exclude the stated property from within the District’s boundaries as it benefits the District by permitting the petitioner to combine the stated property with an adjacent property owned by the petitioners through the Mesa County processes, which will allow for future water service(s) via the Clifton Water District’s Out-of-District water service process.

NOW THEREFORE BE IT RESOLVED that the Clifton Water District Board of Director’s approve the exclusion of the said property as described above, adopt the Order dated

May 1, 2014, and authorize the Secretary and President of the Board to sign the Certificate of Exclusion and Order dated May 1, 2014.

Chairman Hassler and Secretary Norman signed the Certificate of Exclusion, dated May 1, 2014, and directed Staff to process the paperwork to the District's Legal Counsel to complete the exclusion process through the District Court.

Project 2014-02 32 and E Road Waterline Replacement Project – Assistant Manager Reinertsen provided a status report for this project. A final cost summary report will be provided at the June 5, 2014 Regular Board Meeting. Information only, no Board action required at this time.

3178 ½ E Road (Account #009191000) – Property Lien on Past Due Balance – Manager Tooker reviewed the Staff Report (05/01/14 File, 2014 Staff Reports) pertaining to a request by Ms. Joan Anderson (3178 ½ E Road, Account Number 009191-000) to forgive past due charges. Currently, the current Past Due amount is \$3,496.34 (\$1,239.74 for water and \$2,074.60 for sewer). Water service has been off to this property since February 2007. After discussion, Director Peck moved to offer Ms. Anderson the opportunity to secure her debt with a lien on her property at 3178 ½ E Road, in the amount of the present balance due, plus interest at a rate of 5%, with the lien to be recorded in the County's real estate records, in exchange for the District's agreement to forebear collection of the existing past due amount. This lien will not substitute for the District's other statutory means of collection but the District will not seek to collect unless Ms. Anderson fails to keep her account current of new amounts due following the execution of the lien for the present balance due. The lien amount will include all lien costs. The lien terms shall provide for cost of collection and reasonable attorney fees. Director Genova seconded and the motion passed unanimously.

Policy #420 Water Usage Fees – Policy Read – Staff requested Board clarification of the definition of 'residential' as a single family residential structure as it pertains to qualifying leak adjustment requests. After discussion, the Board consensus is a Single Family Residential Structure is defined as "one tax parcel number with one water service tap with one residential dwelling is one residential unit" as defined in District Policy #420. Additionally, an individual "condo unit" served by an individual water meter is considered a "single residential unit" for definition purposes.

NEW BUSINESS

FY 2013 Audit – Staff provided copies of the Draft FY 2013 District Audit from Chadwick, Steinkirchner, Davis & Co., P.C. Questions and clarifications are to be directed to either Manager Tooker or Accounting Technician Beebe. Representatives from Chadwick, Steinkirchner, Davis & Co., P.C. will be in attendance at the June 5, 2014 Regular Board Meeting to present the Final FY 2013 District Audit to the Board. No Board action required at this time.

ADJOURNMENT

Chairman Hassler moved to adjourn the May 1, 2014 Regular Meeting. The motion passed unanimously. The meeting was adjourned at 8:25 p.m.


ATTEST:



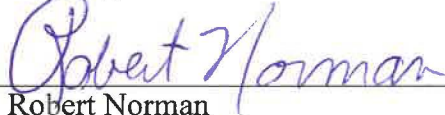
Alan Hassler



Dale Peck



Doralyn Genova



Robert Norman

-- Excused --

Robert K. Burger

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JUNE 5, 2014**

BOARD MEMBERS PRESENT: Alan Hassler, Chairman; Dale Peck, Vice-Chairman; Doralyn Genova, Treasurer; Robert Norman, Secretary.
Director Robert Burger.

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

GUESTS PRESENT: Mike Nelson: Chadwick, Steinkirchener, Davis & Co., P.C.
Chris Mcanany: Dufford Waldeck Milburn & Krohn
Pam Smith: Clifton Sanitation District – Notary Public

REGULAR MEETING

Chairman Hassler called the Regular Meeting to order at 5:04 p.m. Chairman Hassler acknowledged the Guests present, Ms. Smith and Mr. Nelson.

MINUTES OF THE MAY 1, 2014 REGULAR MEETING

Director Genova moved to approve the May 1, 2014 Regular Meeting Minutes as submitted. Director Peck seconded and the motion passed unanimously.

BOARD MEMBER COMPENSATION

Chairman Hassler asked that before Directors take the Oath of Office and possible reorganization of the Board, if the Board had any concerns with the existing compensation schedule of Board Members. The Board affirmed there were no concerns with the existing compensation schedule.

OATH OF OFFICE FOR DIRECTORS

Pam Smith, Notary Public, administered the Oath of Office individually to Alan N. Hassler, Doralyn B. Genova and Dale E. Peck. Director Hassler, Director Genova and Director Peck signed the Oath of Office and it was notarized for the Record.

Ms. Smith left the meeting at 5:15 pm.

BOARD REORGANIZATION

Director Peck moved to retain the current designation of Officers and Directors for the Clifton Water District Board of Directors as follows:

Chairman	Alan Hassler
Vice Chairman	Dale Peck
Treasurer	Doralyn Genova
Secretary	Robert Norman
Director	Robert Burger

Director Norman seconded and the motion passed.

Chris Mcanany entered the meeting at 5:20 pm.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$269,506.47 plus Benefits Checks of \$18,915.59 plus Supplemental Checks of \$12,869.50 for a total of \$301,291.56. Director Peck seconded the motion. The Board questioned the continued Cash in Checking of \$13.00 at Colorado National Bank. Staff will close out the account. The Board questioned the various entries and amounts for Bank Charges and Lockbox activities. Staff will prepare a Summary Report of Bank Charges and Lockbox expenses for the next Board Meeting. The Board also confirmed that Legal Fees associated with the MF/UF Project are being assigned to the Project and not Operating Expenses and questioned if the expenses are reimbursable through the Drinking Water Revolving Loan. The motion passed unanimously.

2013 AUDIT

Mike Nelson of Chadwick, Steinkirchner, Davis & Co., P.C. reviewed the 2013 Audited Financial Statements with the Board. Mr. Nelson reported the District's financial position is excellent, even with increased expenses from depreciation and expenses related to the Bond Refinance. In 2013, the Operating Gain reversed a historical trend of Operating Loss. Cash increased due to decrease in Restricted Cash which is tied to the Bond Refinance and rate increases. Mr. Nelson noted a one year "spike" in Depreciation Expense due to decreasing useful life of several older District assets from 50 to 40 years. It was identified that the District did not plan for or Budget the bond re-fi proceeds or expenditures but ended up being acceptable because of the District's process to budget for Contingency and Emergency Expenses but should be an item the District plans for in the future. Mr. Nelson also identified that the 2013 Audit was the first time accruing and identifying unbilled revenue at year-end.

The Board stated their appreciation and commended Mr. Nelson and the District on a positive financial audit.

Mr. Nelson exited the meeting at 5:55 pm.

EXECUTIVE SESSION – Legal Advice Contract Negotiations 24-6-402(4)(e) C.R.S

Director Genova moved to enter into Executive Session for the purpose of obtaining Legal Advice in Contract Negotiations under 24-6-402(4)(e) C.R.S.. Director Norman seconded the motion. The motion passed unanimously. The Board entered Executive Session at 5:58 pm.

Director Genova moved to exit the Executive Session. Director Peck seconded the motion. The motion passed unanimously. The Board exited Executive Session at 7:46 pm

Director Genova moved to approve, as to form, the Final Design/Build and Construction Contract with Carollo Design Build Group, and to direct negotiators to obtain a final draft of the Contract, which shall not differ materially from the discussion and direction given by the Board of Directors; that President Hassler is to review a corrected and redlined version of the Contract; and that, upon President Hassler's acceptance of the final draft, President Hassler be authorized to sign the Contract on behalf of the District. Director Peck seconded the motion. The motion passed unanimously.

Mr. Mcanany exited the meeting at 8:05 pm.

MANAGER'S REPORT

Manager Tooker presented the Manager's Report for April, 2014. Tap Sales, Water Sales and Distribution System Overtime were noted and discussed.

