

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held January 17, 1996

Present were Chairman Ballagh, Vice-Chairman Ela, Secretary Wheeler, Treasurer Garber, and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount, and Stenographer Day-Biondich. Guests present were Grand Junction Pipe and Supply Company Representative Ed Settle and Water Attorney Flint Ogle. Guests from Mt. Garfield Middle School were Steve Rocha, Derek Dickey, Steve Denney, Jim Given, Marcia Hayter, Stephen Holland, Ken Simms, Carol LeCrone, Christine Holland, Becky Battles, Jennifer Battles, Annie Simms, Nancy O'Brien, Brenda White-Cooper, Steve Cooper, Ryan Crabtree, and Dan Crabtree.

Chairman Ballagh called the meeting to order at 7:30 p.m. Director Ballagh noted that the bid for the new vehicle had been properly advertised and the time for accepting bids on the meter reading vehicle was closed.

Manager Schuster explained that Mr. Flint Ogle from Dufford, Waldeck was here to discuss Water Case No. 95CW281 - the Wolford Mountain enlargement. Manager Schuster recommended moving the guests section to the top of the agenda. Director Garber stated that he would like to move the opening of the bids for a meter reading vehicle below agenda item E3 (Utility Billing Cycles) on the January 17, 1996, agenda.

WATER CASE 95CW281 AND 94CW330: Director Garber moved to enter into executive session. Director Wheeler seconded the motion and it passed unanimously. After a 30 minute discussion period, Director Lewis moved to come out of the executive session. Director Garber seconded the motion and it passed unanimously.

SCHOOL DISTRICT #51: Steve Rocha from School District #51 invited several teachers and parents that are familiar with the "Outdoor Classroom" to attend the meeting on behalf of his continued efforts to work with the District to maintain Mt. Garfield's Outdoor Classroom on District property. Principal Jim Given thanked the District for their assistance in the efforts of Mt. Garfield Middle School to continue the outdoor classroom. Several parents and teachers spoke in favor of the project stating that the children really benefited from the hands-on experience. After some discussion, Steve Rocha stated that he had spoke with Manager Schuster and had some alternatives to the plan he had presented at the December meeting. Manager Schuster explained to the Board some of the options he had discussed with Mr. Rocha. After discussing the subject for some time, Director Lewis moved to refer the topic to staff to put together a plan that would meet the needs of the School District as well as the needs of the Water District taking into consideration the permanence of the proposed structure, the proposed gravel mining on Gunderson Island, and possible plans to expand the program of the outdoor classroom to include water conservation and water projects. Director Wheeler seconded the motion. Director Ela moved to amend the motion to read that the item is referred to staff with the Board's full approval of the concept. Director Lewis seconded the amendment to the motion. Director Lewis further moved to have a contract presented to the Board of Directors in written form in regard to the issue. Director Wheeler seconded the amendment to the amendment to the motion. The amendment to the

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amended motion passed unanimously. The amendment to the motion passed unanimously. The original motion as amended twice passed unanimously. Mr. Rocha thanked the Board stating he would be in touch with Manager Schuster.

MINUTES OF DECEMBER 20, 1995: Director Garber moved to accept the minutes of the December 20, 1995, meeting. Director Lewis seconded the motion. Director Ballagh stated that under SCHOOL DISTRICT #51 on page one of the minutes it should state that the funds the School District is receiving are lottery funds from the State through Mesa County. Director Ela stated that under PUBLIC SERVICE ZIP PAYMENTS on page four he would like to change the wording to "... service as long as staff would continue to monitor the bill." The motion to accept the minutes with the above corrections passed unanimously.

Director Lewis moved to reposition item E4 (Review Proposals for Gravel Mining on Gunderson Island) on the January 17, 1996, agenda to the next topic of discussion. Director Garber seconded the motion and it passed unanimously.

GRAVEL MINING ON GUNDERSON ISLAND: Manager Schuster recommended that the Board accept the bid for gravel removal on Gunderson Island from Grand Junction Pipe and Supply Company. Director Ela was concerned about the reclamation of the land after the gravel was removed. Mr. Settle stated that Grand Junction Pipe and Supply Company is required by State law to set aside funds to revegetate and reclaim the lands that are used for gravel mining. Director Lewis moved to refer to staff to draft an agreement to sell gravel from a particularly described 13± acres on Gunderson Island with Grand Junction Pipe and Supply Company in accord with the letter received from them dated January 6, 1996. Director Ela seconded the motion and it passed unanimously. Director Ballagh stated that he would like to see the District map out an area that would be off limits to anyone besides District personnel and reserved for future Clifton Water District projects. Manager Schuster stated that he would prepare a map with boundaries to suit the District's needs.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Lewis moved to approve the financial report paying the \$129,248.04 as shown on the report, \$1,970.65 as itemized on the supplemental report and a transfer of funds of \$1,500. Director Wheeler seconded the motion and it passed unanimously.

UTE/CITY/CLIFTON TALKS: Manager Schuster told the Board that he had met with the staff from the City of Grand Junction and Ute Water on January 2, 1996. Manager Schuster said that the three entities had scrapped the idea of a single pump for pumping between the City, Clifton, and Ute's systems due to a variety of conditions and pressure differences.

JUNK TIRES: Manager Schuster stated that someone had dumped a large load of tires on Gunderson Island near the Charles A. Strain Water Treatment Plant. There was also a trailer loaded with tires left at the same site. Manager Schuster stated that the trailer was licensed to Sherman Marrs of 208 Fifth Street and he had written him a letter asking him to remove the trailer and tires from the District's

property. Manager Schuster stated that he had sent a copy of the letter to the Sheriff's Office and that a report of the illegal dumping was recorded by a Deputy Sheriff. Manager Schuster stated that he would be having the tires hauled off by BFI and that the cost to the District would be over \$500. Director Ela stated that he felt that if the District would continue to pressure the Sheriff's Office, some action would be taken on the illegal dumping of tires. Manager Schuster will continue to work on this. No other action was taken.

FIRE ARMS: Manager Schuster told the Directors that Assistant Manager Tooker had found a shot gun and pistol outside of the pump house on Gunderson Island. The guns were turned over to the Mesa County Sheriff's Department. Two weeks later the owner of the guns called and wanted them back. Manager Schuster stated that, to his knowledge, nothing had been done on the part of the Sheriff's Office in this case. Manager Schuster continued by saying that nothing had yet been done by the Sheriff's Office in the case where the District's fencing around the West Tank was torn down. Director Ela reiterated his comments about pressuring the Mesa County Sheriff's Department to get some action taken. Director Lewis suggested that Manager Schuster contact the Probate Department. Manager Schuster will continue to work on these items.

NANOFILTRATION PAPER SELECTED: Manager Schuster informed the Directors that the Nanofiltration Paper written by Assistant Manager Tooker and Laboratory Director Robinson had been selected for presentation at the National AWWA Conference during the summer of 1996. The Board commended staff for their work.

LOST-TIME ACCIDENT: Manager Schuster stated that the District's record of 471,499 hours worked without a lost time accident ended at approximately 4:30 p.m. on January 11, 1996. Manager Schuster explained that Robert Pike had been traversing a slope when he stepped on some icy grass and slipped. Robert had tried to break his fall with his left arm and tore several tendons in the process. Robert has been off work with the injury since Thursday, January 11, 1996.

OTHER: Manager Schuster informed the Directors that each year the Rocky Mountain Section of the American Water Works Association awards a scholarship of \$2,000 for Management Training. This year Assistant Manager Tooker had been awarded the scholarship and would be going to Utah in April for one week to receive the training.

Manager Schuster told the Directors that Lois Beeson had told him that she and Fred Powell had purchased Lot 1, Block 10 of the Southridge Subdivision along with \$10,350 worth of tap fees. Mrs. Beeson told Manager Schuster that she and Mr. Powell were aware that they could not move the taps to other property sites. Manager Schuster sent a copy of the District's Plant Investment Fee Credit Policy to Mrs. Beeson. Mrs. Beeson informed Manager Schuster that she would be writing a letter of disapproval of the District's policy.

OSMONICS TOUR: Manager Schuster told the Board of Directors that the tour of the Osmonics facilities in Minnetonka, Minnesota, was confirmed for February 6 and 7, 1996. It was agreed that all

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travelers would meet at Nellie Bechtel Gardens at 7:50 a.m. to proceed to the airport on February 6, 1996.

REVIEW LATE FEE POLICY: Manager Schuster stated that, as requested by Gilbert Jungert at the November 15, 1995, meeting, he was asking the Board to review the Late Fee Policy of the District. Manager Schuster informed the Board that when the new bills are printed, the word "penalty" will be changed to "late fee." Director Garber suggested that the District may want to change the policy to anything more than \$1.00 received a penalty rather than penalizing a dollar on a dollar. Director Ela moved to continue the current program of the District. Director Lewis seconded the motion and it passed unanimously.

UTILITY BILLING CYCLES: As requested by Director Garber at the last Board meeting, District staff had checked on the billing policies of other utilities in the County. It was discovered that Ute, the City, Public Service, and Clifton all have similar billing cycles. However, Grand Valley Rural Power bills as close to the same day each month as possible making their billing cycles between 28 and 32 days in length. Director Garber asked why the District could not change their policy of reading meters to be more similar to Grand Valley Rural Power to accommodate the customers and make for more equal billing amounts. After a 20 minute discussion, Director Garber moved to change the meter reading policy to read each cycle on the same day of each month excluding weekends and holidays. Director Ela seconded the motion. After more discussion the question was called and failed with Director Garber voting for and the remainder of the Directors voting against the motion. It was the consensus of the Board that the District continue their present billing schedule.

OPEN BIDS ON 1996 METER READING VEHICLE: Manager Schuster opened the bids that were received on the van. They were as follows: Jim Fuoco Motor Company - no bid; Ed Bozarth Chevrolet, Inc. - \$17,663.81; Western Slope Chrysler, Plymouth & Dodge - \$15,402; and Western Slope Ford - \$16,213. After some discussion on the particular specification of the vehicles, Director Lewis moved to request a revised bid for a 6-cylinder van with disc brakes from Western Slope Chrysler, Plymouth & Dodge and accept the lower of the bids between them and Western Slope Ford. Director Wheeler seconded the motion and it passed unanimously.

MASTER WATER CONSERVATION PLAN: Assistant Manager Tooker handed-out the additional graphs and appendices for the Master Water Conservation Plan. Manager Schuster stated that the deadline for the District to have a Master Water Conservation Plan in place was June 1, 1996. Director Ela moved to consider this a draft and notify the public that the District was considering adopting the Master Water Conservation Plan. Director Garber seconded the motion. After a long discussion and several corrections to the Master Water Conservation Plan, the motion to proceed with the plan passed unanimously.

OFFICE/SHOP/STORAGE SITE: Manager Schuster stated that he had contacted Left Hand Water Company in Niwot who had moved their main office out of the town location to their plant site, similar to what the District is thinking about. That company felt that the move was great for them and Manager Schuster recommended that the Office/Shop/

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Storage site be made a part of the nanofiltration building at the CASWTP site. Manager Schuster will present a plan to the Directors at the next meeting.

TIME AND PLACE FOR PUBLIC MEETINGS: Director Ela moved to continue holding Board meetings at the water office (137 Third Street) and to continue to post notices of said meetings at the water office, the Fire Station, Clifton Sanitation District #2, and in the office of the Mesa County Clerk and Recorder in Coronado Plaza. Director Lewis seconded the motion and it passed unanimously.

POLLING PLACE FOR 1996 ELECTION: Director Garber moved to use the Clifton Fire Station for the polling place for the 1996 election. Director Wheeler seconded the motion and it passed unanimously. Director Ela moved to appoint Manager Schuster as the Designated Election Official for the District for the upcoming election and to conduct the 1996 election in accordance with the current Statutes. Director Garber seconded the motion and it passed unanimously.

JANUARY FINANCIAL REPORT: Manager Schuster informed the Board that because of the time of the audit for the District, it would be impossible for the Directors to have the Financial Report for the month of January at the regularly scheduled February meeting. Manager Schuster stated that if the meeting were held one week later, the full report should be ready. Director Ela moved to postpone the February meeting to the fourth Wednesday, being February 28, 1996. Director Garber seconded the motion and it passed unanimously.

QUALIFICATIONS FOR WATER ATTORNEY: Manager Schuster recommended that, due to the lateness of the hour, the Directors study the information from the five law firms that responded to the District's request for qualifications for a water attorney and make a decision at the February meeting. Director Ela stated that he would not be participating in the discussion. Director Garber moved to defer the discussion of the qualification's of the attorneys to the February 28, 1996, meeting. Director Lewis seconded the motion and it passed with Director Ela abstaining from the vote.

95CW330 - TWO MILE REACH PROJECT: Director Lewis moved to authorize Mr. Flint Ogle to execute the stipulation between the District and the Colorado Water Conservation Board on behalf of the District and go ahead with the current position on the two-mile reach water case. Director Wheeler seconded the motion and it passed unanimously.

95CW281 - WOLFORD MOUNTAIN ENLARGEMENT: Director Lewis moved to authorize Mr. Flint Ogle to file a response on behalf of the District in Water Case 95CW281 to get the District entered into the suit. Director Garber seconded the motion and it passed unanimously.

GOVERNMENT EMPLOYEES: Manager Schuster informed the Directors that when he placed the item on the agenda to discuss late charges for furloughed government employees it seemed pertinent because the government was shut down. However, now the concerned individuals are paid current on their bill so the discussion was moot. This topic will be discussed in the future if the need arises.

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OTHER NEW BUSINESS: Manager Schuster stated that he and Assistant Manager Tooker would be attending the SDA Election Workshop on January 24, 1996, to become refamiliarized with the election process.

Director Ela asked Manager Schuster to be prepared to discuss with the Directors the effect the nanofiltration system will have on the contract with the City of Grand Junction dated August 10, 1990, as well as the use of the large diameter pipelines for the District's distribution system. Manager Schuster stated that he would prepare a memo for the Board's review for discussion on the trip to Minnetonka, Minnesota.

Director Lewis moved to adjourn the meeting. Director Garber seconded the motion and it passed unanimously.

The meeting adjourned at 11:50 p.m.

ATTEST:


Secretary









**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held February 28, 1996

Present were Chairman Ballagh, Vice-Chairman Ela, Secretary Wheeler, Treasurer Garber, and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount, Laboratory Director Robinson, and Stenographer Day-Biondich. Chairman Ballagh called the meeting to order at 7:30 p.m.

Director Ballagh noted that in accordance with C.R.S. 32-1-903(2), the change of date for the February meeting had been posted in three public places in the District and the Mesa County Clerk and Recorder's Office. Director Ballagh recognized the new format of the agenda and asked that "Old Business" be changed to "Unfinished Business".

MINUTES OF JANUARY 17, 1996: Director Garber moved to accept the minutes of the January 17, 1996, meeting. Director Lewis seconded the motion. Director Lewis stated that under "FIRE ARMS" the word "probate" should be changed to "probation." Under the heading of "GRAVEL MINING ON GUNDERSON ISLAND" the correct spelling is "revegetate". The motion to accept the minutes with the above corrections passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Garber moved to approve the financial report paying the \$47,813.19 as shown on the report, \$2,682.65 as itemized on the supplemental report and a transfer of funds of \$1,500. Director Wheeler seconded the motion and it passed unanimously.

UTE/CITY/CLIFTON TALKS: Manager Schuster told the Board that he and Dale had been on the trip to Minnesota when the Ute/City/Clifton meeting was held in February. The next joint meeting is scheduled for Tuesday, March 5, 1996.

MT. GARFIELD MIDDLE SCHOOL GATHERING AREA (KIOSK): Manager Schuster informed the Directors that the plan the School District submitted to the Water District in 1992 would only need to be amended rather than to write a new contract. Manager Schuster stated that the proposed plan was given to each Director before the meeting and that he saw no problem with the new plan. Director Ela moved to accept the amended plan. Director Lewis seconded the motion and it passed unanimously.

DEBRIEFING OF MINNETONKA TRIP: Four Board members and four staff members went on the trip to Minnetonka to tour the Osmonics facilities on February 6 and 7, 1996. The general consensus of the attendees was that the trip was very productive and worthwhile.

