

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

January 6, 2005

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal, Assistant Secretary Woods and Director Cook. Staff present included Dale Tooker, David Reinertsen, Carrie Restivo, and Amanda Crysler.

At 5:00 p.m. Chairman Ballagh called the Regular Meeting to order.

MINUTES OF DECEMBER 2, 2004 – Director Teal moved to accept the minutes of the December 2, 2004 Board Meeting with corrections. Director Woods seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Teal moved to approve expenditures of \$81,396.84 plus \$114,530.74 on the supplemental statement, for a total of \$195,927.58. Director Cook seconded the motion, which passed unanimously.

The Board noted that the \$800.90 refund reflected in the financial report, is for the customer at 3224 Mesa Avenue, account #10.077.000/5678. The refund was a result of a billing/meter error by the District.

STAFF REPORT

2004 Holiday Celebration Expenses- Manager Tooker summarized expenses incurred by the 2004 Holiday Party, which was included in the board packet (*File 1-06-05 and Holiday Party 2004*).

Plant Optimization Project Phase I- A status report, and internal and external improvement items observed during the Plant Optimization Phase I Project (*File 1-06-05 and Phase I Project*), were discussed by Manager Tooker and included in the board packet.

State Engineers Dam Inspection Report- Manager Tooker reported that the District received the State Engineers Dam Inspection Report (*File 1-06-05 and Raw Water Settling Pond*), which included inspection of the Raw Water Settling Pond, and had noted minor erosion and perimeter vegetation that staff is taking measures to correct.

EXPRESS AGENDA - The Directors reviewed the Express Agenda and accepted the following items as presented:

Plant Optimization Phase II, Project 2003-03 – The design engineer, Burns and McDonnell, is finalizing the design package and is including a design bid alternate to construct either a metal or concrete block structure. Final design package for staff review

Minutes
Page 2
January 6, 2005

is due from the engineer by January 25, 2005. Current schedule indicates placing this project for bid in March 2005 with construction tentatively commencing in April 2005.

North Settling Pond Design, Project 2004-01 – Staff has negotiated the Scope of Services with Boyle Engineering and submitted the Design Services Contract to the District's attorney for review. A complete Agreement is expected to be presented to the Board for approval at the February meeting.

30 Road Upgrade Project, F to F ½ Roads – The District's Pipeline Construction Crew has completed this project and the new mainline is in service. This completes a multi-year mainline upgrade project that connects the 16" mainline on F ½ Road with the 10" mainline on D Road.

Central Grand Valley Sanitation District, 31 Road/Warren Property – Contractors for the remediation of the Warren Property met with Central Grand Valley Sanitation, proposing to begin work January 12, 2005, expecting a completion date of January 26, 2005. Progress reports will be made to the Board when available.

Joe Drew Evaluation of 1996 Revenue Bond Payoff – Joe Drew is evaluating the feasibility to payoff the District's 1996 Revenue Bond. A full report will be presented to the Board upon Completion.

Staff Input Program – The initial stage of a District-wide Staff Input Program has been initiated with the development of the SILLs (Simple Improvements at the Local Level) program. Manager Tooker will brief the Board on the Staff Input Program at the February meeting.

District's Emergency Response Plan – The District certified to the United States E.P.A. that the District's Emergency Response Plan is completed and in place. The development and implementation of an Emergency Response Plan is the final component required by the E.P.A., as mandated in the Public Health Security and Bioterrorism Preparedness and Response Act of 2002.

CRWUA Conference Debriefing - Directors Ballagh, Cook and Manager Tooker debriefed the Board on the Colorado River Water Users Association Meeting they attended in Las Vegas on December 15, 16 and 17. Information only, no board action.

Western Colorado Waters, Inc. – Western Colorado Waters, Inc. requested the District to provide a representative to sit on a committee to evaluate Special Taxing District concerns that may be addressed on a special ballot issue in November 2005. Director Cook volunteered to sit on the committee. No further board action is needed at this time.

Designation of Time, Place and Posting for Meetings – Director Teal moved to adopt the Meeting and Posting Resolution (*File 1-06-05 and Resolutions*). Director Woods seconded the motion, which passed unanimously.

**RESOLUTION FOR
DESIGNATING MEETING TIME AND PLACE
AND
24-HOUR POSTING LOCATION**

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

WHEREAS the Clifton Water District designates that the posting places for all Board of Directors meetings are the Clifton Water District Office and the following three additional locations; Clifton Sanitation District #2 Office, Clifton Fire Department, and the Mesa County Clerk and Records Office Clifton Branch; and

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

BE IT FURTHER RESOLVED that this resolution be adopted this 6th day of January 2005.

2004 Audit Engagement Letter with Mary Brenes CPA – The 2004 Audit Engagement Letter (*File 1-06-05 and Audit 2004*) was provided to the Board for review. Director Cook moved to approve securing the services of Mary Brenes, CPA. Director Teal seconded the motion, which passed unanimously.

2005 Workers Comp Insurance – Staff recommended changing from Pinnacol Assurance to the Special Districts Liability Pool for 2005's Workers Comp coverage. Director Woods moved to accept the Special Districts Liability Pool proposal for the 2005 Workers Comp coverage. Director Teal seconded the motion, which passed unanimously.

Orchard Mesa Customer Exchange with Ute Water – Staff presented a conceptual plan to allow Ute to serve water to the District's customers on B ½ Road from 32 ½ to 31 3/10 Roads. It was the consensus of the Board to have Staff survey the affected District customers before proceeding with discussions with Ute. No further board action at this time.

2005 Availability of Service Charge – The Board reviewed a Staff Report concerning the Availability of Service Charge Policy #430 (*File 1-06-05 and Availability of Service*). Director Woods moved to revise the Availability of Service Charge Policy #430 establishing the In-District Availability of Service Charge at 50% (\$9.65) of the 2004 average usage/month, and the Out-of-District Availability of Service Charge at \$14.50/month, which is 42.4% or 1.5 times the In-District Availability of Service Charge,

Minutes
Page 4
January 6, 2005

and that all revenue generated by the Availability of Service Charge shall only be used to repay principal and interest on bonds and other outstanding indebtedness of the District and for no other purpose. Director Cook seconded the motion, which passed unanimously.

The regular meeting was adjourned at 6:31 p.m. by mutual consent.


ATTEST:



John L. Ballagh



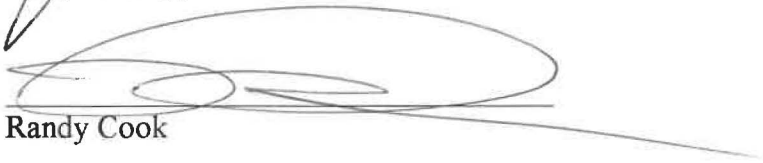
Paul Teal



Perry V. Rupp



Brian Woods



Randy Cook

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

February 3, 2005

Present were Chairman Ballagh, Vice-Chairman Rupp, Assistant Secretary Woods and Director Cook. Secretary Teal had an excused absence. Staff present included Dale Tooker, David Reinertsen, Dave Payne, Carrie Restivo, and Amanda Crysler.

At 5:00 p.m., Chairman Ballagh called the Regular Meeting to order.

Chairman Ballagh accepted and read aloud the letter of resignation from Director Rupp. Mr. Rupp exited meeting at 5:05 p.m.

At 5:05 p.m. Paul Fischer and Mark Lictwardt from Burns & McDonnell updated the Board on Phase II Pre-treatment Building design options. The firm presented both a Masonry Building design and a Metal Building design, as requested by the Board. Their presentation included cost considerations, project specifications, and ways to minimize costs, among other topics. In addition, they presented a detailed timeline, including construction bid acceptance in April of 2005, with final completion by July 2006. Director Cook motioned to authorize Burns and McDonnell to proceed with advertising for the Prequalification of Contractors. Director Woods seconded the motion, which passed unanimously. Director Cook motioned to authorize Burns and McDonnell to advertise for construction contract bids. Director Woods seconded the motion, which passed unanimously.

At 5:50 p.m., Mr. Fischer and Mr. Lictwardt exited the meeting.

MINUTES OF JANUARY 6, 2004 – Director Woods moved to accept the minutes of the January 6, 2004 Board Meeting. Director Cook seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Woods moved to approve expenditures of \$65,619.69 plus \$80,134.50 on the supplemental statement, for a total of \$145,754.19. Director Cook seconded the motion, which passed unanimously.

EXPRESS AGENDA - The Directors reviewed the Express Agenda and accepted the following items as presented:

I-70B Interchange 37 Commercial Project - A cost share agreement was negotiated with the developer to increase the size of distribution lines for the District's benefit. The project is a step to improve the distribution system from 32 Road to 33 Road.

Whitewater Transmission Line Phase II, Project 2003-01 – The District's pipeline construction crew started preparatory work on this project by completing the highway bore, receiving material quotes, and submitting working permits.

Central Grand Valley Sanitation District, 31 Road / Warren Property – The remediation contractor has been delayed due to weather related impacts.