INFORMATIONAL REPORTS

2013 Fiscal Year Reporting Value Enhancement Group – The Board reviewed the Summary Report provided by Value Enhancement Group in providing third party review of the District's Financial Reports and Bank Reconciliation. The Board stated that having a third party review of financial items has had a positive value to the District's financial picture and checks and balance procedures.

EXPRESS AGENDA

Director Burger moved to approve the Express Agenda items as submitted. Director Peck seconded the motion. The approved Express Agenda items are as follows:

Water Festival – The 21st Annual Children's Water Festival was held on May 19th and 20th at Colorado Mesa University. District Staff members: Allison Dederick; Brennan Graff; Cameron Deppe, and Mark Dalley presented classroom presentations; Staff members Brian Sheley and Jacob Lenihan provided logistic support with David Reinertsen running the DRIP station in the exhibit hall. Several Board Members were noted visiting presentations and touring the festivities. Over 2,275 students and 115 teachers from 35 area schools attended. There were 72 presentations going on every 25 minute time block. The two-day event was supported by over 350 individual volunteers.

Project 2014-01 F 5/8 Road Main Line Upgrade/Replacement – The Construction Bid Package is advertised with the mandatory pre-bid tour scheduled for June 12, 2014. Public Bid Opening is Thursday, June 26, 2014. Construction Contract Award recommendation will be presented for Board consideration at the July 3, 2014 Regular Board Meeting.

Exclusion Request – Roger Cochran (Tax Parcel #2967-133-00-195) – The completed property exclusion request package was delivered to District counsel on May 15, 2014 for final processing through the court.

UNFINISHED BUSINESS

FY 2013 Audit – Director Peck moved to approve the 2013 Audit and Financial Statements and authorized Staff to submit the documentation to the appropriate agencies. Director Burger seconded the motion. The motion passed unanimously.

Drinking Water Revolving Fund (DWRF) – Manager Tooker Reported that the Drinking Water Revolving (DWRF) Loan process had been completed and Board President Hassler signed the necessary documents. The Board had passed the DWRF Loan Parameters Resolution No. 2014-06 which set forth the acceptable parameters for the DWRF. The results of the DWRF Loan previously reported met and or exceeded the parameters set by the Board and the Loan was processed successfully. This was informational only and no Board action was necessary.

Project 2008-02 MF/UF – Design Build Contract Carollo Design Build Group – No action was necessary since the Board provide direction previously in the Meeting.

32 and E Road Waterline Replacement Project – Assistant Manager Reinertsen recapped the expense of the 32 and E Road Project. This was informational only and no Board action was necessary.

3178 ½ E Road (Account #009191000) – Workout Agreement/Notice of Lien – The Board reviewed the Workout Agreement/Notice of Lien for 3178 ½ E Road between the Clifton Water District and Mrs. Joan Anderson. Director Genova moved to approve the Workout Agreement/Notice of Lien for 3178 ½ E Road having the Board President sign the Agreement. Director Peck seconded the motion. The Board discussed Mesa County Adult Services representation of Mrs. Anderson. The motion passed unanimously.

Employee Wellness Award - Manager Tooker reviewed the Employee Wellness Award Staff Report previously requested by the Board. Over the past three years, the District has realized an Insurance cost savings in excess of \$331,000. Director Peck moved to approve of the Wellness Award out of the 2014 Budget in recognition of employee wellness and reduction of District benefit costs. The Board confirmed that the Wellness Award is not an HRA expense, is a taxable event, and, is for current active employees. Director Genova seconded the motion. The motion passed unanimously.

NEW BUSINESS

Committee Assignments – The Board discussed the current Committee assignments. It was the consensus of the Board that the Committee assignments remain the same. The Committee Assignments are:

- Budget – Dale Peck and Robert Norman
- Construction – Alan Hassler and Dale Peck
- Personnel – Robert Burger and Alan Hassler
- Policy and Standards – Robert Burger and Doralyn Genova
- Water Rights – Alan Hassler and Robert Norman


Design Proposal GVICo Check Structure – The Board reviewed the GVIC Check Structure Staff Report and the Design Proposal of \$31,600 from Applegate Group Inc. Director Genova moved to accept and approve the Design Proposal from Applegate Group in the amount of \$31,600 for the design of a Grand Valley Irrigation Canal Check Structure authorizing Staff to prepare a Design Agreement. Director Peck seconded the motion. The Board discussed the benefits of a Check Structure and Staff identified future Capital Improvement Plans for an Intake structure replacing the existing facility and the plans for a North Raw Water Settling Pond. The motion passed unanimously.

General Personnel Report – Manager Tooker provided a brief personnel report.

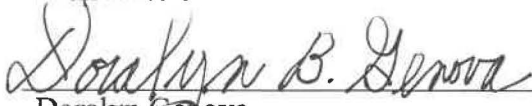
ADJOURNMENT

By consensus the Board adjourned the June 5, 2014 Regular Meeting at 8:28 pm.

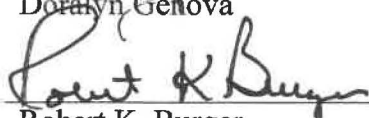
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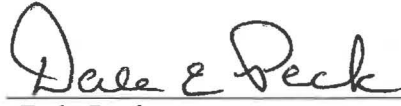
Alan Hassler



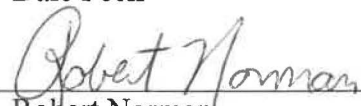
Doralyn Genova



Robert K. Burger



Dale Peck



Robert Norman

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JULY 3, 2014**

BOARD MEMBERS PRESENT: Alan Hassler, Chairman; Dale Peck, Vice-Chairman; Doralyn Genova, Treasurer; Robert Norman, Secretary.
Director Robert Burger.

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

REGULAR MEETING

Chairman Hassler called the Regular Meeting to order at 5:05 p.m.

MINUTES OF THE MAY 1, 2014 REGULAR MEETING

Director Genova moved to approve the June 5, 2014 Regular Meeting Minutes as submitted. Director Peck seconded the motion. Director Burger's name was incorrect on page 5 of 5, Policy and Standards Committee. The motion to approve with the correction passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$158,889.17 plus Benefits Checks of \$17,795.01 plus Supplemental Checks of \$108,708.11 for a total of \$285,392.29. Director Burger seconded the motion. The Board reviewed the Statement of Cash Flow and noted the Total Decrease of \$357,293.90 due to Expenses for the MF/UF Project that have not been submitted for reimbursement. The Board questioned if there was a problem closing the Colorado National Bank account because of the continued Cash in Checking of \$13.00 at Colorado National Bank. Staff will complete the closing of the account which will be represented in the July Financials presented in September.

MANAGER'S REPORT

Manager Tooker presented the Manager's Report (7/3/14 File) for May 2014. Distribution System Overtime was discussed with Manager Tooker providing additional detail for the causes of the overtime.

INFORMATIONAL REPORTS

Lockbox Preliminary Cost Benefit Summary Report – The Board reviewed the Informational Report (7/3/14 File, 2014 Informational Reports). Manager Tooker identified the benefits observed from using the Lockbox process and also discussed the various payment methods used by Customers. A follow up Report will be provided to summarize three full months of the Lockbox process.

EXPRESS AGENDA

Director Burger moved to discuss 3178 ½ E Road (Account #009191000) – Workout Agreement/Notice of Lien as Unfinished Business and further approve the remaining Express Agenda items as submitted. Director Peck seconded the motion. The approved Express Agenda items are as follows:

Exclusion Request – Roger Cochran (Tax Parcel #2967-133-00-195) – The completed property exclusion request package (7/3/14 File, Cochran Exclusion) was delivered to District counsel on May 15, 2014 for final processing through the court. Completed Court documents have not yet been received by District counsel.

UNFINISHED BUSINESS

3178 ½ E Road (Account #009191000) – Workout Agreement/Notice of Lien – Manager Tooker reported that the Customer Ms. Anderson, decided not to accept and sign the Workout Agreement (7/3/14 File, 2014 Staff Reports, Customer File) because of her concern that the full Past-Due amount would be due upon any property transfer. Director Genova moved in accordance with the District’s rights under C.R.S. 32-1-1101(e), certify to the Mesa County Treasurer the Lien of the Past-due water balance for collection in the same manner that property taxes are collected. Director Peck seconded the motion. The Board discussed notifying the Clifton Sanitation District of the District’s intention and insuring they were also in favor of the action. After discussion, the motion passed unanimously.