WATER RIGHT APPLICATIONS: Manager Schuster told the Directors that he had asked Attorney Ogle to prepare the objections in Water Cases 95CW281 (Wolford Mountain Enlargement), 95CW272 (Colorado Springs/Aurora Homestake Project), 95CW296 (Colorado Water Conservation Board Base Flows in the Colorado River), and 95CW297 (Colorado Water Conservation Board Base Flows in the Colorado River). The Directors ratified Manager Schuster's decision with Director Garber moving to oppose the four water cases that Manager Schuster previously described. Director Lewis seconded the motion and it passed unanimously.

NANOFILTRATION MEETING: Manager Schuster informed the Directors that the District had a meeting with approximately 25 individuals representing entities that may have concerns with the discharge of nanofiltration concentrate into or near the Colorado River. Manager Schuster said that

the consensus of the people in attendance at the February 21, 1996 meeting was that the District should discharge the concentrate water into the river rather than into a pond because of the possibility of high concentrations of selenium from the pond in the event of a flood washing out the pond. Even with concentrations of selenium in the range of 1 part per billion, evaporating water from the pond could concentrate the selenium to higher concentrations. Concentrations of selenium in the 10 to 15 parts per billion can cause problems in the reproduction cycle of certain species of fish and fowl. Manager Schuster stated that the District would have to obtain a discharge permit to discharge the concentrate water back into the river.

LEASE WITH GRAND JUNCTION PIPE & SUPPLY: Manager Schuster stated that Grand Junction Pipe and Supply had presented a lease agreement for gravel removal on Gunderson Island to the District. Manager Schuster had read the lease and had a minor problem with the filing of the water for the project. Currently, the firm of Dufford, Waldeck has the lease agreement to review it. Attorney Bechtel had informed Manager Schuster that Attorney Krohn would be reviewing the contract and that Attorney Krohn would also be discussing the contract with Attorney Hermundstad who is the attorney for Grand Junction Pipe and Supply. There was no action necessary on this item.

MASSEY AGREEMENT: Manager Schuster stated that in the previous agreement that the Board had approved with Oscar Massey for the Cutting Fruit Tracts there had been no mention made of serving water to the entire Cutting Fruit Tracts Subdivision and also that the District would pay the cost difference between four-inch and six-inch pipe. The new agreement has both of these items in it. Director Lewis moved to approve the new agreement. Director Ela seconded the motion and it passed unanimously. Director's Ballagh and Wheeler signed the agreement.

PUBLIC OPINION POLL: Manager Schuster stated that there was a company that would do a public opinion poll for the District with the subject items of De-Brucing and term limitations for Directors for a cost of \$2,500. It was the general consensus of the Directors not to pay for a public opinion poll since the District had only recently done a survey.

BURCKHALTER R.O.W. TAP: Manager Schuster stated that the District had to obtain an easement north of G Road across the Burckhalter property during the original distribution system construction. Mr. Burckhalter had asked the District to install the tap that he was supposed to receive in exchange for that easement, however, Manager Schuster could not remember that being in the agreement so he checked the recorded easement. The easement states that the District will allow Mr. Burckhalter to purchase an out-of-District water tap at in-District rates and purchase water at in-District rates as payment for the easement. Manager Schuster notified Mr. Burckhalter of this and has heard nothing from him since.

OFFICE/SHOP/STORAGE SITE: Manager Schuster stated that attached to the memorandum he had written to the Board dated February 2, 1996, was the layout of the District's property at 510 34 Road. The suggested site for the new office and the proposed floor plan drawing were also attached. Revisions and cost estimates will follow.

C.R.S. 32-1-1006: Director Ballagh had brought to the attention of Manager Schuster that it appeared that the Colorado Legislature was looking at amending C.R.S. 32-1-1006 which speaks to additional power and

special provisions of Special Districts. Manager Schuster had asked Attorney Bechtel to review the proposed amendments. Attorney Bechtel informed Manager Schuster that it wouldn't have any impact on the District and Ute Water Conservancy District (Ute) because Ute is not considered a Special District under the amendment.

1996 ELECTION: Director Lewis moved to adopt the following resolution.

**RESOLUTION
APPOINTING A DESIGNATED ELECTION OFFICIAL AND
AUTHORIZING THE DESIGNATED ELECTION OFFICIAL
TO CANCEL ELECTION**

1-1-111(2), 1-5-208, C.R.S.

WHEREAS, pursuant to 1-1-111(2) C.R.S., the Board of Directors of the Clifton Water District is authorized to designate an election official to exercise authority of the Board in conducting an election, and
WHEREAS, pursuant to 1-5-208, C.R.S., the Board can authorize the Designated Election Official to cancel the election upon certain conditions;
NOW THEREFORE, be it resolved by the Board of Directors for the Clifton Water District that: (1) the Board has named Raymond J. Schuster as the Designated Election Official for the regular District election scheduled for the 7th day of May, 1996, and (2) the Board hereby authorizes and directs the Designated Election Official to cancel said election and declare the candidates elected if at the close of business on the twenty-ninth day before the election there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates if it is not timely to add questions for the voters to decide to keep or discard the following: term limitations, spending limitations, and revenue limitations. The Board further authorizes and directs the Designated Election Official to publish and post notice of the cancellation of each polling place and in the office of the Designated Election Official, Clerk and Recorder of each county in which the District is located, and file with the Division of Local Government. The Governing Body shall also notify the candidates that the election was cancelled and they were elected by acclamation.
Adopted this 28th day of February, 1996, by the Board of Directors of the Clifton Water District.

Director Ela seconded the motion and it passed unanimously. It is the understanding to have each question be considered on its own merits, not collectively.

WATER ATTORNEY: Director Ela excused himself from any discussion on this subject. Director Ballagh stated that the reason for requesting Attorneys to present proposals to represent the District in water matters came about when he discovered Linda White was residing in the State of New York. Manager Schuster has been working with Flint Ogle from Dufford, Waldeck since Linda White moved and he recommend that the District stay with the current legal representation for water and water related issues. After some discussion Director Lewis moved to retain Flint Ogle from the firm of Dufford, Waldeck for a six month testing period. Director Garber seconded the motion and it passed with Director Ela abstaining from the vote.

LOIS BEESON: Manager Schuster told the Directors that included in their packet was a letter to the District from Lois Beeson. This letter was in regard to the District's Plant Investment Fee Credit Policy which he had sent to Ms. Beeson. In her letter, Ms. Beeson stated that when she and Fred Powell purchased Lot 1, Block 10 of the Southridge Subdivision, it had been with the understanding that it included a \$10,350 credit toward water taps. Director Lewis stated that he didn't think the District

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needed to be concerned about this subject at the current time since there was still four years before the time limit ran out and she could not show damage at this time. Director Ballagh questioned the transfer of the "tap credits" without informing the District. Manager Schuster will research the agreement with Foster/Foster/Coleman to see what notification, if any, the District should have received before the transfer of the credit.

NOMINATION FOR RMS AWWA VICE CHAIR: Assistant Manager Tooker reiterated the memo that he had presented to the Directors prior to the meeting in regard to his nomination as Vice Chair of the RMS AWWA with the intention to proceed through the Chair positions. Assistant Manager Tooker explained that it would cost the District approximately \$200 in out-of-pocket expenses per month to have him attending RMS AWWA Board meetings in Denver (or the front range). After a 50 minute discussion, Director Ela moved to support Assistant Manager Tooker in the AWWA leadership approach outlined in Tooker's February 28, 1996, memo to the Board. Director Lewis seconded the motion and it passed with Directors Lewis, Ela, and Wheeler voting for it. Director Ballagh requested that Assistant Manager Tooker keep a close accounting of the time he spends not only attending the meetings but also working on RMS AWWA items.

METER READING VEHICLE: Manager Schuster informed the Directors that he had purchased the Chrysler product for the meter reading vehicle. Director Lewis moved to ratify the decision that Manager Schuster had made in regard to the purchase of the Chrysler product. Director Ela seconded the motion and it passed unanimously.

AUTHORIZE BIDS FOR NANOFILTRATION EQUIPMENT: Manager Schuster stated that he would like to advertise for bids for the nanofiltration equipment for opening at the March 20, 1996, Board meeting. Director Garber moved to have Manager Schuster request bids for the nanofiltration equipment as specified by Manager Schuster. Director Lewis seconded the motion and it passed unanimously.

BENCHMARKING TELECONFERENCE: Assistant Manager Tooker stated that there would be a Benchmarking Teleconference on March 14, 1996. Assistant Manager Tooker asked the Directors if they were interested in attending. Assistant Manager Tooker further stated that he had sent each of them a brochure and registration form, or they could contact him and he would get them registered for the teleconference.

REVISE OFFICE HOURS: Manager Schuster stated that at the last meeting Director Garber said that the District was here to serve the public and the people. The staff isn't here for their personal convenience but rather for the convenience of the customers. Manager Schuster stated that with this in mind he recommended that the Water Office open at 7 a.m. and close at 6 p.m. to serve the people that work the same hours as the current office hours. Manager Schuster said that in order to accomplish this the Board would need to approve the changes to the personnel manual to accommodate the change of hours. After some discussion Director Lewis moved to change the personnel manual to read that the office hours may range from 7 a.m. to 6 p.m. according to management decisions. Director Garber seconded the motion and it passed unanimously.

PURCHASE OF HP GC: Manager Schuster told the Directors that even though the purchase of a gas chromatograph system wasn't in the budget for this year, an irresistible offer had come the District's way and he would like to take advantage of it. Laboratory Director Robinson had prepared a memo for the Board describing his budgeting process to keep the 1985 GC mainframe up and running. The District has an opportunity to purchase a repossessed Hewlett Packard GC for a price of \$50,000 (a new one would cost approximately \$110,000). The new GC would have a full warranty and HP would bring it to the laboratory, hook it up, run it, and train the laboratory employees on it. Manager Schuster told the Directors that the money would come from the emergency fund in the 1996 budget. Director Lewis moved to authorize staff to purchase the HP GC with the funds coming from the emergency fund of the 1996 budget. Director Wheeler seconded the motion and it passed unanimously.

Director Lewis moved to adjourn the meeting. Director Garber seconded the motion and it passed unanimously.

The meeting adjourned at 11:18 p.m.

ATTEST:

George E. Wheeler
Secretary

John L. Ballagh

J. M. El

Martin Garber

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held March 20, 1996

Present were Chairman Ballagh, Vice-Chairman Ela, Secretary Wheeler, and Treasurer Garber. Dickie Lewis' absence was excused. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount, and Stenographer Day-Biondich. Guests present were David Haynes from Osmonics and John Buck from Hanifen, Imhoff Inc.

Chairman Ballagh called the meeting to order at 7:30 p.m. Director Ballagh noted that the bid for the equipment for the nanofiltration plant had been properly advertised and the time for accepting bids on the equipment was closed.

OPEN BIDS ON NANOFILTRATION PLANT EQUIPMENT: Director Ballagh stated that Director Lewis had contacted him with the concern that the District should not award any contracts until all the necessary permits are in hand. Manager Schuster opened the bids that were received on the equipment. They were as follows: American Fluid Technologies - \$1,900,500; Osmonics - \$1,722,200; RDH Environmental Services - \$1,858,800. The engineer's estimated cost for this equipment was \$1,847,840. Manager Schuster explained that the District was in a slight dilemma because without the drawings and dimensions of the nano skids, it would be difficult to design a building layout to obtain a building permit. Manager Schuster stated that it was his recommendation that the District award the low bid tonight and issue a purchase order with the following language: "This purchase order is conditioned on the Clifton Water District receiving all permits from all entities involved. You are only authorized to proceed with drawings at this point and invoice us accordingly. When the required permits are received, you will be notified to proceed with the fabrication of the nanofiltration units as specified. Should the Clifton Water District not receive the required permits to construct the nanofiltration plant, this purchase order will be cancelled with the exception of the value of the drawings." After some discussion Director Garber moved to accept the Osmonics bid of \$1,722,200 with the proviso that the purchase order contain the condition recommended by Manager Schuster. Director Ela seconded the motion and it passed unanimously.

JOHN BUCK - HANIFEN, IMHOFF INC.: Mr. Buck explained that over the past few years he had been in contact with Manager Schuster and Assistant Manager Tooker in regard to funding a bond issue for the financing of the nanofiltration plant. Mr. Buck had also spoken to Director Wheeler a few months ago about the same items. Mr. Buck recommended that the District apply for the financing to secure the interest rate as soon as the decision is made as to how much cash the District will put forth and how much financing is needed. Mr. Buck stated that it would take approximately six to eight weeks for the financing to be approved and the agreement ready for signing. Director Garber stated that it may be better to apply for financing now rather than to wait and chance an increase in interest rates. Manager Schuster stated that he would like to send Mr. Buck several scenarios and get a response from him to better enable the Directors to make a decision on the financing needs of the District. The dialogue between Mr. Buck and the Directors spanned a 70 minute duration.

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MINUTES OF FEBRUARY 28, 1996: Director Wheeler moved to accept the minutes of the February 28, 1996, meeting. Director Garber seconded the motion. Director Ballagh stated that under "METER READING VEHICLE" on page four it should be stated that the reason the Dodge van was purchased from Chrysler was because they were the low bidder on the vehicle. The motion to accept the minutes with the above justification passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Ela moved to approve the financial report paying the \$67,655.68 as shown on the report, \$52,912.05 as itemized on the supplemental report and a transfer of funds of \$1,500. Director Wheeler seconded the motion and it passed unanimously.

COST CONTAINMENT PROGRAM: Manager Schuster stated that the Directors had received in their packet a copy of the letter from the Department of Labor and Employment stating that the District would be receiving a 5% premium reduction in their Worker's Compensation Insurance for the next year. Assistant Manager Tooker stated that this was a result of the implementation of the Safety Program for a period of one-year. This reduction in the premium is in addition to the 2.5% reduction for the District having a Designated Medical Provider.

LEASE WITH GRAND JUNCTION PIPE & SUPPLY: Manager Schuster explained that the lease with Grand Junction Pipe and Supply had been on hold due to Attorney Krohn's vacation. Attorney Krohn will schedule a meeting with Attorney Hermundstad, Mr. Settle, and Manager Schuster some time next week.

DEED IN LIEU OF FORECLOSURE: Manager Schuster stated that the paperwork for the deed in lieu of foreclosure on Rolling Hills Sanitation was in the process and should be finished before the April meeting.

NOTICE OF TRANSFER OF CREDITS: Manager Schuster stated that in the agreement with Foster, Foster, Coleman there was no verbiage in regard to the notification of the District by Foster, Foster, Coleman to transfer the Plant Investment Fee credits to another owner. Manager Schuster stated that the credits could be transferred from owner to owner, however, could not be moved to another piece of land. The current owners of the property are aware of this policy.

SAMPLE BALLOT: Manager Schuster stated that the election could not be cancelled until April 8, 1996. After some discussion Director Ela moved to hold an election for the voters to be allowed a say on the elimination of term limitations, revenue limitations, and spending limitations regardless of whether there is a contest for the directors positions. Director Garber seconded the motion. Director Ela stated that he wanted to state for the record that it is not the intention of the Board to create an inconsistent position as to the operations of the District being an Enterprise but that the District wants to protect itself from the TABOR amendment. Director Ballagh added that it has always been the position of the District to take issues to the voters. The motion passed unanimously.

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FIRE SAFETY EDUCATION PROGRAM: Manager Schuster read a letter to the Directors from the Clifton Fire Protection District asking for donations to aid in the costs of their Fire Safety Education Program. It was decided that the District could not, in all conscience, spend public funds for this cause.

MESA COUNTY REQUEST FOR OUT-OF-DISTRICT TAP: Manager Schuster explained that the Western Colorado Drag Racing Association (WCDRA) petitioned the District to be included in the boundaries of the District to get a water tap at in-district rates to service the drag strip in Sections 2 and 3 in T2S, R1E of the Ute Meridian. The property belongs to the United States of America and is managed by the Bureau of Land Management. Mesa County has a long-term lease to use the property. The WCDRA in turn has a lease from Mesa County. Manager Schuster explained to the WCDRA that the owner of the property would have to petition to be included in the District. Manager Schuster also explained that the drag strip is higher than the 0.1 MG tank that serves the area and that the tap would either have to come off the 4" pump line to fill a cistern or the WCDRA would have to pump the water themselves. After some consideration, Director Garber moved to approve an out-of-District tap at out-of-District rates to service the property. Director Wheeler seconded the motion and it passed. Director Wheeler moved that the District spend up to \$2,000 for the bore and tap and all costs over the \$2,000 be borne by the WCDRA or by others. Director Ela seconded the motion and it passed unanimously.