Colorado Special Districts Property and Liability Pool Workers Comp Resolution – To complete the process of switching Workers Comp insurance providers, staff presented the Resolution and IGA from the Colorado Special Districts Property and Liability Pool (“Pool”) to be sign by the Board. Director Woods moved to accept the Resolution and IGA as presented and designate the Manager as the District’s Initial Representative to the Pool and the Accountant/Bookkeeper as the District’s Alternate Representative. Director Cook seconded the motion, which passed unanimously.

Employee’s Retirement Benefits Request For Proposal – Manager Tooker proposed establishing a Retirement Benefits Review Committee that includes himself, Assistant Manager Reinertsen, two Board Members, and one staff member from each department to review the drafted RFP and evaluate the incoming responses. It was the consensus of the board to establish the Committee.


Orchard Mesa Customer Exchange – Staff reported three customers along B ½ Road requested that the District “abandon” their water tap because they were switching to the Ute Water Conservancy District. Two customers were Out-of-District customers and one was an In-District customer. It was the consensus of the Board to proceed with the exclusion process for the In-District Customer.

Western Colorado Waters Inc. – Director Cook reported to the Board regarding the Western Colorado Waters Inc. meeting he attended in January. At the meeting, the organization decided it should go in a “new” direction by refocusing the group from a project group to a more educational and “one voice” cooperative of all the water users in the area. A new mission statement was developed. Information only, no action from the Board is necessary.


Flood Insurance – The Board began discussions regarding snow pack conditions this year to evaluate whether or not to purchase flood insurance. It was the consensus of the board to continue to observe the conditions and defer to the next meeting.

At 7:03 p.m., Director Cook moved to adjourn the Regular Meeting. Director Woods seconded the motion, which passed unanimously.

ATTEST:




John I. Ballagh



Brian Woods

-- Excused--

Paul Teal



Randy Cook

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

March 3, 2005

Present were Chairman Ballagh, Assistant Secretary Woods and Director Cook. Secretary Teal had an excused absence. Staff present included Dale Tooker, David Reinertsen, Carrie Restivo, and Amanda Crysler.

At 5:00 p.m., Chairman Ballagh called the Regular Meeting to order.

MINUTES OF FEBRUARY 3, 2005 – Director Cook moved to accept the minutes of the February 3, 2004 Board Meeting, with corrections. Director Woods seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Cook moved to approve expenditures of **\$233,485.41** plus **\$84,920.49** on the supplemental statement, for a total of **\$318,405.90**. Director Woods seconded the motion, which passed unanimously.

EXPRESS AGENDA - The Directors reviewed the Express Agenda and accepted the following items as presented:

Employee's Retirement Benefits Request For Proposal – A committee consisting of John Ballagh, Randy Cook, Dale Tooker, David Reinertsen, Carey Blount, Tyler Lehmann, and Carrie Restivo is organized and scheduled to begin development of the Request For Proposal (RFP), and subsequent submittal evaluation.

32 ¼ Road Storm Drain – In conjunction with the Grand Junction Drainage District and Clifton Sanitation District #2, the District's Pipeline Construction Crew completed the 'cooperative' installation of approximately 1,000 feet of 12" pipeline in the 32 ¼ Road alignment on CSD #2 property.

Central Grand Valley Sanitation 31 Road / Warren Property – The remediation continues to be delayed due to weather.

Plant Optimization Phase II Project 2002-03 – Burns and McDonnell completed the Requests for Qualifications and is proceeding, as directed, to advertise for bids. The bid and engineer recommendations will be presented at the April Board meeting.

North Raw Water Settling Pond Project 2004-01 – After review by the District's legal counsel, staff is modifying the contract and will present it at the April meeting.

Section 125 Flexible Benefit Plan – The Benefits Committee discussed replacing the District's existing Section 125 "Premium Only Plan" plan with a "Flexible Benefit Plan." The existing Section 125 is planned for renewal in May. The Benefits Committee will meet to develop a proposal to the Board in preparation of the May renewal.

Minutes
Page 2
March 3, 2005

Accounting Software – District staff installed new Accounting Software called “Microsoft Small Business Financial.” The new system is running side-by-side with the existing system to work out any bugs before implementing the program full-scale.

Attorney’s Letter Dated October 26, 2001 – The Board reviewed a confidential letter dated October 26, 2001 written by Attorney Frey addressing a past issue (*file 3/3/05 and Attorney Correspondence*). Information only, no board action at this time.

Flood Insurance – Based on the latest flood data (*file 3/3/05*), it was the consensus of the Board not to purchase flood insurance for 2005.

Utility Billing System Request For Proposal – Director Woods moved to authorize Staff to advertise for Request for Proposal for a new utility billing system. Director Cook seconded the motion, which passed unanimously.


2005 Wage Information – The Board was presented with the 2005 Wage and Market Rate Salary Ranges report (*file 3/3/05 and 2005 Wage Survey*). This report was developed from the 2004 Salary Survey and reviewed by the Wage and Benefit Committee. No board action required.

Out-of-District Service Request for Desert Sage Development – Director Cook moved to accept the request by Desert Sage Development, LLC (*file 3/3/05 and Out of District Requests*) to include the 40-acre parcel of land at the SW ¼ NE ¼ of Section 12, Township 2 South, Range 1 East of the Ute Meridian into the District’s Out-of-District service area. Director Woods seconded the motion, which passed unanimously.


1996 Bond Refunding Possibilities – Manager Tooker presented a Staff Report (*file 3/3/05, Staff Reports, and 1996 Revenue Bond*) providing four options for refunding the 1996 Revenue Bond. The Board took no action at this time.

At 6:12 p.m., Director Cook moved to adjourn the Regular Meeting. Director Woods seconded the motion, which passed unanimously.

ATTEST:




John L. Ballagh



Brian Woods

-- Excused--

Paul Teal



Randy Cook

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

April 7, 2005

Present were Chairman Ballagh, Secretary Teal, Assistant Secretary Woods and Treasurer Cook. Staff present included Dale Tooker, David Reinertsen, David Payne, Carrie Restivo, and Amanda Crysler.

At 5:00 p.m., Chairman Ballagh called the Regular Meeting to order.

At 5:01 p.m., Paul Fischer from Burns & McDonnell presented three building construction bids to the Board for the Plant Optimization Phase II Pre-Treatment Plant Project. He reported that FCI Constructors, Inc., Garney Construction, Inc., and Moltz Construction, Inc. all bid the project. After review, Burns & McDonnell recommends the bid be awarded by Garney Construction, Inc. Mr. Fischer exited the meeting at 5:25pm.

At 5:30 p.m., Chris Treese and Eric Kuhn from the Colorado River Water Conservation District addressed the Board on current state legislative water issues. Mr. Treese and Mr. Kuhn exited the meeting at 6:00pm.

MINUTES OF MARCH 3, 2005 – Director Woods moved to accept the minutes of the March 3, 2005 Board Meeting. Director Cook seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE – Director Teal moved to approve expenditures of **\$53,501.32** plus **\$99,509.82** on the supplemental statement, for a total of **\$153,011.14**. Director Cook seconded the motion, which passed unanimously.

STAFF REPORTS –

Simple Improvements at the Local Level (SILL) program update- Plant Supervisor Payne briefed the Board regarding the SILL program. Included in the presentation was an overview of all SILLs that were handed in by employees during the first quarter of 2005.

AWWA Membrane Technology Conference- Manager Tooker and Plant Supervisor Payne verbally reported to the Board on their experience at the AWWA Membrane Technology Conference, which they attended March 7-9, 2005.

EXPRESS AGENDA - The Directors reviewed the Express Agenda and accepted the following items as presented:

Central Grand Valley Sanitation 31 Road / Warren Property – Soil remediation started on March 24, 2005. The contactor is scheduled complete all remediation efforts by April 6, 2005, depending on weather conditions.

Employee's Retirement Benefits Request For Proposal – The RFP was advertised in *The Daily Sentinel*. The deadline is April 22, 2005 at 4:00 pm.

Utility Billing System Request For Proposal – The RFP was advertised in *The Daily Sentinel*. The deadline is April 22, 2005 at 4:00 pm.

Whitewater Transmission Line Phase II Project 2003-01 – All permits have been issued and received for this project. Work is scheduled to start the week of April 11, 2005 and be complete by July 1, 2005.

March 2005 Raw Water Settling Pond Cleaning – Staff presented information pertaining to the recent cleaning of the Raw Water Settling Pond that showed a cleaning time of 12 hours. This number compares to 32 hours in September 2004, and 72 hours in November 2003. The Board questioned Staff whether safety was compromised for speed. Information only, no board action required.

Plant Optimization Phase II Project 2002-03 Bid Review and Award – Director Cook moved to accept Burns & McDonnell's recommendation and award the 2002-03 Plant Optimization Phase II Project to Garney Construction, Inc., and their listed subcontractors, in the amount of \$5,393,000.00, which includes the construction of a masonry building (*File 4-7-05 and Phase II*). Director Woods seconded the motion, which passed unanimously.