Project 2014-01 F 5/8 Main Line Upgrade –Construction Contract Award – Assistant Manager Reinertsen reviewed the Staff Report (7/3/14 File, 2014 Staff Reports, Project 2014-01) and Bid Opening Results recommending award to Dirtworks Construction, LLC having the lowest bid of \$99,995.40. Director Burger moved to award Project 2014-01 F 5/8 Main Line Upgrade to Dirtworks Construction, LLC for \$99,995.40 with an additional \$15,000 allowed for contingency. Director Peck seconded the motion. The Board discussed the Staff information, Austin Civil Group’s evaluation and the District’s experience with Dirtworks Construction, LLC. After the discussion, the motion passed unanimously.

Project 2014-02 Design Proposal GVICo Check Structure – Contract Approval – The Board reviewed the Staff Report, the Applegate Design Proposal and Design Services Agreement (7/3/14 File, 2014 Staff Reports, Project 2014-02). Director Genova moved to approve the Design Proposal and the Design Services Agreement with Applegate Group for a total of \$31,600 to begin the design of a GVICo Check Structure and further authorizing the Manager to sign the Agreement. Director Peck Seconded the motion. The Board discussed the Agreement pertaining to a TABOR concern and requested Staff to have the District listed as an additional insured on Applegate’s Commercial and General Liability. After discussion, the motion passed unanimously.

Project 2008-02 MF/UF – The Board discussed holding a Ground Breaking Ceremony for the MF/UF Project. It was consensus of the Board to schedule the Ground Breaking Ceremony for Friday, August 1, 2014 at 3:00 pm.

Director Norman left the meeting at 6:15 pm.

NEW BUSINESS

Public Trust Doctrine – The Board discussed the Staff Report (7/3/14 File, 2014 Staff Reports) and a proposed Resolution concerning legislative activities and Public Doctrine initiatives. Chairman Hassler, Director Norman and Staff plan on attending a meeting scheduled at Ute Water and will provide information to the Board at the next meeting. No action was taken.

Personnel – Manager Tooker discussed various Staffing needs including a Human Resources Clerk and Distribution positions. The Personnel Committee will convene to continue discussing Staffing needs.

ADJOURNMENT

By consensus the Board adjourned the July 3, 2014 Regular Meeting at 7:28pm.

ATTEST:



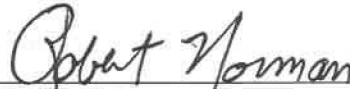
Alan Hassler



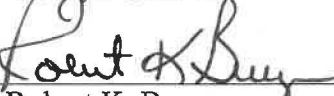
Dale Peck



Doralyn Genova



Robert Norman



Robert K. Burger

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, AUGUST 7, 2014**

BOARD MEMBERS PRESENT: Alan Hassler, Chairman; Dale Peck, Vice-Chairman; Doralyn Genova, Treasurer; Robert Norman, Secretary.
Director Robert Burger was excused.

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

GUESTS PRESENT: Vincent Hart: Carollo Design Build Group

REGULAR MEETING

Chairman Hassler called the Regular Meeting to order at 5:20 p.m.

MINUTES OF THE JULY 3, 2014 REGULAR MEETING

Director Genova moved to approve the July 3, 2014 Regular Meeting Minutes as submitted. Director Peck seconded the motion. The motion to approve passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and approve Accounts Payable Regular Checks of \$108,281.35 plus Benefits Checks of \$19,555.03 plus Supplemental Checks of \$49,867.40 for a total of \$177,703.78. Director Peck seconded the motion. Manager Tooker noted that the District's account at Colorado National Bank is now closed. The motion passed unanimously.

MANAGER'S REPORT

Manager Tooker presented the Manager's Report (8/7/14 File) for June 2014. Distribution System Overtime use was discussed with Manager Tooker providing additional detail for the causes of the June overtime.

INFORMATIONAL REPORTS

Lockbox Preliminary Cost Benefit Summary Report – Manager Tooker discussed the Informational Report distributed at the meeting (8/7/14 File, 2014 Informational Reports) which showed the three-month implementation evaluation. This item was identified for action under New Business.

Grand Valley Water Quality Group Report – Manager Tooker provided a summary of the results of the Grand Valley Water Quality Group Report. This was informational only. Updates will be provided as subsequent sampling results are received.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda items as submitted. Director Peck seconded the motion. The motion passed unanimously approving the Express Agenda items as follows:

Exclusion Request – Roger Cochran (Tax Parcel #2967-133-00-195) – The completed property exclusion request package was delivered to District counsel on May15, 2014 for final processing through the court. Legal counsel provided the proper document form and they were returned to Mr. Cochran for his signature. Once this is completed the documents will be filed.

Project 2014-01 F 5/8 Road Main Line Upgrade – The Contractor, Dirtworks Construction LLC, has provided required Performance and Payment Bonds for this project. The Construction Agreement was signed and approved on August 1, 2014. Construction is scheduled to start the week of August 6, 2014.

UNFINISHED BUSINESS

3178 ½ E Road (Account #009191000) – Workout Agreement/Notice of Lien – Manager Tooker updated the Board regarding the status of the Workout Agreement/Notice of Lien for 3178 ½ E Road. The process to certify a past due account to the County Treasurer is described in C.R.S. 32-1-1101 (1) (e). The District Board must consider the official action at a public meeting and must notify the affected party(s) of the meeting. Director Genova moved to place on the September 4, 2014 Agenda the consideration of Notice of Lien of Past Due Water Balance and Certification to the Mesa County Treasure for 3178 ½ E Road, Account #009191000, Tax Parcel ID 2943-104-03-018 and further authorize Staff to notify the property owner by Certified Mail. Director Peck seconded the motion. The Board discussed the action to collect the Water Past Due Balance. Manager Tooker reported that the Clifton Sanitation District will also follow suit with certifying the past due sewer balance. The motion passed unanimously.

Project 2008-02 MF/UF - Mr. Hart, Project Engineer, from Carollo Design Build Group briefed the Board regarding the progress to date. PCL has mobilized project trailers to the site and continues to solicit bids and quotes from local construction firms and vendors for various project subcategories. Some difficulty in obtaining local bidding has created a delay in beginning the demolition activity. Long lead time equipment has been specified and ordered as well as, initiating the construction of the MF/UF Skids by H2O Innovations.

Capital Purchase Items – Manager Tooker identified an opportunity to save money in the contract by purchasing equipment (field vehicle, air compressor, fork lift) that would be owned by the District rather than having Carollo Design Build Group rent the equipment for the duration of the project. The District can supply or has the need for all of these items and a purchase would be less costly than the 14 month rental cost. It was Board consensus to procure specified equipment as long as the costs were identified within the signed construction agreement contract.

Project 2014-02 Design Proposal GVICo Check Structure – Manager Tooker updated the Board regarding the activities of the Applegate Design Group pertaining to the design of the proposed

check structure and of meetings held with GVICo staff. This was informational only, no Board action required at this time.

Public Trust Doctrine – Information only. No Board action at this time. Topic will be discussed at future Board Meetings as updates become available.

NEW BUSINESS

District Policy for Telephone Meetings – Previously, the Board identified a need to adopt a District Policy to allow for Board member meeting attendance via telephone. Copies of the District Bylaws were distributed as well as, the Special District Association’s bylaw section pertaining to Telephonic Meetings. The Board directed the Policy Committee to develop an addition to the District’s Bylaws to accommodate Telephonic Meetings pertaining to District business. The Committee is to also identify other changes and updates to the Bylaws for Board consideration at a future Board Meeting.

466 32 1/8 Road (Account #016532000) – Customer Complaint/Water Damage to Rental Unit – Assistant Manager Reinertsen presented a Staff Report (*8/7/14 File, 2014 Staff Reports*) to the Board addressing a customer complaint regarding structure flooding resulting from the turning on of the water service. It was Board consensus for Staff to submit the customer water damage complaint to the District’s liability insurance representative. Staff was also directed to notify the customer that the water damage complaint had been submitted to the District’s insurance representative.