Director Wheeler moved to adjourn the meeting. Director Garber seconded the motion and it passed unanimously.

The meeting adjourned at 10:03 p.m.

ATTEST:

George E. Wheeler
Secretary

John L. Ballagh

Martin Garber

Wm. M. Ela
Ratified W.C.R.A.

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT

Held March 27, 1996

Present were Chairman Ballagh, Secretary Wheeler, Treasurer Garber and Director Lewis. Bill Ela's absence was excused. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount, Laboratory Director Robinson, and Stenographer Day-Biondich. Dan Brown was present as a guest.

Chairman Ballagh called the meeting to order at 4:00 p.m. Director Ballagh noted that the time and place for this emergency meeting had been posted in accordance with 32-1-903(2).

WATER TO WHITEWATER AND POINTS SOUTH: Director Ballagh stated that the reason for the emergency meeting was the article published in The Daily Sentinel on Friday, March 22, 1996, entitled "Water district, county at odds over expansion." Director Lewis stated that he felt that the District should take the position that they are not in the business of deciding where subdivisions are located or zoning and that it is the District's business to provide potable water to subdivisions that have already been approved by the County.

Director Garber asked Manager Schuster what precipitated the article. Manager Schuster stated that on Wednesday Sentinel writer Ben Gagnon had contacted him. Ben questioned the District's actions in the Whitewater area and Manager Schuster told him the District was planning to enlarge the water line from the top of Whitewater Hill to the Whitewater area and also about servicing Indian Creek Estates. Manager Schuster stated that to this time County Attorney Lyle Dechant had not contacted him.

The general consensus after the hour-long meeting was that Manager Schuster would prepare a chronology of activities of the District in the Whitewater area and he would also prepare a package of information to give to Ben Gagnon presenting the District's information including the follow-up on the nanofiltration plant and the scheduling of it and the background of the District. Manager Schuster will also write another letter to the Commissioners asking for a meeting in regard to the service of water to the Whitewater area and points south.

Manager Schuster pointed out to the Directors that the last page in the packet of information they had received was a memorandum from him in regard to financing for the nanofiltration plant.

The meeting adjourned at 5:00 p.m.

ATTEST:

John L. Ballagh

[Signature]

Geary E. Wheeler
Secretary

Wm. M. Ela
Ratified

Martin Garber

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held April 17, 1996

Present were Chairman Ballagh, Vice-Chairman Ela, Treasurer Garber, and Director Lewis. George Wheeler's absence was excused. Staff present were Manager Schuster, Plant Superintendent Blount, and Stenographer Day-Biondich. Guests present were Stephen Gonzales and Lee Clayburgh from 3090 D 1/2 Road; Nicky Kenny with Isaak Bond Investments, Inc.; W. Allen Conklin with Conklin Investment Company; and Mike Nelson with Chadwick, Steinkirchner, Davis & Company.

Chairman Ballagh called the meeting to order at 7:30 p.m.

STEPHEN GONZALES: Mr. Gonzales stated that he owns the property located at 3090 D 1/2 Road. The District just recently installed an 8" water line along D 1/2 Road in front of his property. Ben Dowd Excavating was the contractor doing the work for the District. Mr. Gonzales stated that, during the time the work was being done in front of his property, individuals traveling on D 1/2 Road used his driveway for a turn-around. Mr. Gonzales would like the District to replace the gravel in his driveway to the condition that he claims it was in prior to the construction. Manager Schuster said he inspected the area and found all the disturbed area to be in good repair. Manager Schuster agreed with Mr. Gonzales that his driveway needed gravel but the work completed by Dowd Excavating did not cause the problem. After 30 minutes Mr. Gonzales left. Director Ela moved to write Ben Dowd Excavating a letter informing him that if there was a problem with not enough gravel in the driveway, the problem belonged to him as the contractor and send a copy of the letter to Mr. Gonzales. Director Lewis seconded the motion and it passed unanimously.

CHADWICK, STEINKIRCHNER, DAVIS & CO.: Mike Nelson from Chadwick, Steinkirchner, Davis & Company, presented the District's 1995 audit. Through a series of charts and graphs projected on a screen, Mike touched on the highlights of the 1995 financial picture of the District. Mike completed the 25-minute presentation by stating that the District was in a sound financial position.

NICKY KENNEY AND ALLEN CONKLIN: Nicky Kenney with Isaak Bond Investments, Inc., and W. Allen Conklin with Conklin Investment Company presented a written proposal detailing what they could do for the District to aid the District in financing the nanofiltration plant. The presentation also included six possible schedules that showed options for the District depending on the amount of money needed and the time period the District would like to pay bonds off. During Ms. Kenney and Mr. Conklin's half-hour presentation they explained that their experience with bond issues and their previous business with the District would be an advantage to the District if the District chose to work with them. Ms. Kenney and Mr. Conklin thanked the Directors for their time and stated that they would be very pleased to do business with the District.

MINUTES OF MARCH 20, 1996: Director Ela moved to accept the minutes of the March 20, 1996, meeting. Director Garber seconded the motion. The motion to accept the minutes of the March 20, 1996, regular meeting passed unanimously.

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MINUTES OF MARCH 28, 1996: Director Garber moved to accept the minutes of the March 28, 1996, special meeting. Director Lewis seconded the motion. The motion to accept the minutes of the March 28, 1996, special meeting passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Lewis moved to approve the financial report paying the \$96,567.96 as shown on the report, \$16,445.22 as itemized on the supplemental report and a transfer of funds of \$1,500. Director Garber seconded the motion and it passed unanimously.

LEASE WITH GRAND JUNCTION PIPE & SUPPLY: Manager Schuster explained that the attorney's working on the gravel lease with Grand Junction Pipe and Supply were preparing language that would satisfy the Colorado Water Conservation Board for using the waste water from the treatment plant to augment the water that would evaporate from the proposed gravel pit. The attorney's are also working on the language for the lease.

DEED IN LIEU OF FORECLOSURE: Manager Schuster stated that Rich Krohn was in the process of preparing language for the deed in lieu of foreclosure on the lagoon property. Mr. Krohn stated that, because of the time frame (the District only having a couple more weeks to complete the foreclosure), he would see that the deed was signed in a timely manner.

INDEXING NORTH FILTER: Manager Schuster stated that in 1995 an indexing system for the south filter had been purchased from Infilco Degrimont to aid our backwash procedure in the amount of \$6,800. The 1996 budget included \$7,000 to index the north filter. After careful study, Plant Superintendent Blount purchased the required equipment locally and the operators completed the indexing for the north filter at a cost of approximately \$500, a considerable savings.

OUT-OF-DISTRICT CONSTRUCTION POLICY: Manager Schuster explained to the Directors that the existing out-of-District Construction Policy was not working. Manager Schuster presented the Directors with a copy of the proposed Out-of-District Construction Policy for action at the May meeting.

REPORT ON THE CHECK CASE (91CW247): Manager Schuster stated that a Stipulation had been prepared for the 91CW247 check case. Flint Ogle is representing Orchard Mesa Irrigation in this case. Clifton is not a party to the case. Flint Ogle and Laird Milburn were concerned that the stipulation might injure Clifton and asked Manager Schuster to review the stipulation. If the stipulation is approved with the current language it would allow for the release of 65,500 acre feet of water from Green Mountain Reservoir every year. Manager Schuster said that the stipulation would dilute the dissolved solids in the river and improve the water quality. The improved water quality would benefit the District. No action was necessary.

FINANCIAL CONSIDERATION FOR NANO PLANT CONSTRUCTION: It was the consensus of the Directors that Manager Schuster get the cost of underwriting fees from Hanifen, Imhoff, Inc. and Isaak Bond Investments, Inc./Conklin Investment Company to find out which company would cost the District less money for the issuance of bonds

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for financing the nanofiltration plant. Manager Schuster stated that until the amount of the bond issue is known, the fees could not be determined. Manager Schuster thought further discussion of the financing should be deferred until the amount of the bond issue is determined.

PURDY MESA AGREEMENT: Manager Schuster stated that the copy of the Purdy Mesa Agreement that had been enclosed with the packet to each Board member had been changed slightly. A new paragraph #7 had been inserted which spoke to the health and welfare of the public through which either company has certain requirements. Manager Schuster read the new paragraph to the Directors. Director Lewis stated that Attorney Bechtel had advised against the District entering into an agreement with Purdy Mesa because of no consideration. Also, Director Lewis was against entering into the contract because, if Purdy Mesa sells out to the City, the District would be engaged in said contract with the City. After some discussion, Director Lewis moved to redraft the contract to provide for the cross-connection but to eliminate all reference to service areas. Director Garber seconded the motion only for discussion purposes because he felt the reason for the agreement was to set service boundaries for the District and Purdy Mesa so each would not infringe on the other's service area. The motion was defeated with Director Lewis voting for it. The consensus was for Manager Schuster to discuss the agreement with Attorney Bechtel and make a new presentation at the May meeting.

CARDELL-WEISS/GOTHIC BROADCASTING: Manager Schuster informed the Board that he had been petitioned by Cardell-Weiss/Gothic Broadcasting to allow them to place a transmitter at the old Plant #1 site. Manager Schuster had told the company representative that he would speak with the Directors, however, the District probably would not have any problems as long as there was no interference with any of the other transmitters. The Directors agreed with the information that Manager Schuster had given with the condition that, if ever there was interference between any of the individuals with transmitters at the Plant #1 site, they would all have to move their transmitter from our property. Director Ballagh said that if Mesa County ever requires a special use permit for the transmitters, they would all be removed.

GVICo SHARES: Manager Schuster stated that he had recently purchased 19 shares of GVICo stock at the price of \$225 per share. The 1996 assessment had been paid. Manager Schuster also stated that he had been in contact with another individual that had 16 shares for sale, however, the seller wanted \$250 per share. The seller told Manager Schuster to call back in a couple weeks and if any shares were left he would sell them for \$225 each - the 1996 assessment had also been paid on these. Manager Schuster told the Directors that he had been authorized to pay up to \$205 per share, plus the assessment and transfer fee. With these already being paid he figured the value of each share was approximately equal to \$225 and the Directors agreed.

NEW EMPLOYEE: Manager Schuster reiterated his request from his memorandum to the Board of April 9, 1996, wherein he requested permission to hire an additional employee for helping replace meters and general clean-up. After some discussion Director Ela moved to defer the discussion until next month to give Manager Schuster time to

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see if a suitable employee could be hired at \$5.00 per hour and to decide if an additional employee is really necessary. Director Lewis seconded the motion and it passed unanimously.

HEALTH INSURANCE INCREASE/TRANSFER OF APPROPRIATED MONIES BETWEEN FUNDS: Manager Schuster referred back to his April 9, 1996, memorandum wherein he stated that Rocky Mountain HMO was increasing their insurance premiums by three percent. Director Garber stated that he wanted the employees to pay the additional costs. Manager Schuster had made the necessary corrections in the appropriated funds to show the cost of the additional employee and the increase of insurance and Director Ballagh stated that he believed it unwise to make changes in the budget without notifying the public. Manager Schuster stated that according to state statutes, as long as the revenue and expenditures did not change, the District could transfer appropriated monies from one fund to another. Director Ballagh also stated that, if the transfer was to take place, the Emergency Fund had to be at least three percent of the total budget. After some heated discussion it was decided that the topics of the health insurance and transferring of the appropriated monies would take place at the May meeting and that the employees should be advised that they may be responsible for the additional costs of health insurance.

Director Lewis moved to adjourn the meeting. Director Ela seconded the motion and it passed unanimously.

The meeting adjourned at 11:30 p.m.

ATTEST:


Secretary









**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held May 15, 1996

Present were Chairman Ballagh, Vice-Chairman Ela, Treasurer Garber, and Secretary Wheeler. Director Lewis' absence was excused. Staff present were Ray Schuster, Dale Tooker, Carey Blount, Cindy Day-Biondich, Larry Robinson, Brian Sheley, Tom Shawler, David Larsen, and Robert Pike. Guests present were Mesa County Commissioners Doralyn Genova, John Crouch, and Kathy Hall; Bob Jasper, County Administrator; Lyle Dechant, County Attorney; Kathleen Sellman, Planning Director; Rod Bonnell, President of the Purdy Mesa Livestock Water Company; Mike Sellman, and Dan Brown.

Chairman Ballagh called the meeting to order at 7:30 p.m.

MESA COUNTY BOARD OF COMMISSIONERS: After the introduction of each party present, Schuster used a map to explain what properties were included within the Clifton Water District boundaries and which properties the District currently serves that are not included within District boundaries, especially in reference to the Whitewater area. Schuster said that Clifton had attempted to get some direction from the County Commissioners in proceeding with serving water to individuals living in the Whitewater area without success. Ballagh explained that the Home Water Supply had installed a four-inch waterline from the top of Whitewater Hill to Whitewater proper in 1986 when the Whitewater area was included in the District. The waterline now belongs to the District. The District is faced with the fact that there is not enough capacity in that 4" line to serve the anticipated growth in the Whitewater area. The County was concerned about whether the District could serve water for fire protection to the Whitewater area. Schuster stated that, with the exception of two or three fire hydrants on Highway 50 in Whitewater proper, there was not sufficient capacity in the existing water lines to provide water for fire protection. Mr. Dechant stated that, in his opinion, there was a conflict in the area where the District presently serves water and the District's 1985 Statement of Purpose filed with the County. Commissioner Crouch stated that he believed that Dechant, Jasper, and Schuster could work together to construct a Plan that fits not only the current service area but anticipated service areas in the vicinity of Whitewater. Schuster said the 1985 Statement of Purpose was drafted to be as broad as possible to allow the District to expand the service area as needed. Schuster also stated that providing water to the County landfill was not anticipated when the Statement of Purpose was drafted. But, at the request of the County, and due to the lack of specificity in the Statement of Purpose, water was now being served to the landfill. Commissioner Genova stated that she believed the District and the County could reach an agreement for water service for the Whitewater area beneficial to all. The Commissioners were thanked for their time and left the meeting at 8:35 p.m.

Ela moved to move agenda item E-1 (Purdy Mesa Agreement) up to the "Guests" section for the convenience of Mr. Bonnell. Garber seconded the motion and it passed unanimously.

PURDY MESA AGREEMENT: Bonnell stated that Purdy Mesa Livestock Water Company was pleased with the current proposed Agreement between the Clifton Water District and Purdy Mesa. Garber moved to accept the Purdy Mesa Agreement. Wheeler seconded the motion. Bonnell said that Purdy Mesa had no intentions of ever selling their company to the City

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of Grand Junction and any negotiations for the sale referred to by the City were strictly unilateral. Purdy Mesa Livestock Water Company was not negotiating with the City for the sale of the Company. In Director Lewis' absence he had delivered a letter to Schuster stating that he was opposed to adopting or signing an agreement with Purdy Mesa for various reasons. The Directors present thought that paragraph 1 put to rest Lewis' concerns. After some discussion Ela moved to amend the motion to accept the Agreement with the following changes: in paragraph 1 add the words "or more" in two places after the "50%" so it reads "50% or more of the ownership..."; in paragraph 6 change the last four lines to read, "... will be no minimum rate charged for these meters. If emergency water passes through either meter, the party receiving the water will pay the highest prevailing rate of either party per thousand gallons of water received." Wheeler seconded the amendment to the motion. Both the amendment to the motion and the motion passed with the understanding that the Chairman and Secretary could sign the document once the changes were made. Director Lewis' letter with his "nay" vote was acknowledged.

MINUTES OF APRIL 17, 1996: Wheeler moved to accept the minutes of the April 17, 1996, meeting. Ela seconded the motion. On page two under "Lease with Grand Junction Pipe & Supply" the word "attorney's" was changed to read, "attorneys". The motion to accept the minutes passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Wheeler moved to approve the financial report paying the \$108,692.92 as shown on the report, \$30,019.98 as itemized on the supplemental report and a transfer of funds of \$1,500. Ela seconded the motion and it passed unanimously.