Whitewater Service Area Engineering Study, Schmueser-Gordon-Meyer – Director Teal moved to authorize staff to evaluate all options of implementing Option 4 of the engineering study (*File 4-7-05 and Whitewater Engineering*) conducted by Schmueser-Gordon-Meyer Engineers concerning the Desert Road Pump Station and distribution system to Indian Creek Estates. Director Woods seconded the motion, which passed unanimously.

Vacant Board Position – Director Teal moved to appoint Doralyn Genova to the Clifton Water District Board of Directors, replacing Director Perry Rupp who resigned February 3, 2005. Director Cook seconded the motion, which passed unanimously.

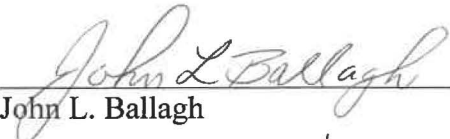
Western Colorado Waters, Inc Update – Director Cook updated the Board regarding the most recent Western Colorado Waters, Inc. meeting, informing the Board that the group is headed towards educating and developing support for water preservation in Mesa County for the next 100 years.

Mesa County Letter – Director Woods officially recused himself from the discussion concerning a letter request from Bob Lee of the Mesa County Building Inspection Division regarding the possibility of disconnecting water at 526 Omas Place (*File 4-7-05, 526 Omas Place, and Mesa County*).

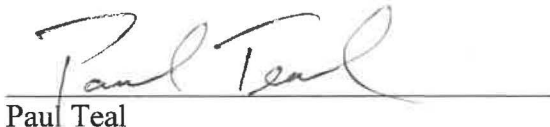
Director Cook moved that in the spirit of cooperation, to allow staff to consider special circumstances for disconnecting water to properties, such as the current situation with 526 Omas Place, when there is a Court Order or appropriate documentation issued from the Mesa County Health Department. Director Teal seconded the motion, which passed unanimously.

At 8:08 p.m., Director Woods moved to adjourn the Regular Meeting. Director Cook seconded the motion, which passed unanimously.

ATTEST:



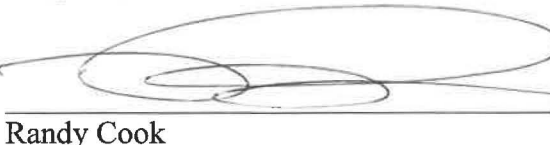
John L. Ballagh



Paul Teal



Brian Woods



Randy Cook

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

May 5, 2005

Present were Chairman Ballagh, Secretary Teal, Assistant Secretary Woods, Treasurer Cook, and Director Genova. Staff present included Dale Tooker, David Reinertsen, David Payne, Carrie Restivo, and Amanda Crysler.

At 5:00 p.m., Chairman Ballagh called the Regular Meeting to order.

OATH OF NEW DIRECTOR – Chairman Ballagh administered the Oath of Office to Doralyn Genova, for a term of one year. Director Genova signed the appropriate “Oath of Office” form (*Oath of Office and File 5-5-05*) for submittal to the proper government agencies.

At 5:02 p.m., Larry Sipes, Customer at 415 30 ¼ Road, presented a request for relief of billing charges under Policy #420, Section 2, Paragraph 2.3. Mr. Sipes exited the meeting at 5:05 p.m.

At 5:13 p.m., James Hamilton presented information concerning the District’s liability insurance policy for the next policy year (*Home Loan and File 5-5-05*) Mr. Hamilton exited the meeting at 5:26pm.

At 6:20 p.m., Mary Brenes, presented the District’s 2004 Audit (*2004 Audit and File 5-5-05*) to the Board of Directors. Ms. Brenes exited the meeting at 6:40pm

MINUTES OF APRIL 7, 2005 – Director Teal moved to accept the minutes of the April 7, 2005 Board Meeting, with corrections. Director Cook seconded the motion, which passed unanimously. Director Genova did not vote because she was not present at the April meeting.

FINANCIAL REPORT AND ACCOUNTS PAYABLE – Director Teal moved to approve expenditures of **\$41,448.42** plus **\$134,136.22** on the supplemental statement, for a total of **\$175,584.64**. Director Cook seconded the motion, which passed unanimously.

STAFF REPORTS – Dave Payne, Water Treatment Plant Supervisor, presented the 2004 Water Treatment Goals & Parameters Analysis (*Staff Reports and File 5-5-05*).

EXPRESS AGENDA – The Directors reviewed the Express Agenda and accepted the following items as presented:

Central Grand Valley Sanitation 31 Road / Warren Property – Removal of material is complete. Central Grand Valley Sanitation officials are waiting for completion reports from EDI, the environmental cleanup contractor. A final cost will be delivered to the District once all reporting is complete.

Employee’s Retirement Benefits Request For Proposal-The District received seven Proposals for the retirement benefits plan. The Retirement Benefits Committee will convene to review the proposals and provide recommendations to the Board.

Utility Billing System Request For Proposal- The District received six Proposals for a new utility billing system. Staff will review the proposals and provide recommendations to the Board.

Whitewater Transmission Line Phase II Project Update- Pipeline installation commenced on April 18, 2005, and is on schedule. Approximately 1,000 feet of the total 8,500 feet of new 12" pipeline is installed and backfilled.

Plant Optimization Phase II Project 2002-03 Notice of Award- Notice of Award to Garney Construction, Inc. was completed after Staff confirmation of the Bid. Garney is proceeding with the required contract documents. A preconstruction meeting is scheduled for May 16, 2005, with construction to begin thereafter.

Special District Association Regional Workshop, June 9, 2005- Included in the Board Packet is a brochure concerning the SDA's Regional Workshops. Please contact Amanda Crysler for registration.

12th Annual Children's Water Festival – The 12th Annual Children's Water Festival will take place at Mesa State College May 17-18, 2005. The District is again a co-sponsor and is participating in the educational event for area 5th grade students.

Unidirectional Flushing Program- District Staff will be performing the annual system flushing program from April 25 – May 6, 2005. A press release was issued regarding the program.

NORTH RAW WATER SETTLING POND PROJECT 2004-01 PRELIMINARY DESIGN CONTRACT- Director Woods moved to enter into the Preliminary Design contract for Project 2004-01 with Boyle Engineering, not to exceed \$114,000.00 (*North Raw Water Settling Pond and File 5-05-05*). Director Teal seconded the motion, which passed unanimously.

2004 AUDIT – Director Teal moved to accept the 2004 Audit as presented, and authorize staff to send the Audit to the appropriate entities. Director Genova seconded the motion, which passed unanimously.

INTERGOVERNMENTAL AGREEMENT / CLIFTON SANITATION DISTRICT #2- Director Woods recused himself from the discussion. Manager Tooker presented the Board with a draft of an Intergovernmental Agreement involving the District and the Clifton Sanitation District (*Clifton Sanitation District and File 5-5-05*). Information only, no Board action required at this time.

SIGNING OF THE PHASE II PROJECT CONTRACT- Chairman Ballagh and Secretary Teal signed the Phase II Project contract, authorized at the April 7, 2005 Board Meeting (*Phase II and File 5-5-05*).

BILLING POLICY RELIEF FOR 415 30 ¼ ROAD - Director Cook recused himself from the discussion. Director Teal moved to approve relief to Mr. Sipes in the amount of \$10.00 to be credited to his account. Director Genova seconded the motion, which passed unanimously.

2005 PROPERTY AND LIABILITY INSURANCE RENEWAL – Director Teal moved to accept the Colorado Rural Special District insurance proposal for the 2005 policy year. Director Woods second the motion, which passed unanimously.

SECTION 125 FLEXIBLE BENEFIT PLAN- Directors Cook and Ballagh informed the Board that the Benefits Committee met with Representatives of Home Loan and Worksite Benefits Specialists to discuss offering employees alternative supplemental insurance using the existing Section 125 premium only plan. Information only, no board action required.

REORGANIZATION OF THE BOARD - Director Woods moved to accept the Board organization as follows: John Ballagh, Chairman; Doralyn Genova, Vice-Chairman; Paul Teal, Secretary; Brian Woods, Assistant Secretary; and Randy Cook, Treasurer. Director Genova seconded the motion, which passed unanimously.

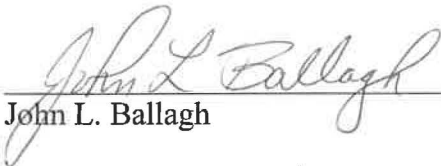
SIGNATURE CARDS - Signature cards were prepared and signed for Palisades National Bank and Alpine Bank.

NEW PERSONNEL - Manager Tooker announced recent changes in personnel. Janet Lovato is the new Water Treatment Plant Operator. Randy Doudy is the new Distribution Technician. Information only, no action required.

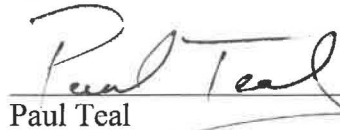
CLIFTON WATER DISTRICT CREDIT CARDS - The Board requested staff to provide a detailed credit card report in the Manager's Report of the Board Packet.