Lockbox Process – Budget Transfer – The Board reviewed the Lockbox Preliminary Cost Benefit Summary Report. Staff requested a Budget Transfer to continue the funding of the Lockbox for 2014. Direct Peck moved to utilize the 2014 Budget Allocation funds for GIS/Mapping for the Lockbox process costs for Budget Year 2014. Director Genova seconded the motion. The Board requested Staff to provide a summary of the benefits of the Lockbox process and particularly a financial benefit evaluation recognizing the process may not result in a revenue neutral situation. The reallocation of the 2014 Budget will fund the Lockbox for the remainder of 2014. The Budget Committee will evaluate the value of the Lockbox process for the FY 2015 Budget. The motion passed unanimously.

ADJOURNMENT

By consensus the Board adjourned the August 7, 2014 Regular Meeting at 8:20 pm.

ATTEST:

Alan A. Hassler

Alan Hassler

Doralyn B. Genova

Doralyn Genova

--Excused--

Robert K. Burger

Dale E. Peck

Dale Peck

Robert Norman

Robert Norman

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, SEPTEMBER 4, 2014**

BOARD MEMBERS PRESENT: Dale Peck, Vice-Chairman; Doralyn Genova, Treasurer; Robert Norman, Secretary, Director Robert Burger. Chairman Hassler was identified as a late arrival.

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

REGULAR MEETING

Vice-Chairman Peck called the Regular Meeting to order at 5:05 p.m. Two items were added to the Agenda: Cochran Exclusion Status – Express Agenda, and Customer Refund Request 4199 Highway 50 – New Business.

MINUTES OF THE AUGUST 7, 2014 REGULAR MEETING

Director Genova moved to approve the August 7, 2014 Regular Meeting Minutes as submitted. Director Norman seconded the motion. The motion to approve passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and approve Accounts Payable Regular Checks of \$136,011.12 plus Benefits Checks of \$18,957.99 plus Supplemental Checks of \$1,045,290.38 for a total of \$1,200,259.49. Director Norman seconded the motion. Manager Tooker noted the Supplemental Check amount includes progress payment for the Carollo Design Build Group and a large customer reimbursement for an overpayment entered electronically by the customer. The Board asked Staff to clarify that the expenses for insurance and bonds for equipment provided by the District will be expensed in the MF/UF Project costs. The motion passed unanimously.

MANAGER'S REPORT

Manager Tooker presented the Manager's Report (9/4/14 File) for July 2014. Water quality and year to date tap sales were highlighted during the discussion.

INFORMATIONAL REPORTS

Highway 50 Bore Project – Assistant Manager Reinertsen provided a status summary (9/7/14 File, 2014 Informational Reports) of the progress of the project permitting process through the local offices of the United States Bureau of Land Management. The District's consultant, ERO Resources, Inc. has completed the comment revisions to the Plan of Development and has begun responses for the modified Environmental Assessment. Issuance of necessary permits and construction authorizations are now anticipated by the end of Calendar Year 2014.

Chairman Hassler entered the meeting at 5:32 and Vice-Chairman Peck transferred control of the meeting to Chairman Hassler at that time.

EXPRESS AGENDA

Director Burger moved to approve the Express Agenda items along with the added Cochran Exclusion Request. Director Genova seconded the motion. The motion passed unanimously approving the Express Agenda items as follows:

Colorado River District – Annual Water Seminar, September 19, 2014 – The Annual Water Seminar presented by the Colorado River District will be held at the Two Rivers Convention Center. For those interested in attending, please notify the office by Tuesday, September 16th. An informational flyer is included in the Board Packet.

466 32 1/8 Road (Account #016532000) – Customer Complaint/Water Damage to Rental Unit – Staff has submitted the Complaint to the District's insurance representative and notified the customer that the complaint has been submitted to the District's insurance representative.

Cochran Exclusion Request – Roger Cochran (Tax Parcel #2967-133-00-195) – Staff has received the final paperwork from the District Court showing the ordered Exclusion of Real Property from the Boundaries of the Clifton Water District effective September 2, 2014.

UNFINISHED BUSINESS

Certification of Past Due Water Balance to Mesa County Treasurer - Account #009191000 - 3178 ½ E Road, Grand Junction, Colorado 81504 - Tax Parcel ID 2943-104-03-018 – Manager Tooker reviewed the Staff Report (9/7/14 File, 2014 Staff Reports, Account 009191000) identifying actions taken thus far regarding this account. Director Norman moved to adopt Resolution 2014-05, Certify Past Due Water Balance To Mesa County Treasurer For 3178 ½ E Road – Tax ID 2943-104-03-018. Director Genova seconded the motion as amended by discussion. The amended motion was passed unanimously. The Resolution text is as follows:

WHEREAS Pursuant to C.R.S 32-1-1101(1)(e), the District, at a Regular Meeting of the Board of Directors, September 4, 2014 shall Certify the Past Due Water Balance to the Mesa County Treasurer for 3178 ½ E Road, Grand Junction Colorado 81504, Tax ID 2943-104-03-018 and,

WHEREAS, Notice of Lien was provided to the affected parties by Certified Mail on August 15, 2014 and as First Class Mailing on August 26, 2014; and

WHEREAS, the amount due shall be calculated as of September 4, 2014; and

WHEREAS, the District made a good faith effort in May 2014 to propose a Workout Agreement that was declined by the property owner; and

WHEREAS the Board of Directors of the Clifton Water District has determined that traditional methods to collect the Past Due Water Balance have failed and it is in the District's best interest to collect the Past Due Water Balance Pursuant to C.R.S 32-1-1101(1)(e); and

NOW THEREFORE BE IT RESOLVED that the Clifton Water District Board of Director's approve the action to Certify the calculated past due amount plus a ten percent administrative fee to the Mesa County Treasurer for collection by the Mesa County Treasurer in the same manner as property taxes are authorized to be collected and paid over pursuant to C.R.S 39-10-107.

ADOPTED AND APPROVED this 4th day of September, 2014.

Project 2008-02 MF/UF – Manager Tooker briefed the Board regarding the construction and demolition activities underway. The Carollo Design Build Group's contractor, PCL, has experienced difficulty in securing local subcontractors to perform various components of the project. PCL is moving forward to 'self-perform' much of the planned work activities. Information only, no Board action required.

Project 2014-02 - Design GVICo Check Structure – Manager Tooker and Assistant Manager Reinertsen met with GVICo Staff on Tuesday, August 26, 2014 to discuss the project. At that meeting Staff requested clarification of a statement made by the GVICo Manager regarding a 20 cfs limitation of the amount of water delivery available through the canal. Until GVICo clarifies the stated diversion limitation, Manager Tooker did not accept a proposed Easement from GVICo to install a drain on District property for an upcoming canal lining project. It was determined that the need for continued design and construction of a check structure at a new District delivery head gate would not be beneficial at this time but, to proceed to clarify delivery amounts. No Board action required at this time. Staff will provide project updates as they become available.

Project 2014-01 F 5/8 Road Main Line Upgrade – Assistant Manager Reinertsen identified that construction is approximately 95% complete. Director Peck moved to authorize Staff to advertise for Final Payment at the October 2, 2014 Board Meeting once all construction has been completed. Director Burger seconded the motion which carried unanimously. A Final Project Cost Summary will be presented at that meeting.

Colorado Mesa University Out-of-District Service Request – Manager Tooker presented a Staff Report (9/7/14 File, 2014 Staff Reports) addressing the recent request by Colorado Mesa University for the District to provide Out-of-District water service to the new Colorado Law Enforcement Training Center located on Orchard Mesa. This request was accompanied with preliminary water demand and use projections. Manager Tooker reviewed his discussions with Mr. Brett Guillory of the City of Grand Junction Public Works Department regarding preliminary water delivery design options being considered.

It was the consensus of the Board that Out-of-District water service is available utilizing the estimated water usage information provided in Colorado Mesa University Kent Marsh's letter dated June 25, 2014. The Board further directed Staff to continue working with the entities involved to develop a more detailed plan for future Board considerations.