LEASE WITH GRAND JUNCTION PIPE & SUPPLY: Schuster stated that the attorneys were still working on the gravel lease with Grand Junction Pipe and Supply to satisfy the language requirements of the Colorado Water Conservation Board for using the waste water from the treatment plant to augment the water that would evaporate from the proposed gravel pit.

DEED IN LIEU OF FORECLOSURE: Schuster stated that if Attorney Krohn did not have the signed deed by Thursday, May 16, 1996, the District would foreclose as the six year statute of limitations expires on May 18, 1996.

OUT-OF-DISTRICT CONSTRUCTION POLICY: Schuster stated that the proposed Out-of-District Construction Policy would take care of the problems the District has had with construction of the water lines for Indian Creek Estates and the Cutting Fruit Tracts. Garber moved to accept the proposed Out-of-District Construction Policy as written. Wheeler seconded the motion and it passed unanimously.

GROUND WATER DISCHARGE PERMIT: Schuster stated that the District would not need a ground water discharge permit for the nanofiltration concentrate and had received a letter from the State which so stated. Schuster proceeded by saying that the District would monitor the ground water in the area of the nanofiltration concentrate at the State's request to show that the ground water is not being degraded by the treatment plant discharge.

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HEALTH INSURANCE INCREASE: Schuster reiterated his memorandum to the Board of April 29, 1996, wherein he gave a few examples of how the employees of the District had saved the District considerably more money than the three percent health insurance increase. After some heated discussion wherein Ballagh stated that the forum (with employees being present to represent themselves) was inappropriate, Wheeler moved to take the additional funds out of the wage and benefit increase line item to pay the health insurance increase. Ballagh stated that it was his feeling that health care increases were a "cost of living" expense. Garber seconded the motion and it passed with Ela (and Lewis by way of written communication) voting nay. Ela stated that the time for the employees to represent themselves and their feelings on the health insurance benefits was in September when the budget was being discussed.

NEW EMPLOYEE: Schuster referred again to his memo of April 29, 1996, wherein he explained the reasons the District was in need of an additional employee for the distribution field. After a brief discussion Ela moved to approve the recommendation of the Manager and hire an additional field employee for no more than \$7.50 per hour and if a suitable employee could not be found for that amount that Schuster should report back to the Board. Wheeler seconded the motion and it passed unanimously.

TRANSFER OF APPROPRIATED MONIES: Ballagh stated that the transfer of monies between accounts needed to be published and statutes followed just as is done when a new budget is adopted. Schuster will see that the appropriate action is taken to transfer the funds for the new employee to the correct account. Ela questioned if the District would still be acting as an enterprise since "Ballot Issue B" had failed and Ballagh said yes.

BRYCE FAST: Schuster explained that the facility where Mr. Bryce Fast operates his pest control business had been inspected for backflow prevention a year ago and that Fast had been informed that he needed to install a proper "containment" device in order to adhere to the District's Backflow Prevention Policy. Schuster stated that there had been much communication between Fast and the District and that the District was scheduled to terminate his water service on Friday, May 17, 1996, if the proper device was not installed. Wheeler moved to give Bryce Fast an additional 15 days to resolve the problem and if there is no resolution within the 15-day period to proceed with discontinuing the water service to the facility. Ela seconded the motion and it passed unanimously.

COMPENSATION FOR DIRECTORS: Garber moved to adopt the following resolution:

Be it resolved by the Board of Directors of the Clifton Water District that effective May 7, 1996, the compensation for Directors whose terms begin on or after May 7, 1996, shall be set for \$75.00 meeting attended, not to exceed \$1200 per year, and the compensation for Directors whose terms began prior to May 7, 1996, remain at the current level until said Directors begin a new term, when their compensation shall increase to be equal to that of Directors whose terms began on or after May 7, 1996.

Ela seconded the motion for discussion purposes only. The motion passed with Ela voting nay.

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DIRECTORS OATH OF OFFICE: Chairman Ballagh swore George Wheeler in as a Director of the Board of the Clifton Water District for a four year term. Ballagh and Wheeler both signed the "Oath of Office" form for submittal to the correct government agencies. For good cause shown, Director Lewis was allowed to extend the period for taking the Oath of Office until the June Board Meeting.

SHELEY RECEIVES SCHOLARSHIP: Schuster stated that Brian Sheley had received the James B. Warner Scholarship offered by the RMS AWWA for \$1,500 for the 1996-97 academic year. The Directors commended Sheley on his accomplishment.

TAP AND FIRE HYDRANT FOR CLIFTON INN: Schuster explained to the Directors that the Clifton Inn was in the process of enlarging their facilities and were requesting the District install a 2" meter to replace the 1 1/2" meter they currently have and also to put in a fire hydrant on their property. Ford Construction wanted the District to charge him only for the time and material for the two items rather than the regular charges which would include an increase in price for the exchange of the meter and the cost of the hydrant. After some discussion it was the consensus of the Directors to accept his offer as long as he would agree to place the hydrant in public right-of-way, however, to charge him the additional fees if he insisted that the hydrant be placed on private property.

DENVER WATER & SUPREME COURT DECISION: Schuster stated that Denver Water was in a case similar to what the District was in a few years ago where an individual had fallen into the meter pit and sued the District. However, Schuster explained, Denver Water stated that they were not responsible for maintaining the meter pits and that the pits were on the land owners private property. The Supreme Court ruled in Denver's favor since Denver did not claim ownership of the meter pits on private property.

Other discussions took place in regard to the meter reading van and the District's subcontractors.

Director Ela moved to adjourn the meeting. Director Wheeler seconded the motion and it passed unanimously.

The meeting adjourned at 11:55 p.m.

ATTEST:


Secretary









**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held June 19, 1996

Present were Vice-Chairman Ela, Treasurer Garber, Secretary Wheeler, and Director Lewis. Staff present were Ray Schuster, Dale Tooker, and Cindy Day-Biondich. Guests present were Russell Caldwell - Bigelow & Company; Nicky Kenney and Al Conklin - Isaak Bond Investments; and John Buck - Hanifen Imhoff. The investment bankers as listed above were present on the premises, but out of professional courtesy, only one firm was present at the Board table at a time.

Vice-Chairman Ela called the meeting to order at 7:30 p.m.

Vice Chairman Ela administered the Oath of Office to Director Lewis.

INVESTMENT BANKERS: Russell Caldwell from Bigelow & Company was the first of the investment bankers to speak. Upon conclusion of Mr. Caldwell's presentation, Chairman Director Ballagh entered the meeting; the time was approximately 8:10 p.m. Nicky Kenney and Al Conklin from Isaak Bond Investments and John Buck from Hanifen Imhoff all took their turns in order after Mr. Caldwell. Each representative discussed their respective company and proceeded to give the Directors the requested information about what their company could do for the District if they purchased the District's bonds. Director Ballagh assumed the Chair upon the completion of the presentations by the investment bankers at approximately 9:30 p.m.

MINUTES OF MAY 15, 1996: Director Ela moved to accept the minutes of the May 15, 1996, meeting. Director Wheeler seconded the motion. On page 1 under Mesa County Board of Commissioners, the fifth line from the bottom of the paragraph should read "... of specificity in the Statement of Purpose, water is now being delivered...". On page 2 under Ground Water Discharge Permit, the third line should read "... concentrate and had received a letter from Mike Luizzi, Ground Water Unit Leader, Water Quality Control Division, Colorado Department of Public Health and Environment." The motion to accept the minutes with said corrections passed with Director Lewis abstaining because of his absence at the last meeting.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Ela moved to approve the financial report paying the \$48,508.11 as shown on the report, \$5,820.98 as itemized on the supplemental report and a transfer of funds of \$1,500. Director Garber seconded the motion and it passed unanimously after a 20 minute discussion.

LEASE WITH GRAND JUNCTION PIPE & SUPPLY: Schuster stated that Attorney Krohn was still working on the gravel lease with Grand Junction Pipe and Supply. Schuster stated that he would continue to stay abreast of the progress made toward the lease.

DEED IN LIEU OF FORECLOSURE: Schuster stated that Attorney Krohn had filed the foreclosure papers on the Rolling Hills Sanitation Company property as instructed by the Board. Mr. Coleman was very upset at this action. However, Mr. Coleman did agree to provide the District with the quit claim deed on the property if the District would cease the foreclosure procedure. Schuster told the Directors that Attorney Krohn had said that either with the foreclosure or a quit claim deed with title insurance, the District would have protection. After some discussion Director Lewis moved to accept a quit claim deed with a

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title policy in the amount of the note (\$67,000), and if the District wasn't supplied with said deed and policy to continue with the foreclosure proceedings. Director Wheeler seconded the motion and it passed with Director Ela abstaining.

SCHUSTER/AWWA NATIONAL DIRECTOR: Schuster informed the Directors that he had been asked by three persons of the five person nomination committee to be a National Director for the American Water Works Association. Schuster told the members of the committee that he was flattered to be asked but that due to the term of the Directorship coinciding with the term of Tooker going through the Chairs, he remorsefully declined.

URANIUM MILL TAILINGS FOUND AT RAMBLING ACRES: Schuster stated that mill tailings had been found in Rambling Acres Subdivision located between D 3/4 Road and E Road. There are approximately 200 truck loads of tailings at the Rambling Acres Subdivision site. The District has delayed installing the water lines in that subdivision until the tailings are removed and we're given a "go-ahead" by the Department of Energy or its representative.

CWD EXEMPT FROM EPA'S INFORMATION COLLECTION RULE: Schuster told the Directors that the Clifton Water District was exempt from the first part of the EPA's Information Collection Rule which is estimated to cost approximately \$18,000. At the present time the first part of this Rule only applies to facilities which serve a population of 100,000 or more.

PURDY MESA AGREEMENT: Schuster informed the Directors that all parties to the Purdy Mesa Agreement had signed the document. The District had kept one original signed Agreement and sent the other signed Agreement to Rod Bonnell, President of Purdy Mesa Livestock Water Company.

REVISED STATEMENT OF PURPOSE: Schuster stated that in Attorney Bechtel's letter she said that the District was still in the realm of the 1985 Statement of Purpose in serving water to Whitewater and points south, specifically Indian Creek Estates. Schuster and Tooker had attended a meeting on June 3, 1996, with County officials (County Administrator Bob Jasper, County Attorney Lyle DeChant, and County Planning Director Kathleen Sellman), wherein Schuster presented an amended Statement of Purpose. The County officials did not like the amended Statement of Purpose because it was too broad. After some discussion, Schuster told the County officials that this was the District's version of the amended Statement of Purpose and that the County was welcome to submit their version of the amended Statement of Purpose and negotiations would start from that point. It was the consensus of the Directors to wait for a response from the County. No action was taken.

BRYCE FAST: Schuster told the Directors that Mr. Fast had agreed to install a reduced pressure zone backflow preventer as requested by the District. Schuster further explained that during the summer months Mr. Fast does not operate out of his facility at 3184 Mesa Avenue and would not be operating out of it until August. Schuster wrote a letter to Mr. Fast telling him that the District would expect him to call for an inspection during August, otherwise, the District would

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proceed with discontinuing water service to his facility until such time that the backflow preventer was installed. Once installation is complete, the District will inspect the facility and at that time, make a determination of whether or not it meets the District's criteria for its Backflow Prevention Policy.

GREG HOSKIN'S LETTER: Schuster asked the Board to reiterate the District's intentions to honor the commitment in their Agreement with Foster/Foster/Coleman dated January 31, 1983, to provide water for a total of 600 units in the Southridge Subdivision area. Since water service is already being provided to 28 units, that leaves a balance of 572 units. Schuster was instructed to advise Attorney Hoskin that the Board would honor the agreement. After some discussion, Director Lewis stated that a letter should be written to Attorney Hoskin declaring that the Plant Investment Fee Credit Policy did not apply in this case. Director Lewis continued by saying that the District would provide sufficient water to serve the remaining 572 units when the Plant Investment Fee in effect at the time of purchase was paid.


DONATION FOR MESA STATE COLLEGE EXPANSION PROJECT: Schuster had previously sent the Board of Directors a memorandum suggesting that they share a portion of the fees saved by preparing the design plans and specifications for the nanofiltration plant with the Mesa State College Expansion Project. Director Wheeler stated that he thought it would be a better idea for the District to provide a scholarship to Mesa State for a student living within the Clifton Water District rather than to participate in the Expansion Project. After some discussion, the Directors decided not to take any action.

OTHER NEW BUSINESS: Director Ballagh suggested that the District retain an investment banker. After forty minutes of dialogue, it was decided that the District required more information before making any commitment to retain an investment banker. The information required by the Board would be an updated estimate of construction cost of the nano building as well as an estimated cost of constructing an office concurrently with the construction of the nano plant.

Director Lewis moved to adjourn the meeting. Director Wheeler seconded the motion and it passed unanimously.

The meeting adjourned at 11:32 p.m.

ATTEST:


Secretary









**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held July 17, 1996

Present were Chairman Ballagh, Vice-Chairman Ela, Treasurer Garber, Secretary Wheeler, and Director Lewis. Staff present were Ray Schuster, Dale Tooker, and Cindy Day-Biondich. Guests present were Don Goodfellow, Doug Smith, Glen Wilson, and Ronnie Reed.

Chairman Ballagh called the meeting to order at 7:30 p.m.

DON GOODFELLOW: Mr. Don Goodfellow, a current Clifton Water District customer, came to the Board for two reasons. One was to obtain out-of-District water service for his lots in the Sagebrush Subdivision which lays immediately north of the Meserve Fruit Tracts in the SE 1/4 of the SW 1/4 of Section 13, T2S, R1E of the Ute Meridian. The other reason for Mr. Goodfellow's visit was to obtain water service for the acreage immediately north of Whitewater and south of the Ronnie Reed and Myrna Roy property, bisected by U.S. Highway 50. Manager Schuster told the Board that the cost of providing water to the lots in Sagebrush Subdivision would only be the installation of the water meter pit and meter since all the infrastructure is now in place. Mr. Goodfellow asked that the District serve potable water to his proposed development, which he stated would be built in three phases. Director Ela asked if, with existing District policies, the property would be considered out-of-District. Schuster stated that the proposed development would be out-of-District and that was why the presentation was being made to the Board, since any out-of-District taps must have Board approval. After some discussion Director Lewis moved to refer the topic to staff to draft an agreement and get an acceptable sketch plan for the proposed development for presentation at the August meeting. Director Garber seconded the motion and it passed unanimously.

GLEN WILSON: Mr. Glen Wilson explained that when he had petitioned his property to be included within the District boundaries it had been his understanding that he would be able to receive water for each of the parcels that he currently owned with no additional expenses except for the cost of the tap. Schuster informed the Directors that if the District currently had lines to the property parcels that there possibly would be no additional costs, however, there are no lines in the area. Schuster had talked to Mr. Wilson and explained to him that since the District would have to construct the lines and since the construction cost of the lines would be more than half the cost of the six taps that would be needed, that an additional \$8,000 would be necessary for the District to cover costs. Mr. Wilson thought he should not have to pay any additional monies and asked the Board to waive the overage. Director Lewis moved to follow current District policy with Mr. Wilson having to pay the additional \$8,000, but for staff to draft a recovery agreement for a period of 10 years so that if any additional taps were sold off the line Mr. Wilson could recapture some of his investment. Director Garber seconded the motion and it passed unanimously.

RONNIE REED: Schuster explained that even though Mr. Reed had left the meeting, he was certain that he could explain what his needs were. Director Lewis stated that because of personal reasons he would not be participating in this discussion. Mr. Reed currently has property on Highway 50 and wanted the District to supply water to his proposed lots. Schuster prefaced all of his statements by saying that he

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thought the reason that Mr. Reed left the meeting was that he was going to ask the Board for a variance on their policy and when he saw their unwavering attitude toward the first two guests, that he left before being heard.

MINUTES OF JUNE 19, 1996: Director Garber moved to accept the minutes of the June 19, 1996, meeting. Director Wheeler seconded the motion. The motion to accept the minutes passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Ela moved to approve the financial report paying the \$33,612.66 as shown on the report, \$13,768.95 as itemized on the supplemental report and a transfer of funds of \$61,500. Director Lewis seconded the motion and it passed unanimously.