The Board Meeting was adjourned by mutual consent at 7:32 p.m.

ATTEST:




John L. Ballagh



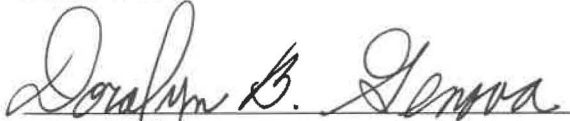
Paul Teal



Brian Woods



Randy Cook



Doralyn Genova

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

June 2, 2005

Present were Chairman Ballagh, Vice-Chairman Genova, Secretary Teal, Assistant Secretary Woods, and Treasurer Cook. Staff present included Dale Tooker, David Reinertsen, Carrie Restivo, and Amanda Crysler.

At 5:00 p.m., Chairman Ballagh called the Regular Meeting to order.

MINUTES OF May 5, 2005 – Director Cook moved to accept the minutes of the May 5, 2005 Board Meeting, with corrections. Director Genova seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE – Director Teal moved to approve expenditures of **\$58,774.37** plus **\$88,721.11** on the supplemental statement, for a total of **\$147,495.48**. Director Woods seconded the motion, which passed unanimously.

STAFF REPORTS – Assistant Manager Reinertsen verbally presented a staff report updating the Board on Rinderle Construction's Orchard Mesa property. Information only, no action required.

EXPRESS AGENDA – The Directors reviewed the Express Agenda and accepted the following items as presented:

Utility Billing System Request For Proposal – The computer system failure has caused a delay in Staff's evaluation of the proposal responses. Staff will resume evaluation upon completion of the computer system restoration.

Whitewater Transmission Line Phase II Project Update – The project continues to be on schedule. Approximately 3,000 feet of pipeline is installed. 2,000 feet of the pipeline was pressure tested, accepted, and re-vegetated.

Pant Optimization Phase II Project 2002-03 Update – Pre-construction kickoff meeting was held on May 16, 2005. The Contractor, Garney Construction, has mobilized some equipment and site office trailers. Actual construction activities are scheduled to commence the week of June 6th.

North Raw Water Settling Pond Project 2004-01 Update – Boyle Engineering held a Preliminary Design Kick-off meeting with Staff on May 25, 2005 beginning the design process.

Intergovernmental Agreement / Clifton Sanitation District #2 – Staff from both organizations continue to edit the agreement based upon comments received from the respective Boards and legal counsel. The Agreement will be presented at a future Board meeting.

PLANT OPTIMIZATION PHASE I PROJECT 2002-03 ADVERTISE FOR FINAL PAYMENT – Director Woods moved to advertise for final payment of the Plant Optimization Phase I Project 2002-03. Director Teal seconded the motion, which passed unanimously.

EMPLOYEE'S RETIREMENT BENEFITS REQUEST FOR PROPOSAL SPECIAL MEETING – Director Teal moved to set a Special Board Meeting for June 22, 2005 at 5:00 p.m. to receive proposals for Retirement Benefits. Director Genova seconded the motion, which passed unanimously.

CENTRAL GRAND VALLEY SANITATION 31 ROAD / WARREN PROPERTY UPDATE – Director Woods moved to pay the District’s previously agreed upon share of \$8,000 to Central Grand Valley Sanitation, and request from them a final breakdown of project costs and a copy of the documented release certification from the Colorado Department of Public Health and Environment. Director Cook seconded the motion, which passed unanimously.

I-70B BORING PROJECT 2005-01 – Director Teal moved to authorize staff to advertise for I-70B Boring Project 2005-01 bids. Director Genova seconded the motion, which passed unanimously.

COMPUTER SYSTEM FAILURE – Staff briefed the Board regarding the May 20, 2005 computer system failure. Information only, no action required.

DEBRIEFING OF MESA COUNTY COMMISSIONERS MEETING JUNE 1, 2005
Attending Directors briefed the Board regarding the Mesa County Commissioners meeting on June 1, 2005. The Directors encouraged the District to stay actively involved with the development of the area planning process. Information only, no action required.

XCEL ENERGY PRIMARY RATES – After discussing a staff report, Director Woods moved to not select the Primary Interruptible rate with Xcel Energy (*Staff Reports and Xcel Energy*). Director Genova seconded the motion, which passed unanimously.

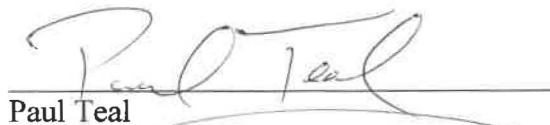
EXECUTIVE SESSION- At 7:12 p.m., Director Teal moved to enter into Executive Session to discuss “personnel matters” 24-6-402 (4)(f) C.R.S. Director Woods seconded the motion, which passed unanimously.

At 7:48 p.m., Director Teal moved to exit Executive Session. Director Woods seconded the motion, which passed unanimously.

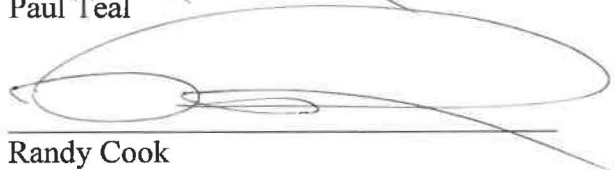
The meeting was adjourned by mutual consent at 7:49 p.m.

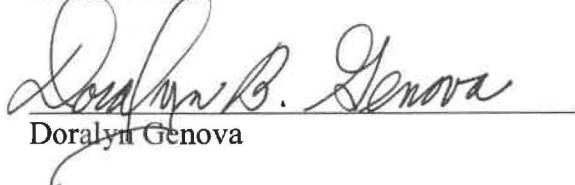
ATTEST:


John L. Ballagh


Paul Teal


Brian Woods


Randy Cook


Doralyn Genova

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

July 7, 2005

Present were Chairman Ballagh, Vice-Chairman Genova, and Treasurer Cook. Secretary Teal and Assistant Secretary Woods had excused absences. Staff present included Dale Tooker, David Payne, and Amanda Crysler.

At 5:00 p.m., Chairman Ballagh called the Regular Meeting to order.

MINUTES OF June 2, 2005 – Director Genova moved to accept the minutes of the June 2, 2005 Board Meeting. Director Cook seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE – Director Cook moved to approve expenditures of \$109,551.18 plus \$345,960.31 on the supplemental statement, for a total of \$455,511.49. Director Genova seconded the motion, which passed unanimously.

EXPRESS AGENDA – The Directors reviewed the Express Agenda and accepted the following items as presented:

Plant Optimization Phase II Project 2002-03 Update – The Contractor, Garney Construction, mobilized and began construction on June 6, 2005. The early excavation stages of the project are on schedule.

North Raw Water Settling Pond Project 2004-01 Update – The Engineer, Boyle Engineering, held a Preliminary Design Kick-off meeting with Staff on May 25, 2005. Water quality data and a preliminary schedule are being developed.

STAFF REPORTS – Manager Tooker presented an overview of the 2005 Water Forecast. Water Treatment Plant Supervisor Payne attended the Historic Users Pool (HUP) annual kickoff meeting. Information only, no action required.

Manager Tooker presented a written staff report updating the Board Members on the Computer Billing System issues, and it's progress. Information only, no action required.

PLANT OPTIMIZATION PHASE I PROJECT 2002-03 FINAL PAYMENT – Final payment to Moltz Construction was made in the amount of \$92,220.60 (*File 7-7-05, Staff Reports, and Phase I*). Tour of the new plant facility will be arranged for Board Members at the August 4, 2005 Board Meeting. Information only, no board action required.

EMPLOYEE'S RETIREMENT BENEFITS – Discussion regarding the three proposals received at the Special Meeting of the Board, held on June 22, 2005, will be deferred until the September 1, 2005 Board Meeting.

CENTRAL GRAND VALLEY SANITATION 31 ROAD / WARREN PROPERTY UPDATE – The Board reviewed a letter received from Ms. Lori Cosslett, Central Grand Valley Sanitation District Manager, in response to the Board’s June letter (*File 7-7-05, Central GV Sanitation, and 31 Road/Warren Property*). It was the consensus of the Board to take no action and to continue to monitor the situation.

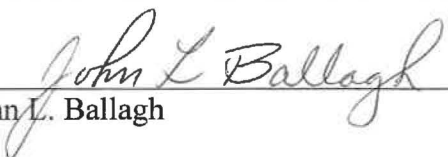
WHITEWATER TRANSMISSION LINE PHASE II PROJECT UPDATE – The project continues to be on schedule. Approximately 6,000 feet of pipeline, out of the 9,000 feet total, is installed. The Board questioned whether staff obtained the proper Storm Water Discharge permits from the Colorado Department of Health and Environment. Manager Tooker will confirm.