NEW BUSINESS

Designate Person to Prepare 2015 Budget – Director Peck moved to designate Manager Dale Tooker as the person to prepare the 2015 Budget. Director Burger seconded and the carried unanimously.

Manager's Evaluation – Director Genova moved to table discussion regarding the Manager's Evaluation until the October 2, 2014 Regular Board Meeting. Director Burger seconded the motion which carried unanimously.

Customer Refund Request 4199 Highway 50 (Account 020434-000) – Staff has received a request from Karen Schultz, property owner of 4199 Highway 50, Whitewater, to refund an overpayment made via a bank initiated electronic payment. Staff identified that the District is seeing a small increase in mistaken payments processed electronically by customers. Typically, the customer has made a typing error and paid additional amount and is requesting a refund. Payments are received by a third party vendor contracted by the financial institutions. Staff has developed a process to work directly with the third party vendor to refund the full payment and to identify the situation to the Board. It was Board consensus for Staff to continue the process and receive confirmation from the financial institution that a Stop Payment has not been processed before proceeding with customer reimbursement.

Accounting Technician Beebe exited the meeting at 7:10 pm.

EXECUTIVE SESSION – Developing Strategy for Negotiations 24-6-402(4)(e) C.R.S

Director Genova moved to enter into Executive Session for the purpose of Developing Strategy for Negotiations under 24-6-402(4)(e) C.R.S.. Director Peck seconded the motion. The motion passed unanimously. The Board entered Executive Session at 7:12 pm.

Director Genova moved to exit the Executive Session. Director Peck seconded the motion. The motion passed unanimously. The Board exited Executive Session at 7:55 pm

It was the consensus of the Board to limit potential District or third-party liability that Staff should proceed to secure Construction Inspection Services with Carollo Design Build Group and develop a Scope and Contract to be processed as a Change Order to include the services in the MF UF Project Engineering Scope.

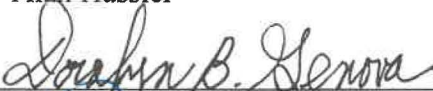
ADJOURNMENT

Director Burger moved to adjourn the Regular Meeting at 7:57 pm. Director Norman seconded the motion which carried unanimously.

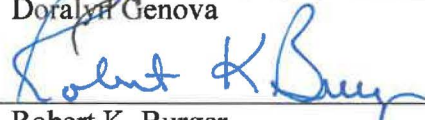
ATTEST:



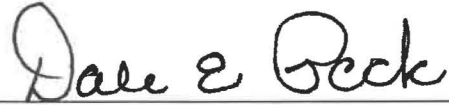
Alan Hassler



Doralyn Genova



Robert K. Burger



Dale Peck



Robert Norman

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, OCTOBER 2, 2014**

BOARD MEMBERS PRESENT: Alan Hassler, Chairman; Dale Peck, Vice-Chairman; Doralyn Genova, Treasurer; Robert Norman, Secretary. Director Robert Burger was excused.

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

GUESTS PRESENT: Vincent Hart: Carollo Design Build Group

REGULAR MEETING

Chairman Hassler called the Regular Meeting to order at 5:15 p.m. Director Hassler moved Project 2008-02 MF/UF from Unfinished Business to the beginning of the meeting to accommodate Mr. Vincent Hart of Carollo Design Build Group.

Project 2008-02 MF/UF – Manager Tooker briefed the Board regarding the construction and demolition activities underway. He reported that Carollo Design Build Group has experienced difficulty in securing local subcontractors to perform various components of the project and will move forward to ‘self-perform’ the work activities. This item was information only, no Board action was required.

Construction Inspection Services / Contract – Manager Tooker presented an Agreement (*10/02/14 File, Project 2008-02 File*) to secure a Design Build Project Representative through Carollo Design Build Group for a “not to exceed” amount of \$305,200. The Board discussed the importance of insuring the construction activities result in a project that is built to the standards identified by Carollo Engineering. The Board discussed whether or not a representative from Carollo Design Build Group could effectively oversee the construction activity in an unbiased manner and protect the District’s interest. Vincent Hart from Carollo Design Build Group was questioned concerning the Agreement and obligation to provide inspection services. Director Peck moved to approve the Design Build Project Representative Agreement with Carollo Design Build Group for a not to exceed amount of \$305,200 and further authorizing the Agreement as Change Order 01 to the Final Design Build and Construction Contract dated June 5, 2014 and authorizing Manager Tooker to sign. Director Norman seconded the motion. The Board discussed the purpose of including the Agreement as a Change Order to the original Contract and the importance of the inspection services. The motion passed unanimously.

MINUTES OF THE SEPTEMBER 4, 2014 REGULAR MEETING

Director Norman moved to approve the September 4, 2014 Regular Meeting Minutes as corrected. Director Peck seconded the motion. The motion to approve passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to Approve Accounts Payable Regular Checks of \$76,404.65 plus Benefits Checks of \$18,957.99 plus Supplemental Checks of \$642,669.34 for a total of \$738,031.98. Director Peck seconded the motion. The Board asked for clarification of the Profit and Loss Statement reporting an increased G & A Insurance and Bonds Expense. Staff clarified that the Expense was related to the Bond Issuance Cost and the District's Auditor confirmed the Expense must be shown as an Operating Expense and cannot be capitalized to the MF/UF Project. The motion passed unanimously.

MANAGER'S REPORT

Manager Tooker presented the Manager's Report (9/4/14 File) for August 2014. Continued increase of overtime to repair after hours' service line leaks and main line repairs were discussed by the Manager and the Board. Manager Tooker identified that the District has stepped up efforts with the Valve Exercising and Hydrant Flushing Program. As a result, over 60 valves have recently been identified in the closed position when they should have been open. It is believed that opening the valves has restored water pressure and increased flow in areas that have been previously restricted. This may be an underlying cause of the increased system leaks. Additionally, the District's activity of opening and closing valves and fire hydrants during the procedure could also contribute to the increase in waterline breaks by creating pressure surges. Information will continue to be evaluated and reported.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda items. Director Peck seconded the motion. The motion passed unanimously approving the Express Agenda items as follows:

466 32 1/8 Road (Account #016532000) – Customer Complaint/Water Damage to Rental Unit – Staff was notified by the District's liability insurance carrier, Colorado Technical Services, Inc. (CTSI) will complete the process involving the District's customer.

Customer Refund Request for 4199 Highway 50 (Account 020434-000) and 493 Bing Street (Account 009198-000) – Staff processed both customer refund requests for overpayments made through their financial institutions' automated Bill Pay process. The refunds were processed through the District's Checkfree electronic remit vendor, Fiserv. The requested refund for 493 Bing had a District refund check in the amount of \$966.40 approved and signed at the September 4 Board Meeting. Staff has voided that check and will present the voided check for destruction at the October 2 Board Meeting. Both customers have been notified by phone and mail as of 09-26-14, of the refund status. The payment refund Standard Operating Procedure was reviewed with Staff in the event that similar situations arise in the future.

Operator Graff's Abstract Selected for AWWA/American Membrane Technology Association Annual Conference – Class 'A' Operator Brennan Graff submitted an Abstract that was selected for presentation at the American Water Works Association/American Membrane Technology Association in Orlando, Florida on March 2nd through 6th, 2015. This is a great opportunity to

showcase the District's Nanofiltration and Reverse Osmosis Water Treatment Technology and Staff's efforts to improve the processes.

UNFINISHED BUSINESS

2015 Budget – A Draft of the 2015 Budget was presented to the Board. The Budget Committee met on September 25, 2014 to identify the overall strategy for arriving at 2015 Budget. Review discussion only, no Board action required at this time.

Project 2014-01 F 5/8 Road Main Line Upgrade – Assistant Manager Reinertsen presented a Staff Report (*10/02/14 File, 2014 Staff Reports, Project 2014-01 File*) summarizing the final costs associated with Project 2014-01, F 5/8 Road Main Line Upgrade, totaling \$318,452.87. Final Payment has been advertised and no payment contest notices were received. The Project is now considered final and complete. Director Peck moved to authorize Final Payment of \$6,767.67. Director Norman seconded and the motion passed.