LEASE WITH GRAND JUNCTION PIPE & SUPPLY and DEED IN LIEU OF FORECLOSURE: Schuster stated that Attorney Krohn had been on a trip and would be working on these items upon his return. Schuster stated there would be something positive to report at the August meeting.

REVISED STATEMENT OF PURPOSE: Schuster informed the Directors that the District had not received any word from Mesa County in regard to a revised Statement of Purpose.

CHILDREN'S WATER FESTIVAL: Tooker stated that a statement had been received from Ute Water Conservancy District for the District's portion of the expenses for the Children's Water Festival. The total cost for the Festival was \$5,000. There was \$2,000 worth of sponsorships from other community businesses. The Clifton Water District's cost for the Festival was \$665.07. The District had previously approved an expenditure of up to \$1,000 for the Children's Water Festival.

TORONTO CONFERENCE: Tooker stated that the Nanofiltration presentation at Toronto was a success and he had received several letters requesting a copy of the paper.

INVESTMENT BANKER: Schuster told the Directors that he had prepared a scenario and presented it to the three investment bankers and requested them to provide the numbers on the cost of issuance and the money left available for construction as well as the annual P&I payments. Schuster further explained that two of the companies did not believe the District needed to go for a rated, insured issue and the other company thought that the District could save some money by having a rated, insured issue. After discussing several issues, Director Ela moved to accept Hanifen, Imhoff Inc. Investment Banker for the District's representative for the bond issue. Director Garber seconded the motion. The motion passed with Director Lewis abstaining and Director Wheeler voting nay.

WATER CASE #87CW376 - DENVER'S REQUEST TO REFILL DILLON RESERVOIR: Schuster told the Directors that Denver's request to refill Dillon Reservoir had been on the back burner for so long because of the Wolford Mountain case, however, now it was being discussed again. Schuster stated that the Western Slope water entities had written a letter to Kathy Hall asking her to get the Colorado River Water Conservation District involved in opposing the case. At this time it

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appears that the River District will not oppose the case. Some opposing entities have retained professional consultants to gather information in the case concerning the water available for a refill and the salinity issue. These entities were requesting that the other entities assist in paying the fees of these professional consultants and requested that the District participate in an amount not to exceed \$1,150. Director Garber moved that the District spend up to \$1,150 to pay the fees and expenses of these professional consultants in this case. Director Lewis seconded the motion and it passed unanimously.

WATER CASE #88CW449 AND #95CW272 - AURORA/COLORADO SPRINGS: Schuster stated that Eagle County used the 1041 authority to stop the Homestake project in 1988, however, the courts said the County surpassed the intent of 1041 and allowed Aurora and Colorado Springs to pursue more transmountain diversions via the Homestake Project. Schuster explained that there is going to be a presentation/tour at Camp Hale on August 13, 1996, for interested parties to see and listen to Aurora and Colorado Springs explain what they will do to mitigate the transmountain diversions.

WATER CASE #95CW281 - ENLARGEMENT OF WOLFORD MOUNTAIN RESERVOIR: Schuster said there was a meeting with the River District and the Grand Valley water users in regard to the enlargement of Wolford Mountain Reservoir. Schuster explained that the enlargement was merely for the storage of additional water, there would be no capital improvements required as the spillway level has already been constructed at an elevation of 7489 feet above sea level as opposed to the original design of a spillway elevation of 7485 feet above sea level. The general consensus of that meeting was that the Western Slope water users would settle on a stipulation restricting the amount of this additional water that could go to the eastern slope. After some discussion, Director Ela moved that the District require a stipulation in the decree that stated that none of the additional water could be used to exchange, substitution, or otherwise be used for diversions to the eastern slope. Director Garber seconded the motion and it passed unanimously.

BIDS FOR WHITEWATER PIPELINE: Schuster asked the Board to authorize him to advertise for bids for the 8" waterline to be installed from the top of Whitewater Hill to Whitewater proper so the bids could be opened at the September meeting. Director Lewis moved to authorize Schuster to advertise and accept bids for the Whitewater pipeline project for opening at the September meeting. Director Wheeler seconded the motion and it passed unanimously. Schuster asked the Directors if they wanted the District to purchase the pipe on a separate bid to avoid any increase in pipe costs between now and the September bid opening date. Director Lewis moved to request bids from pipe suppliers now in order to reduce the possibility of a pipe price increase. Director Ela seconded the motion. The motion passed with Director Ballagh voting nay.

OTHER NEW BUSINESS: Schuster informed the Directors that he would be speaking on Friday, July 19, 1996, in Frisco to the Metropolitan Water Supply Investigation Technical Advisory Committee about the additional concentration of salt in the Colorado River caused by transmountain diversions. Greg Trainor and Jim Rooks were also scheduled to address other effects of transmountain diversions.

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The Directors discussed building the new office at the same time the plant is built and selling the property the District owns where the office currently sits and the property across the street from the office. Schuster was instructed to obtain a realtors opinion as to the value of the property and to list the lots across the street from the current office for sale.

Director Lewis moved to adjourn the meeting. Director Wheeler seconded the motion and it passed unanimously.

The meeting adjourned at 9:25 p.m.

ATTEST:

George E. Wheeler
Secretary

John L. Ballagh

Wm. M. Ede

[Signature]

Martin Garber

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held August 21, 1996

Present were Chairman Ballagh, Vice-Chairman Ela, Treasurer Garber, Secretary Wheeler, and Director Lewis. Staff present were Ray Schuster, Dale Tooker, and Cindy Day-Biondich. Bob Engelke was the only guest present.

Chairman Ballagh called the meeting to order at 7:29 p.m.

MINUTES OF JULY 17, 1996: Director Garber moved to accept the minutes of the July 17, 1996, meeting. Director Lewis seconded the motion. The motion to accept the minutes passed unanimously.

BOB ENGELKE: Mr. Engelke presented to the Board that he was very concerned about how the County Master Plan document would effect the business of the Clifton Water District. It is Mr. Engelke's belief that some of the language in the County Master Plan is confusing and that much of the document will have an impact on the District and other entities that were not represented in the preparation of this document. It was the consensus of the Board that the District would review the document and analyze any impact it may have on the District.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Ela moved to approve the financial report paying the \$56,482.75 as shown on the report, \$4,004.66 as itemized on the supplemental report and a transfer of funds of \$251,500.00. Director Lewis seconded the motion. After some discussion about all checks showing on the check register and not having a "sundry" item on the cash flow statement, the motion passed unanimously.

LEASE WITH GRAND JUNCTION PIPE & SUPPLY and DEED IN LIEU OF FORECLOSURE: Schuster stated that he had contacted Attorney Krohn to remind him that Schuster needed to report to the Directors the progress being made on the lease and the deed in lieu of foreclosure. Schuster further stated that at 5:15 p.m. a fax was being transmitted from Attorney Krohn in regard to these items but Schuster had not had a chance to review them. Director Ballagh asked Schuster to call him the day after the Board meeting to discuss this so that Director Ballagh could contact Mr. Milburn (one of the partners in the Dufford, Waldeck, Milburn, and Krohn law firm) in regard to the reasons the District had been seeking legal council from other law firms.

Director Lewis had been contacted by Attorney Krohn wherein Attorney Krohn had stated that Mr. Coleman would not be willing to pay for the title policy premium. Therefore, Director Lewis moved to amend his prior motion that Mr. Coleman pay the title policy premium to have the District pay the title policy premium to allow this item to advance to the next stage. Director Wheeler seconded the motion and it passed with four ayes and Director Ela abstaining from the vote.

REVISED STATEMENT OF PURPOSE: Schuster informed the Directors that the District had not received any word from Mesa County in regard to a revised Statement of Purpose.

BLM REQUEST FOR PURDY MESA PUMP HOUSE REMOVAL: Schuster stated that he had told the BLM in 1994 that all unnecessary structures at the Purdy Mesa Pump House location would be removed. The BLM reminded

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Schuster that he had made this commitment and nothing had been done. Johnny Brown had approached Schuster stating that he would remove the pumps, piping, and building if he could keep all of the material salvaged. Schuster stated that everything at that site was old and outdated and could not meet the codes for today so he granted Mr. Brown's request. The vault will remain, however, everything else, including the concrete slab under the building and the concrete ring for the tank, will be removed.

INVESTMENT BANKERS: The consensus of the Directors was that a special meeting with Mr. Buck from Hanifen, Imhoff was necessary. Director Lewis moved to hold a special meeting with John Buck at Noon on September 16, 1996, that the regular meeting (scheduled for September 18, 1996) follow, and that notices be posted according to the Statutes of the change in time of date of the meeting. Director Ela seconded the motion and it passed unanimously.

WATER CASE #87CW376 - DENVER'S REQUEST TO REFILL DILLON RESERVOIR:

Schuster told the Directors that Denver presented a scenario in which they would start to divert 612 cfs through the Roberts Tunnel on April 1 of every year and be out of water by mid-June. The individuals that were hired by various entities to study this case had stated that there was no way Denver could use all the water that they are proposing to receive from this case unless they were to build another reservoir. Schuster recommended to the Board that the District continue to oppose the case.

WATER CASE #88CW449 AND #95CW272 - AURORA/COLORADO SPRINGS: Schuster stated that he and Tooker attended the presentation/tour at Camp Hale made by the cities of Aurora and Colorado Springs on August 13, 1996. During the tour they were told that there was an aquifer under Camp Hale that will hold an estimated 90,000 acre feet of water. The City's wish to tap that aquifer in dry years to the tune of approximately 15,000 to 20,000 acre feet and replenish the aquifer from surface storage constructed outside the Holy Cross Wilderness Area. Schuster recommended to the Board that the District continue to oppose the case.

WATER CASE #95CW281 - ENLARGEMENT OF WOLFORD MOUNTAIN RESERVOIR:

Schuster said that the only concession the River District was willing to make in the enlargement of Wolford Mountain Reservoir was to limit the transmountain diversions to only five percent of the stored water. The opposers in this case want to see an actual acre foot amount, not a percentage for transmountain diversions. Schuster also stated that the water quality data that was requested in the stipulation the District had signed had not been furnished by the River District. Eric Kuhn, when questioned as to where this data was, stated that the information must be obtained from the U.S. Geological Survey. Schuster recommended to the Board that the District continue to oppose the case.

LIST VACANT PROPERTY ACROSS STREET: Schuster stated that he had spoke with a realtor who had informed him that the two lots across the street from the current water office could be listed for \$11,000 each. After some discussion it was the consensus of the Directors that Schuster investigate what other mobile lots with taps are listing for before doing anything else.

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AGREEMENT WITH OSCAR MASSEY: Schuster informed the Directors that Mr. Massey was wishing to recoup some of his costs of installing the water line in the Cutting Fruit Tracts since Mr. Dyer wants to hook onto that line and extend a waterline easterly into Section 18. Schuster stated that he had asked Attorney Bechtel for her opinion as to whether or not Mr. Massey should be allowed to recapture some of his costs and whether the Agreement signed by Mr. Massey would also effect Mr. Dyer. The consensus of the Directors was to wait for Attorney Bechtel's response before further discussions.

OTHER UNFINISHED BUSINESS: Director Lewis stated that he would like to see duct work put into the new office for the purpose of running computer lines, telephone lines and the like.

Director Lewis also stated that he had read an article which stated that the Fannie Mae's may have a huge deficiency. Director Lewis will send the article to Schuster for his review.

BIDS FOR WHITEWATER PIPELINE: Schuster stated that he had opened the bids for the pipe for the Whitewater pipeline and they were as follows: Waterworks Sales \$30,517.50; Dana Kepner \$31,125; and Grand Junction Pipe and Supply no bid. Director Lewis moved to accept the bid from Waterworks Sales for \$30,517.50. Director Ela seconded the motion and it passed unanimously. Schuster stated that the Advertisement for Bids and the bid package for Clifton Project 96-01 are ready to be sent and bids will be scheduled to be opened at the next meeting of the Board of Directors.

UNIVERSITY OF COLORADO MASTERS OF PUBLIC ADMINISTRATION PROGRAM: Tooker stated that he had spoke to all the Directors about this previously except Director Ballagh. Tooker continued by stating that he would like the Director's input and the District's support in his endeavor to receive his Masters of Public Administration through the University of Colorado, Denver. After some debate the Directors decided that they would like some time to think and discuss among themselves the direction they thought the District should take. If time allows, the Directors will discuss this in executive session after the special meeting with John Buck.

INVESTMENTS: Schuster asked the Board how they felt about an investment that would get the District 7.25% interest but would lock the money up for a full year. Some discussion ensued about when the money would be needed with the consensus being to keep the money as liquid as possible at least until after the special meeting with John Buck.

SELECT PERSON TO PREPARE 1997 BUDGET: Schuster stated that it was again time to select an individual to prepare the 1997 budget for the District. Director Ela moved to appoint Schuster to prepare the 1997 budget. Director Garber seconded the motion and it passed unanimously.

OTHER BUSINESS: Director Lewis, sensing the urgency to make a decision, moved to revise the motion for the special meeting with John Buck. Director Lewis moved that the meeting be held at Noon on

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September 5, 1996, at the Clifton Fire Station with notices to be posted in accordance with the Statutes. Director Garber seconded the motion and it passed unanimously.

The necessity to reschedule the time and date for the September Board Meeting was brought about due to a conflict with the Special District Association Annual Conference starting on September 18, 1996. Director Lewis moved to hold the next regular Board meeting on Tuesday, September 24, 1996, and at said time and place open the bids for the installation of the 8" pipe to Whitewater, and to post notices of the change in accordance with the Statutes. Director Wheeler seconded the motion and it passed unanimously.

Director Lewis stated that he would like one of the other Board members to sit on the Safety Committee since he had been on it since its inception two-and-one-half years ago. Director Ballagh agreed to trade the Chairmanship of the Board to Director Lewis in exchange for being the Director that sits on the Safety Committee.

The items to be discussed at the special meeting on September 5, 1996, will be the bond issue, educational reimbursement for District employees, and a Board member to sit on the Safety Committee.

Director Ela moved to adjourn the meeting. Director Wheeler seconded the motion and it passed unanimously.

The meeting adjourned at 9:50 p.m.

ATTEST:

George E. Wheeler
Secretary

John L. Ballagh

Wm. M. Ela

[Signature]

Martin Garber

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held September 5, 1996

Present were Chairman Ballagh, Vice-Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker, and Stenographer Day-Biondich. No guests were present.

Chairman Ballagh called the meeting to order at 12:25 p.m. Director Ballagh noted that the time and place for this special meeting had been posted in accordance with 32-1-903(2).

MEETING WITH INVESTMENT BANKER: John Buck, Assistant Vice President, Hanifen, Imhoff Inc., thanked the Directors for choosing Hanifen, Imhoff Inc. to represent the District in the upcoming bond issue. Mr. Buck distributed packets which contained information regarding to different case scenarios which the District could be involved in depending upon the size of the issue and several other factors. After some discussion it was the consensus of the Board that it would not be a wise decision to have the issue for a term of longer than 15 years. Mr. Buck told the Directors that if the District had to spend any money on purchasing items that were for the specified project, that the District would need a resolution stating that the funds would be repaid to the District when the bond issue went through. Director Lewis moved to direct Mr. Buck to prepare the documents to allow the District to borrow \$3 million with the District contributing \$1.5 million in consideration of the issues of insurance and arbitrage and debt service approximately \$300,000 annually for a period of 15 years while funding the debt reserves. Director Wheeler seconded the motion. Director Wheeler moved to amend the motion to allow the debt service to go no higher than \$325,000 annually. Director Lewis seconded the motion. The amendment to the motion and the amended motion both passed unanimously. After some more discussion Mr. Buck asked for the Director's opinion on someone for bond and disclosure council. Director Ela stated that he would be abstaining from this discussion and any voting process that may take place in this regard. Manager Schuster stated that he had worked briefly with Amy Kennedy who works for Sherman and Howard and was very comfortable in working with them. Director Lewis moved to authorize Director Ballagh to sign the engagement letter with the bond/disclosure council so long as the costs did not exceed \$17,500. Director Garber seconded the motion and it passed with Director Ela abstaining.

RESOLUTION TO INVEST FUNDS: Manager Schuster asked the Directors to sign the following generic resolution which has been approved at previous Board meetings for the investing of District cash reserves:

RESOLUTION
(COLORADO NATIONAL BANK)

Whereas it is in the best interests of the Clifton Water District to invest monies on hand at a good rate of interest when not needed in the present conduct of business, and

Whereas the Manager has been authorized to make these investments in the best interest of the District.