INCLUSION PETITION - DONNA KIEFER TAX ID 2943-273-00-030 – Manager Tooker presented the District map and Inclusion Petition Request from Donna Keifer (*File 7-7-05 and Inclusion- Donna Keifer*). Director Cook moved to proceed with the In-District inclusion for the Donna Keifer property known as 232 31 3/10 Road (Tax Schedule ID #2943-273-00-030), and to schedule a Public Meeting at the next Regular Board meeting to hear the petition from Donna Keifer. Director Genova seconded the motion, which passed unanimously.

BUDGET TRANSFER FOR OVERTIME – As a result of the computer system failure, Manager Tooker requested a Budget transfer of \$25,000.00 from Contingency to Operational Overtime. Director Genova moved to transfer \$25,000.00 from Contingency to Operational Overtime. Director Cook seconded the motion, which passed unanimously.

The Board Meeting was adjourned by mutual consent at 6:45 p.m.

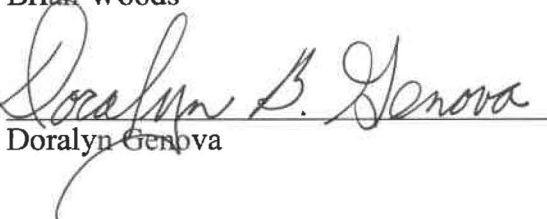
ATTEST:



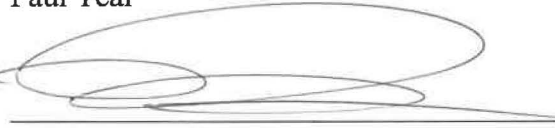
John L. Ballagh

-- Excused --

Brian Woods


Doralyn Genova

-- Excused --

Paul Teal


Randy Cook

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

August 4, 2005

Present were Chairman Ballagh, Vice-Chairman Genova, Secretary Teal and Secretary Woods. Treasurer Cook had an excused absence. Staff present included Dale Tooker, David Reinertsen, Carrie Restivo, and Amanda Crysler.

Chairman Ballagh opened the Public Hearing to consider the Petition of Inclusion submitted by Donna Keifer, noting that the time and place for said hearing was published in accordance with C.R.S. 29-1-106 et. seq. Having not received written comments regarding the request for inclusion of property into the District's service boundaries, Chairman Ballagh closed the Public Hearing at 5:01 p.m. and called the Regular Meeting to Order.

At 5:02 p.m., Erin McIntyre, of Ute Water, presented information pertaining to the 2005 Children's Water Festival, held on May 17-18, 2005. Ms. McIntyre exited the meeting at 5:20 p.m.

MINUTES OF July 7, 2005 – Director Genova moved to accept the minutes of the July 7, 2005 Board Meeting. Director Teal seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE – Director Genova moved to approve expenditures of \$63,577.97 plus \$236,775.81 on the supplemental statement, for a total of \$300,353.78. Director Teal seconded the motion, which passed unanimously.

EXPRESS AGENDA – The Directors reviewed the Express Agenda and accepted the following items as presented:

Central Grand Valley Sanitation 31 Road / Warren Property Update – Progress to finalize the clean up efforts are delayed after Larry Beckner, attorney for Central Grand Valley Sanitation, received a letter from Ms. Warren's attorney. The letter stated Ms Warren's dissatisfaction with the cleanup efforts and demanded additional work to be performed under additional conditions.

Whitewater Transmission Line Phase II Project Update – District crews have installed approximately 6,500 feet of new pipeline. Bi-weekly site inspections and maintenance continue, as mandated by the issued Stormwater Discharge Permit. Due to line upgrade work in support of another CDOT project, the Whitewater Transmission line is now scheduled for completion by the end of August.

Plant Optimization Phase II Project 2002-03 Update – The Value Engineering Change Order #1 was signed by all parties, resulting in a Contract deduction adjustment of \$164,833.00. Presently, the Contractor is eight days behind schedule but plans on gaining time during the concrete slab pour activity, which will start in the first week of August.

12th Annual Children's Water Festival – The 12th Annual Children's Water Festival, which was held May 17-18, was a success. Dave Payne, Allison Dederick, Matt Sinclair and Amanda Crysler all participated from Clifton Water District. A thank you note is included from Erin McIntyre, of Ute Water, who coordinated the event. Erin will be present at the meeting to present a summary report to the Board.

Special District Association Community Outreach Award – Staff submitted Drought Response Information Project materials to the Special District Association to be

considered for the 2005 Community Outreach Award, which will be presented at the Annual Conference in September.

July Water Usage and Demand – July water production has increased as a result of the extended period of hot weather. The 2005 Peak Day flow rate was observed at 8.06 million gallons per day (MGD) on July 23, 2005. The City of Grand Junction received between 0.75 MGD to 1.5 MGD of the 8.06 MGD.

PLANT OPTIMIZATION PHASE I PROJECT 2002-03 – A tour of the new plant facility will be arranged for Board Members at the September 1, 2005 Board Meeting. Information only, no board action required.

SDA WORKSHOP DEBRIEFING – The Board and Staff discussed pertinent points raised at the SDA Workshop. Information only, no Board action required.

CLIFTON SANITATION DISTRICT #2 IGA – Director Woods recused himself from the discussion. Director Teal moved to accept the Intergovernmental Agreement between Clifton Water District and Clifton Sanitation District #2, with changes. Director Genova seconded the motion, which passed unanimously. Director Woods rejoined the Board following the vote.

KEIFER PRIVATE PROPERTY INCLUSION – Director Woods moved to include 232 31 3/10 Road as Recorded in Book 1657 Page 194 of the Mesa County Clerk and Recorder on August 13, 1987, into the In-District service boundaries of the Clifton Water District (*File 8-4-05 and Inclusion- Keifer*). Director Genova seconded the motion, which passed unanimously.

RESOLUTION TO INCLUDE THE KEIFER PRIVATE PROPERTY

WHEREAS on August 4, 2005, Donna Keifer, petitioned the Clifton Water District Board of Directors to include property within the boundaries of the Clifton Water District generally described as follows:

Recorded in Book 1657 Page 194 of the Mesa County Clerk and Recorder on August 13, 1987 more particularly described as follows:

PARCEL NO. 1 – Tax Schedule No. 2943-273-00-030
S 330FT of NE ¼ SW ¼ SEC 271S 1E – 10 AC

WHEREAS said owner desires domestic water service from the Clifton Water District, and,

WHEREAS the Board of Directors of the Clifton Water District has determined that it is in the District's best interest to include the stated property within the District's boundaries; and

WHEREAS the District has previously included other Orchard Mesa properties into the District's the service boundaries.

NOW THEREFORE BE IT RESOLVED that the Clifton Water District Board of Directors approve the inclusion of the said property as described above, adopt the Order dated August 4, 2005 and authorize the Secretary and President of the Board to sign the Certificate of Inclusion and Order dated August 4, 2005.

Minutes
Page 3
August 4, 2005

LINCOLN NATIONAL QUALIFIED PLAN DOCUMENT SERVICE

AGREEMENT – Director Woods moved to accept and sign the Lincoln National Document Service Agreement that will maintain the existing plan until a decision is made on an alternative retirement program (*File 8-5-05 and Lincoln Pension Agreement File*). Director Teal seconded the motion, which passed unanimously.


REFERENDUM C & D RESOLUTION – The Board deferred this item to the next Regular Board Meeting to gather more information. Information only, no board action required.

COLORADO RIVER BASIN PROPOSAL – At 7:00 p.m., Director Teal moved to enter into Executive Session to discuss “determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators” 24-6-402(4)(e) C.R.S. Director Genova seconded the motion, which passed unanimously.

At 7:16 p.m., Director Teal moved to exit the Executive Session. Director Woods seconded the motion, which passed unanimously.

The Board Meeting was adjourned by mutual consent at 7:30 p.m.

ATTEST:



John L. Ballagh



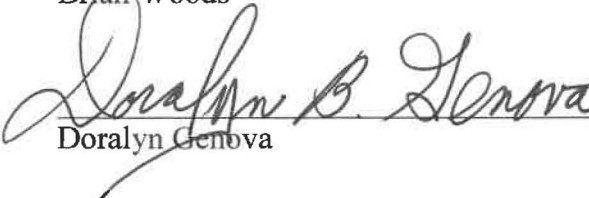
Paul Teal



Brian Woods

-- Excused --

Randy Cook



Doralyn Genova

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

September 1, 2005

Present were Chairman Ballagh, Vice-Chairman Genova, Secretary Teal, Assistant Secretary Woods and Treasurer Cook. Staff present included Dale Tooker, David Reinertsen, David Payne, Carrie Restivo and Amanda Crysler.

At 5:04 p.m., Chairman Ballagh called the Regular Meeting to order.

At 5:05 p.m., Chris Johnson, of the Capital Investment Counsel, presented information regarding the District's investment policy. Mr. Johnson exited the meeting at 5:17pm.

MINUTES OF AUGUST 4, 2005 – Director Teal moved to accept the minutes of the August 4, 2005 Board Meeting, with corrections. Director Genova seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE – Director Teal moved to approve expenditures of **\$72,156.92** plus **\$151,343.75** on the supplemental statement, for a total of **\$223,500.67**. Director Woods seconded the motion, which passed unanimously.