Project 2014-02 - Design GVICo Check Structure – Manager Tooker and Assistant Manager Reinertsen met with GVICo Staff on Tuesday, August 26, 2014 to discuss the project. At that meeting, Staff requested clarification of a statement made by the GVICo Manager regarding a 20 cfs limitation of water delivery available through the canal. Until GVICo clarifies the stated diversion limitation, Manager Tooker did not approve a proposed Easement from GVICo to install a drain on District property for an upcoming canal lining project. Recent information indicates that GVICo will not be lining this portion of the canal and it was determined that the design and construction of a check structure would not be beneficial at this time. Staff will continue to pursue a headgate design and proceed to clarify delivery amounts. No Board action required at this time. Staff will provide project updates as they become available.

Colorado Mesa University Out-of-District Service Request Status – Director Genova identified that she has a family member employed by the Grand Junction Police Department. The Board did not believe Ms. Genova needed to recuse herself from the discussion. The Board discussed the Staff Report (*10/02/14 File, 2014 Staff Reports, Colorado Law Enforcement Training Center*) and Out-of-District water service for the Colorado Law Enforcement Training Center. Staff explained that Mesa County and the City of Grand Junction had teamed up and submitted a Grant Request to fund the construction of the Training Center including the water supply system. Staff recommended the installation of a water system should be accomplished with existing District Policy and handled like any other development. Under existing procedures, the water system is installed by the developer and upon completion is conveyed to the District. The District then owns, operates and maintains the system. Water taps would then be sold to serve buildings and units within the system. The Board clarified the area would be Out-of-District and the District had no intention of providing water through a single Master Meter to the entire development. Staff will continue to update the Board on the status of this Project.

SDA Annual Conference Briefing – The Special District Association (SDA) Annual Conference was held September 10 – 12, 2014 in Keystone, Colorado. Directors Hassler and Peck were in attendance and stated the Conference was excellent, presentations were well attended and provided highlights and information obtained from the conference to the Board.

Colorado River District Annual Water Seminar Briefing – Assistant Manager Reinertsen attended the Colorado River District Annual Seminar held on September 19, 2014, and provided a brief summary of the presentations of the event.

MANAGER’S EVALUATION

Chairman Hassler stated that he would distribute preliminary Manager’s Evaluation information to all Board Members to start the annual evaluation process. No Board action at this time.

ADJOURNMENT

Director Genova moved to adjourn the Regular Meeting at 7:37 pm. Director Norman seconded the motion which carried unanimously.

ATTEST:

 _____ Alan Hassler	 _____ Dale Peck
 _____ Doralyn Genova --Excused--	 _____ Resigned Nov 6, 2014 Robert Norman
_____ Robert K. Burger	

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, NOVEMBER 6, 2014**

BOARD MEMBERS PRESENT: Alan Hassler, Chairman; Dale Peck, Vice-Chairman; Doralyn Genova, Treasurer; Robert Norman, Secretary; Director Robert Burger.

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

GUESTS PRESENT: None

REGULAR MEETING

Chairman Hassler called the Regular Meeting to order at 5:02 p.m. Director Hassler added the following items to New Business: Reschedule January 1, 2015 Regular Board Meeting; and, Distribution Repair and Maintenance 2014 Budget Item discussion.

DIRECTOR RESIGNATION

Director Robert Norman notified Chairman Hassler and the other Directors that he no longer resides within the District Service Boundary and therefore resigns his position as Director and Board Secretary effective immediately. He presented the September 4, 2014 Execution Session recording tape to Chairman Hassler for handling until the final disposition date of December 4, 2014. The Board expressed their gratitude to Mr. Norman for his dedicated and valued service to the District. The Board discussed the value Mr. Norman has demonstrated to the Budgeting process by serving on the Budget Committee. Committee Director Genova moved to appoint Mr. Norman as a non-voting Subject Matter Expert for the remainder of the District's 2015 Budget Cycle. Director Peck seconded the motion which passed unanimously.

Project 2008-02 MF/UF – At 5:15 p.m., the regular Board Meeting was paused and Manager Tooker led the Board on a tour of the construction project. Mr. Doug Linder, the Onsite Project Inspector for Carollo Design Build Group (CDBG), was available for clarification of construction status and techniques. Manager Tooker reviewed the project schedule and contract performance status.

The Regular Board Meeting was reconvened at 5:45 p.m., at which time Mr. Norman exited the meeting.

MINUTES OF THE OCTOBER 2, 2014 REGULAR MEETING

Director Genova moved to approve the October 2, 2014 Regular Meeting Minutes as presented. Director Peck seconded the motion. The motion to approve passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to Approve Accounts Payable Regular Checks of \$136,530.46 plus Benefits Checks of \$20,461.99 plus Supplemental Checks of \$449,811.71 plus Special Checks of \$86,902.00 for a total of \$693,706.16. Director Peck seconded the motion. The Board asked several questions of Staff for clarification of the reporting of the Merchant Fees collected and the related payment to Collector Solutions. Manager Tooker stated that Staff would provide a future Informational Report regarding the processing of the fees and payments pertaining to the credit card convenience fees collected. The Board identified the year-to-date revenue from the Clifton Sanitation District billing process is 50% of the projected value and questioned the delay in receiving funds. Staff clarified there is a time lag from the preparation of the quarterly invoice and subsequent payment from the Sanitation District which does show on the Profit and Loss Statement. The motion passed unanimously.

MANAGER'S REPORT

Manager Tooker presented the Manager's Report (9/4/14 File) for September 2014.

EXPRESS AGENDA

Director Burger moved to approve the Express Agenda items. Director Genova seconded the motion. The motion passed unanimously approving the Express Agenda items as follows:

Project 2014-01 F 5/8 Road Main Line Upgrade – Final Payment – Final payment was made on October 17, 2014 to Dirtworks Inc. Project 2014-01 is complete and closed out.

Mesa County D Road Reconstruction Project – 10" Main Line Upgrade – The District has secured the services of MA Concrete Construction Company to replace approximately 550 feet of 10" AC water line with new 10" PVC water line in D Road east of the intersection with 32 Road prior to the start of the Mesa County D Road Reconstruction Project. The first phase of this project (550 feet) will take place in 2014 with the remainder being completed in 2015. Mesa County is rebuilding the road profile to accommodate the increased truck traffic resulting from the two gravel pit operations located at 32 ½ and D Roads. The remaining 800 feet of 10" AC water line will be replaced during the 2015 Phase 2 road reconstruction activities.

Certification of Past Due Water Balance to Mesa County Treasurer 3178 ½ E Road – Successful certification of the Past Due Water Balance for 3178 ½ E Road, Parcel ID 2943-104-03-018 was completed and accepted by the Treasurer on October 24, 2014.

UNFINISHED BUSINESS

2015 Budget – A Draft of the 2015 Budget Worksheet and Budget Narrative was provided to the Board for review and discussion. The Operating Revenue and Operating Expense projections were reviewed by the Budget Committee. The Budget Committee identified and is

recommending a Water Rate increase for 2015 which is represented as a \$220,076 increase in 2015 Water Revenues. Manager Tooker identified and reviewed the Operating sections of the Budget and discussed line items that had increased or decreased from 2014. The Budget Committee and Staff will continue development of the Labor and Non-Operating components of the Budget for presentation at the December 4, 2015 Regular Board Meeting. No Board action required at this time.

Colorado Mesa University Out-of-District Service Request Status – Staff notified the Board a funding request made by Colorado Mesa University Energy Impact funds was approved and the process to begin the design is being led by the City of Grand Junction Engineering Department. Finalization of the University's request of Out-of-District water service will be brought to the Board at a future Board Meeting once the initial design parameters are developed. Information only, no Board action required at this time.

NEW BUSINESS

Water Rates 2015 – Manager Tooker presented a Cost of Service Analysis that provided the basis for the 2015 Water Rate recommendations. The Budget Committee identified the need to offset the new Debt Service and to maintain the collection of Depreciation/Replacement Expense. The Board discussed the proposed Water Rate increase. The proposed Water Rate increase would increase the monthly bill \$1.40/month of a Customer using an average of 7,000 gallons from \$32.40 to \$33.80. Information only, final adoption of the proposed 2015 Water Rates will be presented for formal adoption at the December 4, 2014 meeting. If passed at the December Meeting, notices will be sent to each Customer in their December Bill.