Now therefore be it resolved that the Board of Directors authorize the Manager to invest a portion of the District's cash reserves in a financial institution (COLORADO NATIONAL BANK) whose reserves are secured by an agency of the United States of America in amounts to not exceed the insurance limits of either the F.D.I.C. or the F.S.L.I.C.

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Be it Further Resolved that any one of the six persons listed below be able to make the investment and that signatures of any two of the six listed below will be able to withdraw the funds.

RESOLVED this 5th day of September, 1996.

FEDERAL IDENTIFICATION No. 84-6009011

PUBLIC DEPOSIT PROTECTION ACT (PDPA) No. 060612005101

All of the Directors signed the resolution which Manager Schuster will mail to Colorado National Bank.

EDUCATIONAL FINANCIAL REIMBURSEMENT FOR EMPLOYEES: Director Lewis moved to enter into executive session because some personnel issues would be discussed. Director Wheeler seconded the motion and the Directors entered into executive session at 2:30 p.m.

The Directors emerged from the executive session at 3:26 p.m. Director Lewis moved to direct staff to collect information including an exact copy of policies concerning reimbursement or payment for educational opportunities for employees from the private and public sectors and utilities in and out of Mesa County and present a written report to the Board with attachments within 60 days. Director Ela seconded the motion and it passed unanimously. Director Ela moved to fund Assistant Manager Tooker 50% for his first year of education toward his Master degree. Director Lewis seconded the motion and it failed.

Item #4 on the September 5, 1996, agenda (Appoint Director to Sit on Safety Committee) and "Responsibility Structure" will be placed on the agenda for the September 24, 1996, meeting.

The meeting adjourned at 3:45 p.m.

ATTEST:

George E. Wheeler
Secretary

Mr. M. Ela

John L. Balleggh

[Signature]

Martin Barber

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held September 24, 1996

Present were Chairman Ballagh, Vice-Chairman Ela, Treasurer Garber, Secretary Wheeler, and Director Lewis. Staff present were Ray Schuster, Dale Tooker, Larry Robinson, and Cindy Day-Biondich. Guests present were Greg Trainor and representatives from the following companies for the opening of bids: Ben Dowd Excavating, ClayCo, Skyline Contracting, Colorado West Leasing, Edex Construction, Sorter Construction,

Chairman Ballagh called the meeting to order at 7:30 p.m. Director Ballagh noted that the change of date of the meeting was posted in accordance with 32-1-903(2).

OPEN BIDS: The time for accepting bids was closed and Manager Schuster opened all the bids. Eleven bids were received for Clifton's 96-01 Project. Bidders and bid prices were as follows: Engineer's Estimate - \$76,721.00; Ben Dowd Excavating - \$70,625.80; Beavers Construction - \$49,203.20; ClayCo - \$65,510.00; Colorado West Leasing - \$48,566.84 (\$49,315.35); Continental Pipeline Construction - \$101,226.60; Edex Construction - \$103,545.00; Father & Son Excavating, Inc. - \$77,122.09; Mountain Valley Contracting, Inc. - \$51,616.50; Precision Excavating - \$106,015.00; Skyline Contracting, Inc. - \$109,808.20; and Sorter Construction - \$147,719.50. (The mathematically correct number above is in parentheses.)

GREG TRAINOR - 16MM FILM OF GRAND VALLEY WATER SYSTEMS: Greg Trainor stated that the Mesa County Water Association (MCWA) was going to attempt to provide a visual picture of why water is important to the Grand Valley. This visual picture is to be in the form of a 16 mm movie film approximately an hour long. Trainor stated that the MCWA had hired Grand River Films, a local film company, to provide the MCWA with a cost estimate for what the Association envisioned as a documentary suitable for public television. Trainor stated that at the current time the MCWA was seeking individuals from different Valley entities to serve on an advisory committee to help the Association in achieving a film that would represent the Valley's water history. Trainor stated that at a later time he may petition the Board for a donation to help in the funding of the project. The Board will discuss this item later in the meeting to determine if any one is interested in serving in an advisory capacity to the Mesa County Water Association for this project.

MINUTES OF AUGUST 21, 1996: Director Wheeler moved to accept the minutes of the August 21, 1996, meeting. Director Ela seconded the motion. The following corrections need to be made to the prepared minutes: Lease with Grand Junction Pipe... on page one, last line should read "...District had been seeking legal counsel from..."; Water Case #88CW449... page two, line six should read "...cities wish to tap..."; List Vacant Property... on page two, line one should read "...Schuster stated that he had spoken with..."; University of Colorado... on page three, line two, should read "...Tooker stated that he had spoken to all..."; and other business on page three, line two should read "... moved to reconsider the motion..." rather than "revise". In addition, under Lease with Grand Junction Pipe..., it should show that Director Ela abstained from the entire discussion as well as the vote, and on all the water cases after it states that Schuster recommended to the Board that the District continue to oppose

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the case, it should also state that the Board agreed with opposing each case. The motion to accept the minutes with all of the above listed corrections passed unanimously.

MINUTES OF SEPTEMBER 5, 1996: Director Wheeler moved to accept the minutes of the September 5, 1996, meeting. Director Ela seconded the motion. The minutes should show that *John Buck* was a guest at the meeting. The motion to accept the minutes passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Garber moved to approve the financial report paying the \$99,928.71 as shown on the report, \$17,797.49 as itemized on the supplemental report and a transfer of funds of \$2,000.00. Director Lewis seconded the motion. After some discussion and the decision to change the name of the sundry items to "Current Period Accounts Payable," the motion passed unanimously.

LEASE WITH GRAND JUNCTION PIPE & SUPPLY: Schuster stated that the lease with Grand Junction Pipe and Supply was almost ready to be signed. Attorney Hermundstad wanted a map and legal description of the property to be mined. Schuster said he had given Attorney Krohn this information for forwarding to Attorney Hermundstad. Director Garber moved to authorize Schuster to sign the lease with Grand Junction Pipe and Supply after the attorney's are finished preparing it. Director Lewis seconded the motion and it passed unanimously.

DEED IN LIEU OF FORECLOSURE: Schuster informed the Directors that the District was now the owner of approximately ten acres of land that is called the Rolling Hills Sanitation District and has received the quit deed.

REVISED STATEMENT OF PURPOSE: Schuster informed the Directors that the County has not responded with their version of the revised Statement of Purpose.

WATER CASE #87CW376 - DENVER'S REQUEST TO REFILL DILLON RESERVOIR: Schuster told the Directors that the opposers held a telephone conference on September 5, 1996, to prepare for the September 9, 1996, meeting with Denver Water. However, the September 9, 1996, meeting never took place as Denver was not prepared to present a more accurate reservoir operation scenario than the last one they presented. Schuster recommended to the Board that the District continue to oppose the case and the Board concurred.

WATER CASE #88CW449 AND #95CW272 - AURORA/COLORADO SPRINGS: Schuster stated that there was really nothing new in this case, however, he recommended to the Board that the District continue to oppose the case. The Board agreed.

WATER CASE #95CW281 - ENLARGEMENT OF WOLFORD MOUNTAIN RESERVOIR: Schuster said that the River District was holding a meeting on October 1, 1996, in Glenwood Springs to discuss this case. Schuster stated that the District had received the annual salinity report from Denver and the report showed less salinity than expected. However, the water being released to the Western Slope contained more sulfates than expected. It was the consensus of the Board to follow Schuster's recommendation to continue to oppose the case.

AGREEMENT WITH OSCAR MASSEY: Schuster stated that he had spoken with Attorney Bechtel concerning a recapture agreement for Oscar Massey. After reading the Agreement, Attorney Bechtel said that Massey was eligible to recapture a portion of his investment as long as he did not make a profit. Schuster stated that it would have cost Massey approximately \$86,000 up front in Plant Investment Fees had the District installed the system. Schuster stated that Massey had invested approximately \$43,000 of his own funds in installing the system and will pay the District approximately \$43,000 more in Plant Investment Fees for a total of approximately \$86,000. To allow Massey to recapture any portion of his investment would also provide him with a profit which would violate the terms of the Agreement between Massey and the District. This item was informational only for the Board, no action was necessary.

THURSDAY'S BROKEN WATER MAIN: Schuster told the Directors that on Thursday, September 19, 1996, the office started receiving calls at approximately 9:30 a.m. with customers complaining of low water pressure or no water. District personnel quickly started searching for a broken main line and found it at approximately 12:45 p.m. at 32 Road and the Grand Valley Canal. Schuster stated that all of the District customers except three had water within 30 minutes of finding the break. Schuster was very impressed with the response from other entities in the Valley that offered to help.

STATUS OF VACANT PROPERTY ACROSS STREET: Schuster told the Directors that Jacque Stafford had talked to him about listing the vacant property across the Street from the current office. Stafford only wanted a three day listing and told Schuster she could sell it for \$11,000 per lot. After Schuster told Stafford that the water and sewer taps were already on the property, Stafford stated that she would list them for \$15,000 per lot. After some discussion Director Wheeler moved to authorize Schuster to sign papers listing the property at \$18,000 per lot with a 6% listing commission, and if the property sells to sign all necessary paperwork. Director Lewis seconded the motion and it passed unanimously.

APPOINT DIRECTOR TO SIT ON SAFETY COMMITTEE: Director Lewis stated that he did not feel it was necessary for the Safety Committee to have a Board member on their committee. Tooker stated that in the beginning when all the policies were being written it had been a benefit for the Committee to have Director Lewis on the Committee, however, now the policies are established and everything is running smoothly so the necessity for a Board member on the Committee is not as great. Director Ela moved to eliminate the Board member as a member of the Safety Committee and to appoint the Manager to review the minutes of the Safety Committee meetings and report back to the Directors anything of significance. Director Lewis seconded the motion and it passed unanimously.

AMORTIZATION SCHEDULE: Schuster stated that the amortization schedule submitted by John Buck was the best guess of Hanifen, Imhoff, for what the District would be looking at, and it was well within what the Directors had agreed to at the September 5, 1996, meeting. No action was necessary on this item.

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OTHER UNFINISHED BUSINESS: Director Ballagh asked if anyone would be interested in serving on the advisory committee for the Mesa County Water Association for the project Greg Trainor had presented earlier in this meeting. After some discussion Director Lewis stated that he would be on that committee since he no longer would be on the Safety Committee.

DEBRIEFING ON SDA MEETING: Directors Ballagh, Lewis, and Garber attended the Annual SDA Conference. The three Directors talked about the different meetings they had attended and it was the consensus of the three that the meetings were beneficial. Director Garber stated that the Liability and Insurance Pool had given the District a refund check for \$852.80. Director Garber also stated that the staff should be commended on their safety efforts.

Director Wheeler spoke about a meeting he had attended where Attorney Bechtel spoke in regard to worker's compensation benefits and independent contractors. Schuster will ask Attorney Bechtel for any type written information she passed out at the meeting.

CHILDREN'S WATER FESTIVAL: Tooker stated that the Board had approved the District spending up to \$1,000 for the Children's Water Festival in 1996. Rita Crupmton, Ute Water, had sent a letter to the District requesting funding for the 1997 Children's Water Festival. Director Ela moved to allow the District to spend up to \$1,000 for the 1997 Children's Water Festival. Director Lewis seconded the motion and it passed unanimously.

ENGAGEMENT LETTER WITH SHERMAN & HOWARD: Director Ballagh signed the Engagement letter with Sherman & Howard to prepare the documentation for the bond issue. Their costs did not exceed the Board-approved amount of \$17,500.

CONSIDER PURCHASE OF 10 CFS OF COLORADO RIVER WATER: Schuster stated that he had been approached about the District purchasing 10 cfs of Colorado River water that is currently decreed for industrial use. Schuster had asked for more information and had received none so therefore Schuster recommended no further discussion on this item and the Board agreed.

PERSONNEL MANUAL - EMPLOYMENT AT WILL - REVIEW FOR NECESSARY UPDATES: Schuster stated that Director Lewis had brought to his attention an appellate court case in which the "employment at will" was the topic. Director Lewis suggested that the District change the language in the current personnel manual to read as the language presented in the case. Manager Schuster stated that it had been four years since Attorney Bechtel had reviewed the personnel manual for necessary updates and corrections in language. Director Garber moved to authorize Schuster to have Attorney Bechtel review and make any necessary changes to the District Personnel Manual and the Supervisor's Manual. Director Lewis seconded the motion and it passed unanimously.

JOB DESCRIPTIONS/SALARY SURVEY: Schuster spoke with Dick Margetts of Project 7 from Montrose regarding hiring a firm to do a job description/salary survey study. Schuster had called the firm that Margetts recommended, Lee & Burgess, for references. Schuster called

several companies and found that everyone was pleased with the job Lee & Burgess had done for them and he recommended the District hire Lee & Burgess at an approximate cost of \$2,500 to \$3,000 to do a job description/salary survey. Director Lewis moved to approve funds to have the study done. Director Ela seconded the motion. Director Ballagh questioned where the funds would come from. Schuster stated that the funds could be taken from the Professional Dues and Travel item. Director Ela moved to take the funds from the Professional Dues and Travel line item. Director Lewis seconded the motion. The motion to hire Lee & Burgess to do a job description/salary survey passed with Director Ballagh voting nay. The motion to take the funds from the survey from the Professional Dues and Travel line item passed unanimously.

LETTER FROM NICKY KENNEY: Schuster stated that the letter in the Board packets from Nicky Kenney was soliciting her company to do investing for the District. Schuster stated that he thought the way the District was investing their cash reserves presently was satisfactory. No action was taken.

RESPONSIBILITY STRUCTURE: Director Garber was concerned about who ran the District if Schuster and Tooker were both out of town. The Board also questioned who had the authority to speak on the District's behalf if Schuster and Tooker were absent from the office at the same time. Schuster will discuss this question with Lee & Burgess as well as Attorney Bechtel to see if the Director's concerns can be answered.

ARCHITECT FOR OFFICE BUILDING: Director Garber moved to authorize Schuster to hire an architect to design the new building to be used for offices. Director Lewis seconded the motion and it passed unanimously.

1997 BUDGET: Schuster stated that he had prepared a memorandum to go with the preliminary 1997 budget in the Directors packet. However, due to the absence of a key employee, this material was not included in the packet. This information had been placed on the Board table for each Director to take and study for discussion at the October Board meeting. Director Lewis moved to set a budget hearing date for 7:30 p.m. on October 16, 1996, and to publish notice of said hearing in accordance with C.R.S. 29-1-106 et. seq. Director Wheeler seconded the motion and it passed unanimously.

AWARD A CONTRACT: Schuster stated that he wanted authorization to award the contract in Clifton 96-01 Project to the low bidder provided that the contractor had credible references. Director Wheeler moved to authorize Schuster to award the bid to the lowest bidder provided all the low bidders figures were correct and that their credentials were in place. Director Lewis seconded the motion and it passed unanimously.


OTHER NEW BUSINESS: Director Garber stated that he had a concern about what, in his opinion, was a communication problem between the front office and the title companies. Director Ballagh excused himself from any discussion on this subject and relinquished the Chair to Director Ela. Director Garber stated that it was his belief that the District should close out a seller's account and open a new account for a buyer, rather than to leave a previous balance on the

buyers first billing. Director Lewis stated that water and sewer are liens against property and that the billing has to stay with the property no matter how often the property changes owners. Director Garber stated that he had been involved in two property exchanges recently and that he felt both of them had gone awry because of a lack of communication between the District and the title company. In one of his experiences, a shut-off notice was sent because the title company involved had not paid the balance that was carried forward from the previous owners. Director Lewis stated that was a problem with the title company and not the District and the buyers should contact the title company to get the problem straightened out. Schuster stated that he would call the real estate closing companies to find out if the District could do things differently to alleviate the problems that Director Garber experienced.

ANNUAL EVALUATION OF MANAGER: At 11:25 p.m. Director Garber moved to enter into executive session to evaluate the performance of the Manager. Director Wheeler seconded the motion and it passed unanimously. The Directors emerged from the executive session at 1:25 a.m. on September 25, 1996. Director Ela moved to grant Schuster a one-time merit bonus of \$6,000 as compensation from September 1, 1996, to September 1, 1997. Director Lewis seconded the motion and it passed unanimously.