STAFF REPORTS – Manager Tooker presented the Sixth Month Financial Overview of the District for January – June 2005 (*Staff Reports and File 9-1-05*). Information only, no board action at this time.

Manager Tooker handed out a Staff Report detailing the vandalism at the Northwest Water Storage Tanks discovered on July 5, 2005 (*Staff Reports and File 9-1-05*). Information only, no board action at this time.

Manager Tooker handed out an informational Staff Report describing staff efforts to assist the Grand Junction Air Show (*Staff Reports and File 9-1-05*). The Board suggested sending a letter of thanks to each staff member who helped during an overnight crisis the Air Show experienced.

Water Treatment Plant Superintendent David Payne gave a tour of the new post-treatment chemical facility for the Board Members. Information only, no board action.

EXPRESS AGENDA – The Directors reviewed the Express Agenda and accepted the following items as presented:

Whitewater Transmission Line Phase II Project Update – District crews continue the installation of the remaining 2,000 lf of main line. The line is scheduled to be placed in service by mid-September.

Plant Optimization Phase II Project 2002-03 Update – After several Contractor delays, the first section of floor was poured on August 17, 2005. Several wall sections are also in place. Remaining floor sections are scheduled for placement by September 2, 2005. The

Contractor is approximately 20 days behind schedule with a recovery plan proposed to recover the bulk of the schedule during the placement of the remaining concrete walls. Middle Water Storage Tank, Project 2002-01 – The final one-year warranty inspection was completed by representatives of the District, the Engineer (Burns & McDonnell), and the Contractor (Elsworth Paulson) on August 2, 2005. The inspection identified one item that required correction (new table of contents for the electric panel). This item was completed by August 10, 2005 and the project is now 100% complete.

Grand Junction Colorado River Pipeline Water Right Diligence Filing – Staff has prepared the “Finding of Diligence” for the Grand Junction Colorado River Pipeline Water Right. The “Diligence” application also requests that 2.49 cubic feet per second of the conditional right be made absolute. The Diligence filing is completed every five years.

County Commissioners Meeting – A second meeting with the Mesa County Commissioners is scheduled for September 1, 2005 at 2:00 pm at the Clifton Community Center.

Whitewater Utility Locates – Kinder Morgan began the installation of a natural gas pipeline to serve the Whitewater area. Request for utility locates have caused an unplanned demand on existing distribution staffing levels. Thomas Shawler was hired as a temporary, part-time employee to facilitate the locate requests.

2005 Colorado River Water Seminar – Information on the 2005 Colorado River Water Seminar at Two Rivers Convention Center on September 30, 2005 will be made available at the meeting. Board members planning on attending should contact Amanda Crysler.

Headwaters Tour – A Colorado Head Waters Tour is scheduled for September 12 -13, 2005. The tour was organized after the recent Colorado River Basin Proposal. Information will be made available at the meeting. Board members planning on attending should contact Amanda Crysler.

DEPARTMENT OF LOCAL AFFAIRS ENERGY IMPACT ASSISTANCE –

Director Cook moved to authorize staff to pursue the application process for an energy impact assistance grant for upcoming District projects. Director Woods seconded the motion, which passed unanimously.

CLIFTON SANITATION DISTRICT #2 IGA – Director Woods recused himself from the discussion. Staff updated the Board regarding the status of the Intergovernmental Agreement. Staff from both organizations met and identified an amendment to be presented to Clifton Sanitation District #2 (CSD #2) in regards to fees. After CSD #2 reviews the amendment, it will be presented to the Board. Information only, no board action at this time. Director Woods re-joined the meeting.

REFERENDUM C & D RESOLUTION – By mutual consent, the Board adopted the following Resolution (*File 9-1-05 and Resolutions*):

RESOLUTION CONCERNING REFERENDUM C & REFERENDUM D

WHEREAS the Clifton Water District Board of Directors believe that Referendum C & Referendum D are important state budget issues that should be considered by all customers of the District;

WHEREAS the Clifton Water District Board of Directors recognizes that Referendum C & D may affect TABOR issues throughout the state of Colorado;

WHEREAS the Clifton Water District Board of Directors realize that the customers of the District may have strong personal positions concerning Referendum C & D;

WHEREAS the District encourages Customers to seek additional information and learn more about the Referendum issue;

WHEREAS the Clifton Water District Board of Directors suggest contacting your State Legislator for more information regarding Referendum C & D;

WHEREAS the Clifton Water District Board of Directors encourage all customers to exercise their right to vote in the November election;

BE IT FURTHER RESOLVED that the Board of Directors declared the importance of voting in the November 1, 2005 Election be adopted this 1st day of September 2005.

EMPLOYEE RETIREMENT BENEFITS – Director Cook moved to accept the proposal submitted by Colorado County Officials and Employees Retirement Association (CCOERA) as the preferred provider of the employee’s retirement benefit plan, and direct staff to contact CCOERA and organize a Special Meeting to discuss details. Director Teal seconded the motion, which passed unanimously.

2006 BUDGET

- a. Appoint Manager to Prepare the 2006 Budget – Director Teal moved to appoint the Manager to prepare the 2006 Budget. Director Woods seconded the motion, which passed unanimously.
- b. Appoint Budget Committee – By unanimous consent, Directors Teal and Woods were appointed to serve on the 2006 Budget Committee.

ATTORNEY BECHTEL – Manager Tooker informed the Board that the District’s Employment Law Attorney, Attorney Bechtel, is leaving the firm of Dufford, Waldeck, Milburn, and Krohn. Information only, no board action at this time.

SDA PROXY – Chairman Ballagh and Director Woods will attend the SDA Annual Meeting as Representatives of the District September 21 - 23. Due to the representation at the meeting, Proxy documents are not required, therefore, no board action at this time.


Minutes
Page 4
September 1, 2005

At 7:47 p.m., Director Cook moved to enter into Executive Session to discuss "personnel matters" 24-6-402(4)(f) C.R.S. Director Teal seconded the motion, which passed unanimously. Staff members Reinertsen, Payne, Restivo and Crysler exited the meeting.

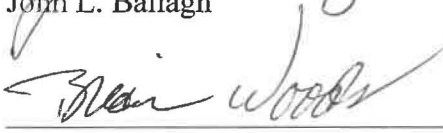
At 8:29 p.m., Director Teal moved to exit the Executive Session. Director Genova seconded the motion, which passed unanimously.

The regularly meeting was adjourned at 8:30 p.m by mutual consent.

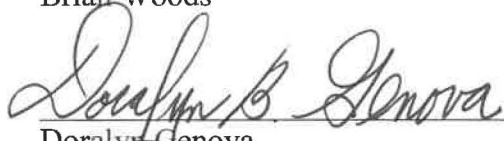
ATTEST:



John L. Ballagh




Brian Woods



Doralyn Genova



Paul Teal



Randy Cook

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

October 6, 2005

Present were Chairman Ballagh, Vice-Chairman Genova, Secretary Teal, Assistant Secretary Woods and Treasurer Cook. Staff present included Dale Tooker, Carrie Restivo and Amanda Crysler.

At 5:02 p.m., Chairman Ballagh called the Regular Meeting to order.

MINUTES OF SEPTEMBER 1, 2005 – Director Teal moved to accept the minutes of the September 1, 2005 Board Meeting, with corrections. Director Genova seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE – Director Teal moved to approve expenditures of \$61,025.69 plus \$661,808.26 on the supplemental statement, for a total of \$722,833.56. Director Genova seconded the motion, which passed unanimously.

EXPRESS AGENDA – The Directors reviewed the Express Agenda and accepted the following items as presented:

Whitewater Transmission Line Phase II Project Update – District crews continue the installation of the remaining 800 lf of main line. Due to weather delays, the line has been re-scheduled to be in service by mid-October.

Plant Optimization Phase II Project 2002-03 Update – All floor sections are in place and wall placement is approximately 60% complete. The Project continues to be about 20 days behind schedule with the recovery hampered by a local concrete shortage. The Contractor plans to have all concrete walls completed by the end of October.

Headwaters Tour – Manager Tooker and Plant Supervisor Payne attended the Colorado River Water Conservation District's tour of the Headwaters of the Colorado River on September 12-13.

Special District Association Awards – John Ballagh was awarded Manager of the Year for the Grand Junction Drainage District and Distinguished Board Member for the Clifton Water District. The Clifton Water District also received First Place in Broadcast Media for work associated with the Drought Response Information Project (DRIP) program.

Lincoln National/Delaware – Lincoln National notified the District that they are consolidating the administration of the District's Retirement plan and will no longer use Delaware Investments (a Lincoln National subsidiary). Lincoln National states that the consolidation will be seamless and will not affect the services provided.