Board Position Reorganization – Director Peck moved to appoint Director Burger as the Board Secretary. Director Genova seconded the motion which passed unanimously. Chairman Hassler noted the appointment of Director Burger as the Secretary of the Board and presented the Executive Session recording tape from the September 4, 2014 Board Meeting for safe keeping and ultimate disposition.

Reschedule January 1, 2015 Regular Meeting Date – Director Burger identified that the schedule for the Regular Meeting of the Board for January 2015 will be on January 1, 2015 which is a recognized District Holiday. Director Genova moved to change the January 1, 2015 Regular Meeting of the Board of Directors to January 8, 2015, starting at 5:00 p.m. Director Peck seconded the motion which passed unanimously.

Distribution Repair and Maintenance 2014 Budget Item – Manager Tooker reported to the Board that the Distribution 2014 Budget Line Item, Repair and Maintenance, has exceeded the internal allocations due to the numerous service and main line repairs experienced to date. Manager Tooker stated the Repair and Maintenance Line Budget included funds (\$150,000) for painting of the three million gallon storage tank which will not be completed. Manager Tooker requested Board consensus to internally reallocate the funds within the same line item to be used to offset the increased expenses observed in repairs. It was Board consensus to agree with the Manager's request.

EXECUTIVE SESSION – Developing Strategy for Negotiations 24-6-402(4)(e) and Personnel Matters 24-6-402(4)(f) C.R.S.

Director Genova moved to enter into Executive Session for the purpose of Developing Strategy for Negotiations under 24-6-402(4)(e) and to discuss Personnel Matters under 24-6-402(4)(f) C.R.S. Director Burger seconded the motion. The motion passed unanimously. The Board entered Executive Session at 7:48 p.m.

Director Genova moved to exit the Executive Session. Director Burger seconded the motion. The motion passed unanimously. The Board exited the Executive Session at 8:08 p.m.

Director Genova moved to have Staff submit all items relating to the homeowner claim filed as a result of the District's October 2, 2014 main line break on F ½ Road to the District's property and liability insurance carrier and to settle the claim within the Policy coverages. Director Peck seconded the motion. The motion passed unanimously.


MANAGER'S EVALUATION

It was Board consensus to move this item for consideration at the December 4, 2014 Regular Board Meeting.

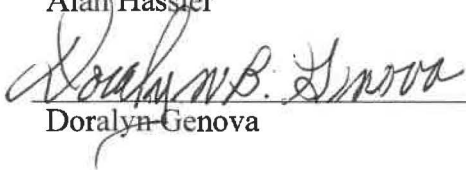
ADJOURNMENT

Director Burger moved to adjourn the Regular Meeting at 8:15 p.m. The motion carried unanimously.

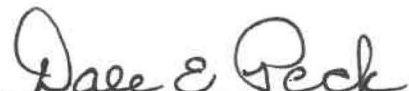
ATTEST:



Alan Hassler



Doralyn Genova



Dale Peck



Robert K. Burger

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, DECEMBER 4, 2014**

BOARD MEMBERS PRESENT: Alan Hassler, Chairman; Dale Peck, Vice-Chairman; Doralyn Genova, Treasurer; Robert Burger, Secretary;

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Leslie Plett; Angie Beebe; Brian Sheley

PUBLIC HEARING

Chairman Hassler called to order the Public Hearing at 5:02 p.m. regarding the District's Proposed FY2015 Budget, in accordance with C.R.S. 29-1-106 *Et. Seq.* The Notice of Public Hearing (12/4/14 File, 2015 Budget File, Daily Sentinel Legal Notices file) 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 Hassler closed the Public Hearing at 5:03 p.m.

REGULAR MEETING

Chairman Hassler called the December 4, 2014 Regular Meeting to order at 5:04 p.m.

MINUTES OF THE NOVEMBER 6, 2014 REGULAR MEETING

Director Genova moved to approve the November 6, 2014 Regular Meeting Minutes, as presented. Director Peck 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 \$72,670.31 plus Benefits Checks of \$18,433.09 plus Supplemental Checks of \$905,611.40 plus Special Checks of \$18,395.00 plus Board Payroll Checks of \$5,602.75 for a total of \$1,020,712.55. Director Peck seconded the motion. Manager Tooker reported that the supplemental check run for December 3, 2014 is substantially higher than is typical due to planned annual leave by staff during the last two weeks of November resulting in the supplemental check run including allowable expenses received from November 19 – December 3, 2014. The Board requested clarification regarding 3rd Quarter Investment Advisor Fees. Manager Tooker reported that the 3rd Quarter Investment Advisor Fee is the money management fee incurred by the District for funds invested through Capital Investments Counsel, Inc.

The Board requested clarification regarding Customer Returned NSF Checks/ACH expenses. Accounting Technician Beebe reported that Customer Returned NSF Checks/ACH includes customer refunds when funds are refunded through an ACH transaction. The Board also

requested information regarding the purchase of *Demo Saws*. Manager Tooker explained that the expense was for two new saws. The motion passed unanimously.

MANAGER'S REPORTS

Manager Tooker presented the Manager's Report (12/04/14 File) and reported that Tap Sales, Water Sales, and Water Production through October, 2014 are up from the prior year. Availability of Service has decreased which indicates an increase in occupancy of properties within the District. Pending items, project costs, and attorney costs were briefly reviewed.

Assistant Manager Reinertsen reported that he has had initial conversations with the Engineering firm planning the Clifton Wal-Mart Store and informed the Board that the District cannot take any action regarding water use requests from his client until the property transfer is completed.

INFORMATIONAL REPORTS

16 inch Transmission Line, Failure, F ½ Road – This report was previously presented at the November 6, 2014 Board Meeting. No further discussion was required.

Credit Card Fees – (12/04/14 File. 2014 Informational Reports) Accounting Technician Beebe reported how credit card convenience fees are collected from customers and then reported on financial statements. She stated that there are two different accounting cycles in place. The District settles transactions at the close of each business day at 5:00 p.m., however Collector Solutions Inc. settles transactions daily at midnight. She explained that because customers could pay their bills at any time of day, there will always be a period of 2 – 3 days where activity may be “out-of-sync”. This is however captured and corrected through the established bank reconciliation process.

EXPRESS AGENDA

Director Burger moved to approve the Express Agenda items. Director Genova seconded the motion. The motion passed unanimously approving the Express Agenda items as follows:

Mesa County D Road Reconstruction Project – 10” Main Line Upgrade – The first phase of this Mesa County Project is complete. This phase involved approximately 550 feet of new roadway from the intersection of 32 and D Roads east. The District secured the services of MA Concrete Construction Company to replace the existing 10” AC water line with new 10” PVC water line within this roadway section. The new line has been in service since approximately November 14th. Once this new line was placed in service, the District's repair and maintenance crew installed a new 2” meter and vault for the Candlewood Mobile Home Park. The new meter and vault were installed in a negotiated easement within the Candlewood Park to eliminate the existing vault location which would have been within the new asphalt roadway. The remaining 800 feet of 10” AC water line identified for replacement will be performed during the 2015 Phase 2 Road Reconstruction activities, tentatively scheduled to begin in March, 2015.

UNFINISHED BUSINESS

Project 2008-02 MF/UF – Manager Tooker provided a status update on the project noting that there have been several Value Engineering additions and deductions resulting in the project currently projected to be under budget upon completion. This status update was informational only with no Board action required at this time.

Budget Hearing – Director Peck moved to ratify the Telephone Poll authorizing the advertisement (11/06/14 file, 2015 Budget, Daily Sentinel – Legal Notices) of the 2015 Budget Hearing for 5:00 p.m., December 4, 2014. Director Genova seconded the motion and it passed unanimously.

Holiday Turkey or Ham – Director Genova moved to ratify the Telephone Poll authorizing the District to provide a turkey or ham to all employees and Board Members for Thanksgiving or Christmas. Director Peck seconded the motion and it passed unanimously.

Water Rates 2015 – (11/06/14 File, 2015 Budget) Director Genova moved to approve the 2015 Water Rates presented at the November 6, 2014 Board Meeting effective January 1, 2015. The Board directed Manager Tooker to distribute a Press Release (11/06/14 File, Press Release) and customer notification with the December 2014 billing cycle. Director Peck seconded the motion and it passed unanimously.