The meeting adjourned at 1:25 a.m.

ATTEST:


Secretary









**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held October 16, 1996

Present were Chairman Ballagh, Treasurer Garber, Secretary Wheeler, and Director Lewis. Director Ela's absence was excused. Staff present were Ray Schuster, Dale Tooker, Larry Robinson, and Cindy Day-Biondich. Attorney Bill Frey was the only guest present.

Chairman Ballagh called the public hearing on the 1997 budget to order at 7:30 p.m. noting that the time and place for said hearing was published in accordance with C.R.S. 29-1-106 (3)(a). Seeing no public was present for comment, Chairman Ballagh closed the public hearing on the 1997 budget.

Chairman Ballagh called the regular meeting to order at 7:35 p.m. and introduced the guest, Attorney Bill Frey from Dufford, Waldeck, Milburn, & Krohn, Attorney's at Law. Director Lewis moved to enter into executive session for a discussion with the District's attorney. Director Garber seconded the motion and it passed unanimously.

At 7:45 p.m. Director Lewis moved to emerge from the executive session. Director Garber seconded the motion and it passed unanimously.

MINUTES OF SEPTEMBER 24, 1996: Director Lewis moved to accept the minutes of the September 24, 1996, meeting. Director Garber seconded the motion. The following corrections were made to the prepared minutes: Deed in Lieu of Foreclosure on page two, third line should read "...has received the quit *claim* deed."; Personnel Manual - ... page four, fourth line from the bottom should read "...Bechtel review and make *suggestions for* any necessary changes...". The motion to accept the minutes with the above listed corrections passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Lewis moved to approve the financial report paying the \$38,749.84 as shown on the report, \$14,135.97 as itemized on the supplemental report and a transfer of funds of \$1,900.00. Director Wheeler seconded the motion. After some discussion the motion passed unanimously.

LEASE WITH GRAND JUNCTION PIPE & SUPPLY: Schuster stated that the lease with Grand Junction Pipe and Supply was signed, sealed, and delivered.

WORKERS' COMPENSATION SAFETY DIVIDEND CHECK: Schuster stated that the District had received a refund on the Workers' Compensation payment of \$2,413.00. Schuster continued by stating that this amount was over 25% of the total amount the District had paid for the year.

REVISED STATEMENT OF PURPOSE: Schuster informed the Directors that the County has not responded with their version of the revised Statement of Purpose.

WATER CASE #87CW376 - DENVER'S REQUEST TO REFILL DILLON RESERVOIR: Schuster told the Directors that he had attended a meeting in Glenwood Springs with the River District concerning Denver's request to refill Dillon Reservoir. Schuster said that if Denver knew that they could move their fill date to later in the year according to the amount of anticipated snow melt, that Denver could probably accomplish the refill without going through the water court. Schuster illustrated

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this by drawing a diagram on the white board. Schuster recommended to the Board that the District continue to oppose the case and the Board concurred.

WATER CASE #88CW449 AND #95CW272 - AURORA/COLORADO SPRINGS: Schuster stated that there was really nothing new in this case, however, he recommended to the Board that the District continue to oppose the case. The Board agreed.

WATER CASE #95CW281 - ENLARGEMENT OF WOLFORD MOUNTAIN RESERVOIR: Schuster stated that the staff of the River District was receptive to revising the River District's request to sell the additional water out of Wolford Mountain Reservoir. Schuster stated that he had not seen the revised agreement yet and he recommended that the District continue to oppose the case. It was the consensus of the Board to follow Schuster's recommendation to continue to oppose the case.

STATUS OF VACANT PROPERTY ACROSS STREET: Schuster stated that he had contacted Jacque Stafford after the last Board meeting to let her know of the Director's decision to allow her to list the property across the street for three days at \$18,000 per lot and a 6% realtor commission and hadn't heard anything from her since that time. Director Lewis moved to put a 60-day term limit on the offer and Director Garber seconded the motion. Director Ballagh suggested that Schuster talk to the County to see if they would be interested in purchasing the vacant lots across the street as well as the District's current office building with an agreement that the Water District would maintain occupancy for one year. The motion failed with all Directors voting against it. Schuster will speak with the County about purchasing this property and if the County is not interested, the Directors will discuss listing the property at a later date.

DISTRICT'S ORCHARD MESA PROPERTY: Schuster told the Directors that the District owns 78 acres of land on Orchard Mesa as shown on the map that was enclosed with a memorandum sent to the Directors on October 2, 1996. After some discussion it was decided that the Board members would take a tour of the area at some time in the near future.

RADIATION SURVEY AT GUNDERSON ISLAND: Schuster told the Directors that the School District's Outdoor Classroom had to obtain a radiation survey at Gunderson Island. Schuster stated that he had told them that it was his belief that one had been obtained some years ago. The Oak Ridge Laboratory could find no record of it, so they conducted another radiation survey. The results of the radiation survey on Gunderson Island were negative.

SPECIAL MEETING TO BE HELD NOVEMBER 1, 1996: Schuster stated that the Board had been requested to hold a special meeting on November 1, 1996, to pass the bond resolution. After some discussion Director Garber moved to hold the special meeting on Saturday, November 2, 1996, at 9:00 a.m. at the Water Office with a tour of the District's Orchard Mesa Property to follow. Director Wheeler seconded the motion and it passed unanimously.

CLIFTON'S 96-01 PROJECT (WHITEWATER LINE): Schuster stated that Beaver's Construction Company had been awarded the job for the Whitewater Line. Director's Ballagh and Wheeler signed the Agreement

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dated October 4, 1996, between the District and Beaver's Construction Company.

ARCHITECT FOR OFFICE BUILDING: Schuster told the Director's that he and Tooker would be interviewing five individuals (representatives from J. K. Munroe Architecture from Delta, Vanderwood Associates Architects, Robert D. Jenkins Architecture, Dillon-Hunt P.C. Architecture, and Chamberlin Architects) on Thursday, October 17, 1996, for the architectural job for the office/shop/storage building to be built at the treatment plant.

INTERVIEWS WITH REAL ESTATE CLOSERS: Schuster stated that he had talked with or left messages at each title company that the District deals with. Schuster had received good comments about the District's ability to work with the title companies from all companies that he had spoken with except for Meridian. Sue Ottman with Meridian expressed some concern about the District getting the final bills mailed to the title company in a timely manner. Schuster told her that in most instances the final bill is mailed the day, or the day after, the final is requested. Schuster pointed out to the Directors that just recently it had been brought to his attention that a final bill had been mailed to Meridian Land Title in July and payment was just being received in October.

CREATE VARIANCE TO CONTINUE TO ACCRUE VACATION TIME: Schuster asked the Directors to make a variance to the policy in the Personnel Manual allowing only 200 hours of vacation time to accrue. Schuster explained that he would need to take 10 days off between now and the beginning of the new year in order to be able to continue to accrue vacation days. Due to the work load of the nanofiltration bid opening and the Whitewater project, he didn't think he could find a 10 day period where he could use his vacation. After some discussion the Directors decided that in this case and for this instance only, they would approve the accrual of more vacation hours. The Directors also requested that the wording in the personnel manual be reviewed so as to not be in contradiction with itself. Director Lewis moved to allow Schuster to carry up to 282 unused vacation hours in 1997, however, if that number of hours is to be carried into 1998, it should be brought before the Directors for review at that time. Director Wheeler seconded the motion and it passed unanimously.

CONSIDER CONTINUING "TURKEY" TRADITION: Director Lewis moved to continue the turkey tradition and authorized the staff to purchase a turkey or a ham for each employee and Director up to \$25 per each. Director Garber seconded the motion and it passed unanimously.

AUTHORIZE ADVERTISEMENT FOR BIDS FOR NANOFILTRATION PLANT: Schuster asked the Board to authorize him to advertise for bids for the Nanofiltration Project (Project 96-02) and to open bids at the November 20, 1996, Board Meeting. Director Garber moved to authorize Schuster to advertise for bids for Project 96-02. The motion was seconded by Director Lewis and passed unanimously.

CHRISTMAS PARTY: Tooker stated that he would like approval to spend \$1,200 for this years Christmas party scheduled for December 6, 1996. The Director's pointed out that December 6th was the Parade of Lights. Tooker told them that he would not be able to schedule for a Friday or Saturday party at this late date. It was decided to leave the date as

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December 6, 1996. Director Lewis moved to authorize the expenditure of \$1,200 for the Christmas party. Director Wheeler seconded the motion and it passed unanimously.

VACATION OF COUNTY ROADS ON GUNDERSON ISLAND: Schuster stated that in 1890 Mesa County had reserved 60-foot rights-of-way on section lines. These reserved road rights-of-way included the section lines that bisect Gunderson Island. Since a portion of the infrastructure on Gunderson Island is constructed in the County Road right-of-way and since the nanofiltration plant is designed to also be in County Road right-of-way, Schuster asked the Directors to start the procedure to vacate these rights-of-way. After some discussion it was the consensus of the Directors that this item be on the Agenda for October 1997.

LEASE FOR CELLULAR ANTENNAS: Schuster explained to the Directors that a consultant for U.S. West Cellular had inquired about placing an antenna on the District's million gallon water storage tank north of I-70. Schuster recommended that the Directors approve the idea of allowing U.S. West Cellular to locate an antenna and building on the one-acre parcel north of I-70 that the District owns where said storage tank is located. After much discussion it was decided that the Director's would consider entering into an agreement with U.S. West Cellular if certain stipulations were made a part of the agreement.

OTHER NEW BUSINESS: Director Ballagh suggested that the regular meeting on November 20, 1996, start at 6:00 p.m. to allow the Directors adequate time to discuss the budget and other items that may come before the Board. The early start time was agreed upon by all Directors and will be posted in accordance with 32-1-903(2).

Director Wheeler questioned the tap fees the District charges for larger size meters such as the meters that are going in Midland Village. Schuster was asked to obtain the charges that Ute and the City use for trailer parks such as Midland Village and report back at the next Board Meeting. Director Ballagh stated that Schuster should send a letter to Matt Miles, the developer of Midland Village, stating that if ever they want to sell the lots individually they would be responsible for the cost of bringing the trailer park water system up to the District standards.

Director Lewis moved to adjourn the meeting. Director Garber seconded the motion and it passed unanimously.


The meeting adjourned at 9:20 p.m.

ATTEST:


Secretary







MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT

Held November 2, 1996

Present were Chairman Ballagh, Vice-Chairman Ela, Secretary Wheeler, Treasurer Garber, and Director Lewis. Staff present were Manager Schuster and Assistant Manager Tooker. John Buck, Assistant Vice President, Hanifen, Imhoff Inc., was available via telephone to answer questions.

Chairman Ballagh called the meeting to order at 9:00 a.m. Director Ballagh noted that the time and place for this special meeting had been posted in accordance with 32-1-903(2).

PASSING OF THE RESOLUTION TO SELL BONDS: After some review and discussions with John Buck concerning the bond resolution, Director Garber moved to adopt the resolution identified as 96-01 which authorized the Chair and Secretary to sign the related documents. Director Lewis seconded the motion. The vote was unanimous with the following roll call vote: Director Ballagh - yes; Director Lewis - yes; Director Garber - yes; Director Ela - yes; and Director Wheeler - yes. There were no nays and there were no absences of Directors or abstentions of vote.

Schuster briefly described the Orchard Mesa Property owned by the Water District with illustrations on a map which had been given to the Directors at the last Board meeting. After this discussion the Board meeting reconvened at the Orchard Mesa Property for a walking tour.

After the walking tour was completed, the meeting adjourned at 11:30 a.m.

ATTEST:

George E. Wheeler
Secretary

Martin Garber

Wm. M. Ela

[Signature]

John L. Ballagh

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held November 20, 1996

Present were Chairman Ballagh, Vice-Chairman Ela, Treasurer Garber, Secretary Wheeler, and Director Lewis. Staff present were Ray Schuster, Dale Tooker, Larry Robinson, and Cindy Day-Biondich. Guests present were Ann Closser, a consultant for Air-Touch Cellular; and Dale Cole, a property owner in the Kannah Creek Area.

Chairman Ballagh called the meeting to order at 6:00 p.m. Director Ballagh noted that the change in time for this regular meeting had been posted in accordance with C.R.S. 32-1-903(2).

ANN CLOSSER - LEASE FOR CELLULAR ANTENNAS: Ann Closser introduced herself as a consultant for Air-Touch Cellular, a Company that is seeking a lease for cellular telephone antennas on the District's North Tank. Ms. Closser stated that she had been working with Attorney Krohn (the District's representative) to reach a lease agreement that would be agreeable with both parties (her client and the District). Such an agreement had finally been reached and she asked the Board to proceed with allowing her client to place said antennas on the District's North Tank. Director Lewis moved to lease a portion of the site where the District's North Tank is to Air-Touch Cellular under conditions and criteria to satisfy management, providing that such agreement would not endanger the District's facility, and at a fair compensation to the District. Director Ela seconded the motion. Ms. Closser stated that the compensation for the lease was that her client would pay half of the cost of painting the District's North tank at a cost not to exceed \$20,000. Other compensation included \$1.00 per year for the site lease. Ms. Closser stated that if she was successful in obtaining all the necessary paperwork for the cellular antenna site, that her client would be placing eight antennas on top of the North Tank at the current time with the option of adding four more if the need arose. It was further stated that her client would be responsible for everything that pertained to the antennas including installation of 220v electricity for power to the antennas and the phone lines. Director Lewis stated that he would like to read the prepared documents before proceeding any further. Schuster stated that Attorney Krohn was very comfortable with the present agreement and that he could see no reason for the District not to approve such an agreement. Director Lewis moved to amend his prior motion to pass it conditionally with Schuster making a telephone poll of the Directors in the following week and if a majority agreed to it, to authorize Chairman Ballagh and Secretary Wheeler to sign the lease and to permit staff to sign any necessary follow-up documents required by Ms. Closser. Director Wheeler seconded the amendment to the motion. The amendment to the motion passed unanimously. The amended motion passed unanimously.

DALE COLE: Dale Cole stated that he was the owner of approximately 1,100 acres of property in the Kannah Creek area in which he wanted to develop into approximately 250 to 300 five-acre parcels with a lot of open space. Mr. Cole explained that the proposed development would be developed in such a manner to provide a number of equestrian trails. Schuster reiterated his memorandum to the Board of Directors of November 12, 1996, wherein he stated that the development would require 70 gallons of water per minute. Schuster went on to say that

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Hidden Valley Water Company and Purdy Mesa Livestock Water Company were not capable of delivering 70 gpm. It appeared that the consensus of the Board was that they were in favor of providing water to the proposed development, however, no action was taken.

1997 BUDGET: Director Ela moved to adopt the 1997 budget presented to the Board and dated October 2, 1996. Director Lewis seconded the motion. After some discussion, Director Ela amended his motion to approve the budgeted total available revenues at \$7,453,760 with the following expenditures: general expenses - \$5,123,500; legal/engineering/audit/professional - \$23,500; wages and benefits - \$627,575; distribution and operating expenses - \$213,000; office expenses - \$101,600; CAS Plant Expenses - \$467,750; and other expenses including P & I on the revenue bonds - \$896,835; for a total of \$7,453,760 in expenditures. Director Lewis seconded the motion to amend the motion. The amendment passed unanimously. The amended motion passed unanimously.

MINUTES OF OCTOBER 16, 1996: Director Lewis moved to accept the minutes of the October 16, 1996, meeting. Director Garber seconded the motion. The motion to accept the minutes passed unanimously.

MINUTES OF NOVEMBER 2, 1996: Director Garber moved to accept the minutes of the November 2, 1996, meeting. Director Lewis seconded the motion. The motion to accept the minutes passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Wheeler moved to approve the financial report paying the \$47,148.64 as shown on the report, \$22,602.35 as itemized on the supplemental report and a transfer of funds of \$1,900.00. Plus a \$5,000.00 check on the ColoTrust account for Standard and Poors. Director Lewis seconded the motion. After some discussion the motion passed unanimously.

CLIFTON'S 96-02 PROJECT: Schuster explained that the opening of the bids for Clifton's 96-02 Project (Nanofiltration Plant) had been delayed until December 18, 1996. Schuster stated that there was quite a lot of interest from different contractors for this project.