2006 DRAFT BUDGET – Manager Tooker presented the Draft 2006 District Budget to the Board (*File 10-06-05 and 2006 Budget*). Director Genova moved to publish that the Clifton Water District 2006 Budget Hearing will be held at 5:00 p.m., December 1, 2004 at the Clifton Water District Office at 510 34 Road, Clifton, CO, and that the Budget is open for public inspection and any objections may be filed prior to adoption. Director Teal seconded the motion, which passed unanimously.

EMPLOYMENT LAW ATTORNEY – The Board discussed a letter received from Dufford, Waldeck, Milburn & Krohn announcing that Betty Bechtel and Michael Santo are leaving the firm to form their own firm, Bechtel & Santo, LLP (*File 10-6-05*). The Board directed staff to use judgment when deciding between the two firms as to who to seek legal advice regarding employment and personnel issues.

EMPLOYEE RETIREMENT BENEFITS – Director Cook moved to participate in the 401(a) Retirement Plan as proposed by the Colorado County Officials and Employees Retirement Association (CCOERA) and agree to the Association's Membership Resolution as proposed by CCOERA, effective October 6, 2005 (*File 10-06-05 and CCOERA Agreement*). Director Genova seconded the motion, which passed unanimously.

**401(a) RETIREMENT PLAN
ASSOCIATION MEMBERSHIP RESOLUTION**

WHEREAS, It has been determined to be in the best interest of the employees of the Clifton Water District to provide for the retirement of employees under certain terms and conditions; and

WHEREAS, the Colorado Statutes provide for the adoption of a retirement plan or system by a group of Colorado local government; and

WHEREAS, the advantage of joining together with several other counties, municipalities and special districts in Colorado to adopt a retirement system for county, municipal, and district employees is to lower individual costs and thereby save tax money and employees' money,

NOW, THEREFORE, BE IT RESOLVED:

1. Effective October 6, 2005 the Clifton Water District hereby elects to become a part of the Colorado County Officials and Employees Retirement Association under the following terms and conditions:
 - a. Said Association has submitted its Retirement Plan to the Clifton Water District, and said Plan is hereby approved, as evidenced by the executed Retirement Plan Adoption Agreement, which is attached hereto;
 - b. From this date forward, all new hires of the Clifton Water District shall be covered by said Retirement Plan.
2. The Clifton Water District hereby designates Dale Tooker as their official representative to the Colorado County Officials and Employees Retirement Association.
3. The Clifton Water District certifies that as of the date of this Resolution the Authority has 25 employees.

Director Woods moved to accept the proposed 401(a) CCOERA Participation Agreement with the following Employer's participation elections:
Status of Employee: Every employee of the Participation Employer who works at least 12 months per year, and who works at least 24 hours per week.
Eligibility Service Period: Six-month period.

Re-Employment More Than Thirty (30) Days After Termination: In accordance with the default provisions of Section 2.4(b) of the Plan, the Participating Employer shall not grant prior service credit for purposes of eligibility service in the event an Employee terminates employment with an Association Member (including the Participating Employer) more than thirty (30) days before his most recent Date of Hire with the Participating Employer.

Change in Status: In accordance with the default provisions of Section 2.5(a) of the Plan, a Participant who continues in the employ of the Participating Employer but ceases to be employed in the capacity required for eligibility as defined above will no longer satisfy the eligibility provisions. Upon return to an employment status meeting the eligibility criteria, the Employee must complete the applicable Eligibility Service Period (which shall commence as of the date the Employee returns to such employment status) before recommencing participation in the Plan.

Participating Employer Contributions: The Participating Employer will contribute 3% of the Compensation of such Participant for the Plan Month.

Prior Service Contributions: The Participating Employer elects not to make a Prior Service Contribution.

Mandatory Participant Contributions: Before-tax in accordance with C.R.S. Section 24-54-104(4) and Internal Revenue Code Section 414(h)(2).

Vesting of Participant's Accounts: Five-Year Vesting. A Participant shall vest each Plan Month at the rate which equals the product of 1/12 multiplied by 20%.

Past Service Credit: At the time this Participation Agreement is executed, all Employees employed by the Participating Employer shall have all periods of employment service credited towards the above-referenced vesting schedule.

Re-Employment More Than Thirty (30) Days After Termination: In accordance with the default provisions of Section 5.2(c), the Participating Employer shall not grant prior service credit for purposes of vesting service in the event an Employee terminates employment with an Association Member (including the Participating Employer) more than thirty (30) days before his most recent Date of Hire with the Participating Employer.

Re-Employment Within Thirty (30) Days After Termination: In accordance with the default provisions of Section 5.2(d), the Participating Employer shall grant prior service credit for purposes of vesting service in the event of a "transfer" of an Employee between Association Members participating in the Plan. A "transfer for purposes of this Section 5.2(d) means changing employment from one Association Member to another Association Member.

Change in Status: In accordance with the default provisions of Section 5.2(g), a Participant who continues in the employ of the Participating Employer but ceases to be employed in the capacity required for eligibility as defined above will be deemed to satisfy the eligibility provisions for purposes of vesting and will continue to receive vesting credit in the Plan despite the change in status.

Loans to Eligible Borrowers: Participant loans are *not* allowed.

Definition of Compensation: For purposes of allocating contributions or forfeitures, the Participating Employers excludes the following from the definition of Compensation (as

defined in Section 17.9 of the Plan)- Bonuses (including 457 Deferred Compensation contributions by the District); Fringe Benefits, expense reimbursements; deferred compensation, and welfare benefits; and Severance Pay.

Director Genova seconded the motion, which passed unanimously.

Director Woods moved to participate in the 457 Deferred Compensation Retirement Plan as proposed by CCOERA and agree to the Association's Membership Resolution as proposed by CCOERA, effective October 6, 2005. Director Genova seconded the motion, which passed unanimously.

**457 DEFERRED COMPENSATION PLAN
ASSOCIATION MEMBERSHIP RESOLUTION**

WHEREAS, It has been determined to be in the best interest of employees of the Clifton Water District to provide for retirement of employees under certain terms and conditions; and

WHEREAS, the Clifton Water District has previously elected to become a part of the Colorado County Official and Employees Retirement Association in accordance with Part 1, Article 54, Title 24, Colorado Revised Statutes, as amended, and

WHEREAS, the Clifton Water District desires to enable employees to enhance their retirement security by permitting them to enter into agreements with it to defer compensation and receive benefits at retirement, death, separation from service;

WHEREAS, CCOERA offers an eligible deferred compensation plan, pursuant to the terms of section 457 of the Internal Revenue Code; and

WHEREAS, CCOERA's Deferred Compensation Plan has been reviewed and approved by the Internal Revenue Service in a Private Letter Ruling;

WHEREAS, on August 16, 2002, the Governing Board of CCOERA modified the CCOERA Deferred Compensation Plan to comply with the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001, Public Law 107-16;

NOW, THEREFORE, BE IT RESOLVED:

1. Effective October 6, 2005 the Clifton Water District hereby elects to adopt and make available the CCOERA Deferred Compensation Plan, established and administered pursuant to section 457 of the Internal Revenue Code; and
2. The amount deferred by the Employees will be transferred to the CCOERA Deferred Compensation Plan Trust for the exclusive benefit of deferring employee; and
3. The Clifton Water District agrees, on behalf of the employees of the District to defer an amount from an employee's compensation, upon the receipt of a completed Deferred Compensation Agreement from an employee, and to timely remit such amounts to the Association, make payable to Colorado County Officials and Employees Retirement Association (CCOERA).

Director Genova moved to accept the proposed 457 Deferred Compensation Plan CCOERA Participation Agreement with the following Employer's participation elections:

Minutes
Page 5
October 6, 2005

Optional Employer Contributions- The Participating Employer shall make Employer Contributions, according to the attached current Employer Policy Statement.

Loans to Eligible Borrowers- Participants are not allowed.

Director Woods seconded the motion, which passed unanimously.

Director Teal moved to send a letter of notice to Lincoln National Financial terminating the agreement between the District and Lincoln National, effective October 6, 2005.

Director Woods seconded the motion, which passed unanimously.

Director Genova moved to pay the one-time surrender fee associated with the Lincoln Financial 457 Plan based upon the decision of the employee by November 30, 2005.

Director Woods seconded the motion, which passed unanimously.

CLIFTON SANITATION DISTRICT #2 IGA – Director Woods recused himself from the discussion. Director Teal moved to accept the Clifton Sanitation District #2 IGA with the identified amendments. Director Genova seconded the motion, which passed unanimously. Director Woods re-joined the Board following the vote.

WARREN PROPERTY – A letter was presented to the Board from Gablehouse, Calkins & Granberg, LLC (GCG), regarding a notice of Claim Pursuant to Sections 24-10-101 *et seq.*, C.R.S. Colorado Governmental Immunity Act. GCG represents Barbara Warren, the owner of the property located at 3085 D ½ Road (*File 10-06-05 and 31 Road/Warren Property*). Information only, no board action needed at this time.

SDA CONFERENCE BRIEFING – By consensus of the Board, this item was deferred to the November 3, 2005 Board Meeting.