Colorado Mesa University Out-of-District Service Request Status – Staff updated the Board on the project, noting that the District is still waiting for additional Engineering information. The Board expressed concern about water use and if limitations could be imposed. Assistant Manager Reinertsen explained that initial discussions have identified the possibility that daily or monthly limitations to water use may be imposed on the facility operations and Manager Tooker added that the Board may also consider having a “change of use” clause added to the contract, protecting the District from a significant change to the water use for the proposed development. Information only, no Board action required at this time.

Board Position Vacancy – The Board inquired if there were any applications to fill the vacancy. Manager Tooker explained that there have been several inquiries; however there were no qualified candidates identified thus far. Manager Tooker further clarified the timeline necessary to fill the position and remain compliant with State Statutes. He further stated that a candidate will need to be identified at the January Board Meeting. Director Hassler informed the Board that he is in receipt of Mr. Bob Norman’s official letter of resignation (Board Member Files) which will be passed on to the Manager Tooker for District recordkeeping.

2015 Budget – (2015 Budget, 12/04/14 File, Daily Sentinel - Legal Notices) Manager Tooker presented the 2015 Budget Explanation, 2015 Budget Worksheets, Resolution Appropriating Funds for 2015 and Memo identifying the 2014 assessed value of the District with the dollars being received from mill levy as \$0. It was noted that the District would begin 2015 with a beginning balance of \$20,192,796 which include funds from the 2008-02 MF/UF Project which remained unspent in 2014, but will be expended in 2015 as construction progresses. The budget was prepared including the adopted 2015 Water Rates. All line items with a significant change in spending from 2014 were explained. Projected Labor expenses were discussed thoroughly with the Board inquiring about previous under-budgeting of overtime expense. Manager Tooker explained that if overtime is budgeted at a higher rate it would increase the Cost of Service Analysis and the budget number presented has a historical basis and not based on a specific actual annual number.

Director Peck moved to adopt the 2015 Budget as presented. Director Genova seconded the motion. The motion to adopt the 2015 Budget passed unanimously.

Director Peck moved to adopt the Appropriation Resolution (*Resolutions, 2015 Budget, 12/04/14 File*) of the Clifton Water District Board of Directors Acting By and Through Its Water Activity Enterprise For the 2015 Budget Year; and further resolve that there is appropriated from funds of the District Acting By and Through its Water Activity Enterprise, Twenty Six Million Eight Hundred Sixty-One Thousand Two Hundred and Eighty One Dollars (\$26,861,281) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2015 or thereafter, and appointing Director Hassler as the authorized Director to sign the Appropriation on behalf of the District. Director Genova seconded and the motion passed unanimously.

Resolution Text inserted as follows:

**APPROPRIATION RESOLUTION OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE FOR THE
2015 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 2015 Budget Year.

WHEREAS, the Directors have adopted the annual Budget for 2015 in accordance with the Local Government Budget Law, on the 4th day of December, 2014, 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	\$20,192,796
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ESTIMATED EXPENDITURES

Operating Expenses	
Source of Supply	\$24,924
Water Treatment	\$960,323
Transmission & Distribution	\$651,812
General & Administrative	\$343,470
Labor Expenses	\$1,940,406
<i>Total Operating Expenses</i>	<i>\$3,920,935</i>

Nonoperating Expenses	
Capital Expenses	\$15,972,140
Bond Principal & Interest	\$1,015,932
Emergency Fund	\$994,654
Reserve Fund	\$1,397,347
Contingency	\$3,560,271
<i>Total Nonoperating Expenses</i>	<i>\$22,940,344</i>

TOTAL ESTIMATED EXPENDITURES	\$26,861,279
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ESTIMATED REVENUES

Operating Revenue	
Sale of Water	\$5,600,327
System Fees	\$413,580
Sanitation District	\$37,030
Penalty and Fees	\$90,690
Turn Fees	\$99,000
<i>Total Operating Revenue</i>	<i>\$6,240,627</i>

Nonoperating Revenue	
Plant Investment Fees	\$300,000
Main Line Extension Fees	\$4,500
Disposal of Assets	\$6,000
Availability of Service	\$45,710
Interest	\$55,680
Bond/Grant Proceeds	\$0
Property Taxes	\$0
Lease Income	\$10,368
Construction Reimbursements	\$0
Tap Installation	\$1,600
Miscellaneous	\$4,000
<i>Total Nonoperating Revenue</i>	<i>\$427,858</i>

TOTAL ESTIMATED REVENUE	\$6,668,485
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Estimated From Reserves	\$20,192,796
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TOTAL FUNDS AVAILABLE	\$26,861,281
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ESTIMATED ENDING BALANCE	(\$0)
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IT IS FURTHER RESOLVED, that there is appropriated from the funds of the

District Acting By and Through its Water Activity Enterprise, Twenty Six Million Eight Hundred Sixty-One Thousand Two Hundred and Eighty One Dollars (\$26,861,281) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2015 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 4, 2014. 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.

Dated December 4, 2014

NEW BUSINESS

Grand Valley Irrigation Company Shares – (12/04/14 file, *Confidential Board Communications*) Manager Tooker presented a confidential Staff Report regarding an opportunity to purchase GVICo shares from a private party. Director Genova moved to authorize a Budget Transfer of \$8,400 from Contingency to Purchase GVICo Shares. Director Peck seconded this motion which passed unanimously. Director Genova moved to purchase 35 GVICo shares from a private party for a total cost of \$18,375 payable to the Trust Account for Dan E. Wilson, Attorney at Law. Director Burger seconded this motion and it passed unanimously.

Grand Valley Irrigation Company Shareholder Meeting – The Board reviewed the Notice of the 2014 Annual Shareholders Meeting and determined that it was not required for a District representative to be present.

Budget Transfer for Insurance and Banking – (12/04/14 File, 2014 Staff Reports) Manager Tooker presented a Staff Report summarizing the need to fund Bond Issue Costs and Credit Card Transaction Fees. Director Peck moved to approve a Budget Transfer of \$104,000 from Contingency to G & A Insurance and Banking to fund the 2014 Bond Issue Costs and under projected Credit Card transaction fees. Director Genova seconded and the motion passed unanimously.

Budget Transfer for Distribution Labor Overtime – (12/04/14 File, 2014 Staff Reports) Manager Tooker presented a Staff Report Summarizing the need to fund additional overtime expenses in Distribution due to a significant increase in after-hours emergency responses associated with distribution leaks and repairs. Director Peck moved to approve a Budget Transfer of \$45,000 from Contingency to Distribution Overtime Expense. Director Genova seconded and the motion passed unanimously.

Budget Transfer for Distribution Vehicle Expense – (12/04/14 File, 2014 Staff Reports) Manager Tooker presented a Staff Report Summarizing the need to fund additional vehicle expenses in Distribution due to unplanned repairs on both Backhoes and an increase in fuel costs associated with the increased number of emergency breaks and after-hours response. Director Peck moved to approve a Budget Transfer of \$4,200 from Contingency to Distribution Vehicle Expense. Director Genova seconded and the motion passed unanimously.

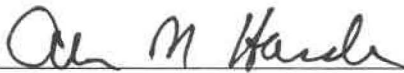
PERSONNEL

Manager's Evaluation – By consensus, the Board tabled this agenda item to the January 8, 2015 Meeting.

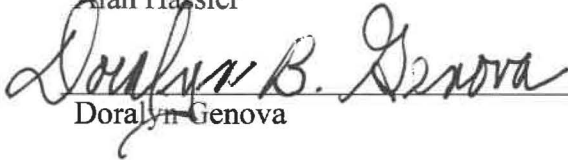
ADJOURNMENT

Director Genova moved to adjourn the December 4, 2014 Regular Meeting at 7:41 p.m. The motion carried unanimously.

ATTEST:



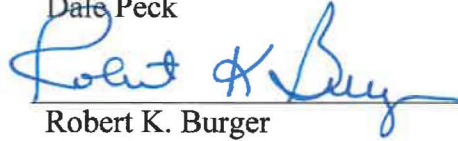
Alan Hassler



Doralyn Genova



Dale Peck



Robert K. Burger