ARCHITECT FOR OFFICE BUILDING: Schuster stated that the District had hired Chamberlain Architecture for the design of the new office building to be built on the acreage at the treatment plant.

REVISED STATEMENT OF PURPOSE: Schuster informed the Directors that he had attended the Special District Association of Mesa County meeting at Ute Water District wherein Bob Jasper, Mesa County Administrator, was a special guest. Schuster had prepared a brief paper stating the District's current status as far as customers served, etc. and when he handed this to Mr. Jasper, Mr. Jasper asked if it was the District's revised Statement of Purpose. Schuster stated that Attorney DeChant was supposed to be working on that and Mr. Jasper stated that he had reminded Attorney DeChant of such and was told that he didn't have time to deal with it right now. The District still has not received a response from the County in regard to the County's version of the revised Statement of Purpose.

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WATER CASE #87CW376 - DENVER'S REQUEST TO REFILL DILLON RESERVOIR:

Schuster told the Directors that Wayne Schroeder was going to file a motion with the Water Court to dismiss Denver's request to refill Dillon Reservoir stating that the State Water Court does not have jurisdiction. Wayne's motion will state that jurisdiction belongs in Federal court since the refill would alter the Blue River decrees. Schuster went on to state that Attorney Hermundsted is to file a motion to dismiss on the grounds that there is not sufficient water available to refill Dillon Reservoir in the quantities requested. Schuster recommended to the Board that the District continue to oppose the case and the Board concurred.

WATER CASE #88CW449 AND #95CW272 - AURORA/COLORADO SPRINGS: Schuster stated that there was really nothing new in this case, however, he recommended to the Board that the District continue to oppose the case. The Board agreed.

WATER CASE #95CW281 - ENLARGEMENT OF WOLFORD MOUNTAIN RESERVOIR:

Schuster stated that there was to be a meeting of the parties involved in the enlargement of Wolford Mountain Reservoir case wherein they would work on the wording for a stipulation which could be agreed upon by all parties. Schuster recommended that the District continue to oppose the case. It was the consensus of the Board to follow Schuster's recommendation to continue to oppose the case.

STATUS OF VACANT PROPERTY ACROSS STREET: Schuster stated that he had contacted Sue Gormley with the County in regard to the County's interest in the District's property across the street. Schuster had been told that the County could not be sure what their plan was until spring 1997, however, not to plan on the County being interested. After some discussion it was decided that Schuster should contact the County in regard to trading the District's property across the street for the property north of I-70 at the location of the West Tank where the District only has an easement from the County at this time.

DISTRICT'S ORCHARD MESA PROPERTY: Schuster told the Directors that he had written a letter to School District #51 asking if they would be interested in purchasing any of the District's property on Orchard Mesa. Bernie Cox with School District #51 had contacted Schuster on Wednesday, November 20, 1996, thanking the District for the offer but stating that the District's property was not in the right locations for what they were looking for at the current time.

ARROWLEAF SUBDIVISION: Schuster stated that there had been some misunderstanding with Mark Kareus, developer of Arrowleaf Subdivision, and Mr. Kareus had become rather unhappy with the District about installing the water distribution system to his subdivision. Mr. Kareus had written a letter to Judge Buss with copies to several individuals accusing the District of unfair practices. Director Ballagh had received a copy of said letter and had contacted Schuster to find out what the District's response would be if The Daily Sentinel contacted him for a comment. Schuster had prepared a letter to Mr. Kareus, had Attorney Bechtel read it and make changes, and

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presented copies of the letter to the Board. It was the consensus of the Board to send a copy of the letter to all the individuals that Mr. Kareus had sent copies to of his November 16, 1996, letter, including Judge Buss.

CONSTRUCTION COORDINATOR: Schuster stated that he would like the Board to authorize him to hire a construction coordinator at the cost of \$12.00 per hour with benefits. Director Wheeler moved to authorize Schuster to hire a construction coordinator to oversee the installation of the Whitewater pipeline and the nanofiltration project. Director Lewis seconded the motion. After some discussion Director Garber stated that Schuster had the authority to do what he saw as the best interest of the District. The motion passed unanimously.

GVICo ANNUAL MEETING: Schuster stated that the annual GVICo meeting would be held on December 7, 1996 and asked if the Director's wanted to sign the proxy card to the District's votes. Director Lewis moved to sign the proxy card and send it back. Director Wheeler seconded the motion and it passed unanimously.

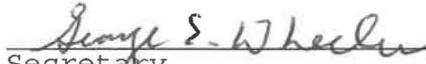
GVICo ANNUAL AUCTION: Schuster stated that in previous years the Board had authorized him to pay up to \$205 per share of GVICo stock at the GVICo Annual Auction and wanted to know if that was what the Board wanted again this year. Director Garber moved to authorize Schuster to pay up to \$205 per share of GVICo stock at the December 12, 1996, auction. Director Lewis seconded the motion and it passed unanimously.

OTHER NEW BUSINESS: Schuster gave each Director a sample of the new bills that the District will be using within the next couple of weeks. Schuster explained that the District would be bar coding their bills in the future to cut down on the cost of mailings.

Director Lewis moved to adjourn the meeting. Director Garber seconded the motion and it passed unanimously.

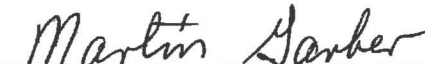
The meeting adjourned at 9:08 p.m.

ATTEST:


Secretary









**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
CLIFTON WATER DISTRICT**

Held December 18, 1996

Present were Chairman Ballagh, Vice-Chairman Ela, Treasurer Garber, Secretary Wheeler, and Director Lewis. Staff present were Ray Schuster, Dale Tooker, Larry Robinson, and Cindy Day-Biondich. Representatives present from the following companies for the opening of bids were: John Brown (Southwest Contracting), Bert Franz (Con Sy), Ray Fiscus and Ken McKenzie (Francis Constructors, Inc.), Carol and Richard Reigles (Cookey's Mechanical, Inc.), Kip Rovar (Falcon Plumbing), Mark Gavell (M.A. Concrete), Norm Friend (Construction Services), and Glen Vancil (Flatiron Structures Company).

OPEN BIDS: The time for accepting bids was closed and Manager Schuster opened all the bids. Five bids were received for Clifton's 96-02 Project. Bidders and bid prices were as follows: Engineer's Estimate - \$1,502,082.00; Southwest Contracting - \$1,108,383.00; M.A. Concrete Construction, Inc. - \$1,216,772.86; Francis Constructors, Inc. - \$1,271,773.00; Flatiron Structures Company LLC - \$1,657,890.00; and Con Sy - \$1,895,311.00.

Bob Black and Rod Bonnell from Purdy Mesa Livestock Water Company entered the meeting at 7:50 p.m.

PURDY MESA LIVESTOCK WATER COMPANY: Mr. Black and Mr. Bonnell presented a letter to the Directors expressing a desire of Purdy Mesa Livestock Water Company to purchase treated water from the Clifton Water District. Director Ela moved to approve the concept of pursuing the possibility of Purdy Mesa Livestock Water Company purchasing treated water from the District. Director Lewis seconded the motion. Director Garber suggested that the District approach selling water to Purdy Mesa in the same respect that the District had began serving the Whitewater area which was to require the company to bring the lines up to District standards before the District took over the distribution system. Director Ballagh recommended that staff put together a "whitepaper" for presentation at the next meeting. The motion passed unanimously after much discussion.

MINUTES OF NOVEMBER 20, 1996: Director Garber moved to accept the minutes of the November 20, 1996, meeting. Director Lewis seconded the motion. The motion to accept the minutes as prepared passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Garber moved to approve the financial report paying the \$63,122.78 as shown on the report, \$19,460.00 as itemized on the supplemental report, a transfer of funds of \$82,582.78 and \$284,326.54 from the ColoTrust account to pay for invoices related to the nanofiltration plant and new office. Director Lewis seconded the motion. Director Ela pointed out after questioning an invoice from Barringer Laboratories (charges for ground water monitoring) that District personnel had shown extreme foresight when planning for ground water testing which may prevent problems for the District in the future. After some discussion the motion passed unanimously.

PROJECT 96-01 - WHITEWATER LINE: Schuster stated Beaver's Construction started the Whitewater water line on December 3, 1996, and that they were a little over half done. Schuster informed the Directors that there had been some misunderstanding with the City of

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Grand Junction when the Contractor was ready to cross under the City's flow lines, however, it was straightened-out in short order.

REVISED STATEMENT OF PURPOSE: Schuster informed the Directors that the County has still not responded with their version of the revised Statement of Purpose.

WATER CASE #87CW376 - DENVER'S REQUEST TO REFILL DILLON RESERVOIR: Schuster told the Directors that a settlement was close in Denver's request to refill Dillon Reservoir. Schuster stated that Denver wanted to allow for minimum diversions through Silverthorne to prevent washing the town away, they wanted credit for evaporation, and they wanted credit for water released to prevent filling and spilling over the spillway. This was fine with the opposers in this case as long as no more than 5,000 acre feet of water went through Roberts Tunnel during any given year so it appears there will be a settlement with these terms.

WATER CASE #88CW449 AND #95CW272 - AURORA/COLORADO SPRINGS: Schuster stated that there was really nothing new in this case, however, he recommended to the Board that the District continue to oppose the case. The Board agreed.

WATER CASE #95CW281 - ENLARGEMENT OF WOLFORD MOUNTAIN RESERVOIR: Schuster said that there really was nothing new in this case, however, he recommended that the District continue to oppose this case. It was the consensus of the Board to follow Schuster's recommendation to continue to oppose the case.

STATUS OF VACANT PROPERTY ACROSS STREET: Schuster stated that he had written a letter to Mesa County in regard to exchanging the vacant land across from the Water Office for the land where the West Tank sits. The County has not responded to the letter so Schuster assumed that they were not interested.

DISTRICT'S ORCHARD MESA PROPERTY: Schuster asked the Directors what they wanted to do with the District's Orchard Mesa property. There was no response, no action was taken.

GVICO ANNUAL AUCTION: Schuster told the Directors that the shares of GVICO stock at the annual auction sold for as high as \$280 and as low as \$240 per share.

CELLULAR ANTENNA LEASE: Director Wheeler had done some checking on the cellular antenna lease site. Director Wheeler discovered that leases usually run between \$400 and \$500 per month with the antenna company providing insurance for the site. Also, these leases should be non-exclusive so other cellular antenna companies can use the site. Director Ballagh suggested that Director Wheeler, Director Lewis, and Schuster form a committee to make a check-list to present to the attorney for writing up a new lease that will satisfy the needs of the District.

HIDDEN VALLEY WATER COMPANY RATES: Schuster stated that the water rates Hidden Valley Water Company currently charges their customers are \$22.00 for the first 3,000 gallons of water per month and \$3.85 for each thousand gallons over 3,000 gallons per month. Schuster went

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on to state that Whiting is charged \$10.50 for the first 3,000 gallons and \$2.25 for all water in excess of 3,000 per month for each Hidden Valley Water Company customer.

OTHER UNFINISHED BUSINESS: Director Ballagh asked how many trailer parks the District now serves that have internal meters for each space. Schuster stated that the only ones he was aware of are Applewood West and Midlands Village.

MOULTAN VALLEY SUBDIVISION: Schuster told the Directors that Moulton Valley Subdivision, to be located north of I-70, was partially within the District boundaries and partly outside District boundaries. Schuster stated that he had written a letter for Don Underwood (the Developer) stating that the District could provide water for the subdivision, however, the District would not guarantee delivery above the 4800 foot contour line without pumping and that the District would not be able to provide water for fire protection. After some discussion it was the consensus of the Board that the District could provide water for this subdivision if the developer would pay all extraordinary costs.

AWARD BID FOR CLIFTON'S 96-02 PROJECT CONTINGENT UPON REVIEW: Schuster recommended that the Directors award the bid for Clifton's 96-02 Project to Southwest Contracting contingent upon review of the bid figures and the company. Director Garber moved to award Clifton's 96-02 Project to Southwest Contracting, Inc. subject to review of their figures, bond documents, and the company. Director Lewis seconded the motion and it passed unanimously.

GROUND-BREAKING CEREMONY: Schuster stated that he felt the District should consider having a ground-breaking ceremony since the start of the nanofiltration project will be the result of four years of research, study, and work. It was the consensus of the Board that a ground-breaking ceremony should be held and if Schuster wanted to do a supplement to the newsletter with the information on the ground-breaking it was fine.

CSD ENGAGEMENT LETTER: Schuster stated that Chadwick, Steinkirchner, and Davis had sent the District an engagement letter to do the audit, however, it was \$3,600 this year because of the expected additional work from the bond issue. Director Ela moved to have Chairman Ballagh sign the engagement letter from CSD. Director Garber seconded the motion and it passed unanimously.

OTHER NEW BUSINESS: Director Lewis stated that the District should seek bidders for the District's regular construction and repair work. Schuster stated that he would be doing this in January.

Director Ballagh asked that Schuster check with counsel to find out what liability the District has for bills incurred by Grand Valley Irrigation Company since the District is the largest share holder of GVICO stock.

EXECUTIVE SESSION: Director Lewis expressed some concerns about various contractual agreements that the District currently has. Director Lewis thought that these concerns should be expressed in an executive session. Director Garber moved to enter into executive session. Director Lewis seconded the motion which passed unanimously.

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Director Lewis moved to emerge from the executive session approximately 10 minutes later. Director Ela seconded the motion and it passed unanimously.

Director Ballagh instructed Schuster to seek the advice of counsel in regard to some of the District's contractual agreements.

1997 BUDGET RESOLUTION: Director Lewis moved to adopt the following budget resolution.

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 ENTERPRISE ACTIVITY, MESA COUNTY, COLORADO, FOR THE 1997 BUDGET YEAR.

WHEREAS, the DIRECTORS have adopted the annual budget for 1997 in accordance with the Local Government Budget Law, on the 18th day of December, 1996, 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 ENTERPRISE ACTIVITY.

NOW THEREFORE, BE IT RESOLVED by the DIRECTORS of the CLIFTON WATER DISTRICT acting by and through its WATER ENTERPRISE ACTIVITY, Mesa County, Colorado that the following sums are hereby appropriated from the revenue and reserves of the WATER ENTERPRISE ACTIVITY, for the purposes stated below:

ESTIMATED BEGINNING BALANCE	\$ 7,304,000
 <u>ESTIMATED EXPENDITURES:</u>	
General Expenses	\$ 5,123,500
Wages & Benefits	
Exempt Personnel Wages	65,564
Non-Exempt Personnel Wages	413,000
Hourly Personnel Wages	38,560
Overhead & Benefits	162,779
Directors Fees & Overhead	5,790
Professional Fees	23,500
Operating Expenses	213,000
Office Expenses	101,600
CASWTP expenses, less Wage & Benefits	467,750
Emergency Fund	134,000
Principle and Interest	305,000
Contingencies	83,052
Reserve Fund	316,665
 TOTAL ESTIMATED EXPENDITURES	 \$ 7,453,760
 <u>ESTIMATED REVENUES:</u>	
Sale of Water	\$ 1,550,000
Sanitation District	9,000
City of Grand Junction	75,000
Penalty & Turn Fees	40,000
Plant Investment Fees	400,000
Interest	228,000
Property Taxes	0
Miscellaneous	3,500
 TOTAL ESTIMATED REVENUE	 \$ 2,305,500
From Reserves	5,148,260
 TOTAL FUNDS AVAILABLE	 \$ 7,453,760
 ESTIMATED ENDING BALANCE	 \$ 2,156,740

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IT IS FURTHER RESOLVED, that there is appropriated from the funds of the DISTRICT acting by and through its WATER ENTERPRISE ACTIVITY, Seven Million, Four Hundred Fifty Three Thousand, Seven Hundred Sixty Dollars (\$7,453,760) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 1997 or thereafter.

Director Wheeler seconded the motion and it passed unanimously.

It was the consensus of the Board of Directors to hold the January 15, 1996, meeting at 6:00 p.m. Schuster was instructed to post the necessary notices.

Director Lewis moved to adjourn the meeting. Director Wheeler seconded the motion and it passed unanimously. The meeting adjourned at 10:17 p.m.

ATTEST:


Secretary