COLORADO BASIN WATER ROUNDTABLE AT-LARGE APPOINTMENT – It was the consensus of the Board to approve Manager Tooker to apply for an At-Large position with the Colorado Basin Water Roundtable.

PALISADE NATIONAL BANK HOLDING ACCOUNT – Manager Tooker presented a staff report recommending that the District open a new bank account to use as a holding account for online payments made by customers (*File 10-06-05 and Staff Reports*). It was the consensus of the Board to have staff proceed with creating an additional account for online payments.

TAMARISK COALITION REQUEST – The Board discussed a letter that was included in the Board Packet from the Tamarisk Coalition regarding a \$5,000.00 “Sponsor” donation request to the Coalition to help curb the tamarisk problem along the Colorado River. Director Woods moved to donate the “Benefactor” level amount of \$1,000.00 and focus on Tamarisk that affects the Clifton Water District property. Director Cook seconded the motion, which passed unanimously.

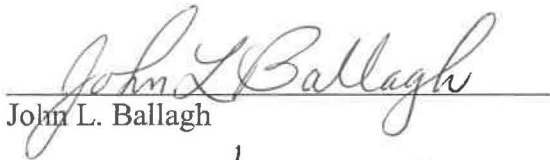
Minutes
Page 6
October 6, 2005

At 7:41 p.m., Director Teal moved to enter into Executive Session to discuss "personnel matters" 24-6-402(4)(f) C.R.S. Director Genova seconded the motion, which passed unanimously. Staff members Tooker, Restivo and Crysler exited the meeting.

At 8:03 p.m., Director Teal moved to exit the Executive Session. Director Woods seconded the motion, which passed unanimously.

The regular meeting was adjourned at 8:04 p.m. by mutual consent.

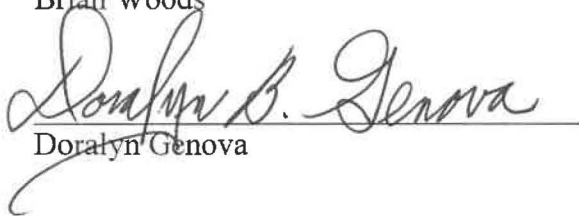
ATTEST:



John L. Ballagh



Brian Woods



Doralyn Genova



Paul Teal



Randy Cook

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

November 3, 2005

Present were Chairman Ballagh, Vice-Chairman Genova, Secretary Teal, Assistant Secretary Woods and Treasurer Cook. Staff present included Dale Tooker, David Reinertsen, Carrie Restivo and Amanda Crysler.

At 5:04 p.m., Chairman Ballagh called the Regular Meeting to order.

MINUTES OF OCTOBER 6, 2005 – Director Genova moved to accept the minutes of the October 6, 2005 Board Meeting. Director Woods seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE – Director Teal moved to approve expenditures of \$71,951.97 plus \$637,392.66 on the supplemental statement, for a total of \$709,344.63. Director Woods seconded the motion, which passed unanimously.

EXPRESS AGENDA – The Directors reviewed the Express Agenda and accepted the following items as presented:

Whitewater Transmission Line Phase II Project Update – District crews completed pipeline installation and placed the line in service on October 10, 2005. Re-vegetation activities have been completed as per the issued Stormwater Discharge Permit. Staff will monitor the re-vegetation efforts until the 70% coverage requirement is achieved.

Plant Optimization Phase II Project 2002-03 Update – The Contractor has completed approximately 90% of all concrete wall placements. A safety hazard incident occurred when the crane contacted an energized overhead electrical wire. The Contractor stopped work and upon investigation, the noted deficiencies were corrected and new work practices initiated. The Contractor has reduced the overall schedule deficiency to approximately eight days from the previously reported 20 days in September.

Waterline Replacement Project 33 & F 5/8 - Staff has processed license modification paperwork to the US Bureau of Reclamation to change the waterline crossing over the Highline Canal on the existing Mesa County bridge to bore beneath the canal. This alignment change is necessary to accommodate the County's bridge replacement project scheduled to commence within the first two weeks of November. Staff is upsizing the existing eight-inch main line to a ten-inch, in anticipation of sewer service expansion north and east of this project.

Warren Property – The additional cleanup work has been initiated. Removal of visible material will continue and soil testing will be performed to determine if additional soil will need to be removed.

Clifton Sanitation #2 IGA – The IGA is expected to be signed by the Clifton Sanitation District #2 on November 7, 2005 after which, the Clifton Water District Board can sign

the Agreement. Staff from both organizations have met and will begin to implement the IGA in December 2005.

CCOERA Retirement Program – Participation Agreements for the 401(a) and 457 Deferred Compensation Plan were submitted to CCOERA. CCOERA representatives met with employees on Monday, October 17, 2005, with follow up meetings to commence in November.

Section 125 Flexible Spending Account Program – Representatives from Worksite Benefit Specialists and Home Loan will be meeting with employees November 3rd and 4th to set up the Flexible Spending Account Program for supplemental insurance and other qualified expenses. The Flexible Spending Program was presented to the Board by the Benefits Committee and will be in place January 2006 to allow employees to utilize before payroll tax deductions to fund qualified expenses.

Colorado Basin Water Roundtable – On October 17, 2005, Manager Tooker was elected to represent the Clifton Water District on the Colorado Roundtable Committee representing the Water Rights Group. Manager Tooker will keep the Board informed of the activities and issues regarding the Roundtable.

Colorado Water Congress Convention January 24-27, 2006 – The Colorado Water Congress will be having their winter convention in Denver, CO., January 24-27, 2006. Board members interested in attending should contact Manager Tooker.

Parade of Lights and Holiday Party – The District will again participate in the Parade of Lights on Saturday, December 3, 2005. The District's Holiday Party has been set for Friday, December 9, 2005.

2006 DRAFT BUDGET – Manager Tooker presented the 2006 Draft Budget (*File 11/3/05 and 2006 Budget*) to the Board. After discussing the 2006 Draft Budget, Director Teal moved to reschedule the regular Board meeting from December 1, 2005 to December 8, 2005 and set the 2006 Budget Hearing for December 8, 2005 at 5:00 pm. Director Cook seconded the motion, which passed unanimously.

POLICY #915 - 457 DEFERRED COMPENSATION – Director Woods moved to accept Policy #915 of the 457 Deferred Compensation, (*File 11/3/05 and Policy*) as proposed by staff, with corrections to be made effective October 6, 2005. Director Genova seconded the motion, which passed unanimously.

CCOERA – A Staff Report (*File 11/3/05 and Staff Report*) was presented to the Board identifying retirement contribution issues during the recent change to CCOERA. Director Woods moved to approve changes in the CCOERA Participation Agreement allowing a one-time 6% District contribution for the specific period of September 23 to October 7, 2005. Director Teal seconded the motion, which passed unanimously.

TURKEY TRADITION – Director Woods moved to continue the annual tradition of the District providing either a turkey or ham to all employees and Board Members for either Thanksgiving or Christmas. Director Cook seconded the motion, which passed unanimously.

DIRECTOR'S COMPENSATION – Director Teal moved to increase the Board of Directors compensation from \$75.00 to \$100.00 in accordance with Colorado State Senate Bill 05-012. The compensation increase will apply to those Board Members elected in 2006. Director Cook seconded the motion, which passed unanimously.

2005 GVICO ANNUAL SHAREHOLDERS MEETING – The 2005 Annual Shareholders Meeting of the Grand Valley Irrigation Company is scheduled for December 3, 2005. It was the consensus of the Board to sign the Proxy, in lieu of attendance at the Annual Shareholders Meeting.


SDA CONFERENCE BRIEFING – Staff and Board Members who attended the SDA Annual Conference briefed those who did not attend.

At 7:17 p.m., Director Teal moved to enter into Executive Session to discuss personnel matters 24-6-402(4)(f) C.R.S. Director Woods seconded the motion, which passed unanimously. Staff members Reinertsen, Restivo and Crysler exited the meeting.

At 7:57 p.m., Director Teal moved to exit the Executive Session. Director Cook seconded the motion, which passed unanimously.

The regular meeting was adjourned at 7:58 p.m. by mutual consent.

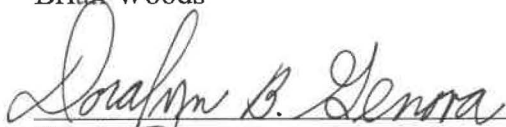
ATTEST:



John L. Ballagh



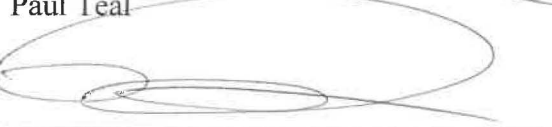
Brian Woods



Doralyn Genova



Paul Teal



Randy Cook

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, DECEMBER 8, 2005**

BOARD MEMBERS PRESENT: John Ballagh, Chairman; Doralyn Genova, Vice-Chairman; Paul Teal, Secretary; Brian Woods, Assistant Secretary; Randy Cook, Treasurer.

STAFF MEMBERS PRESENT: Dale Tooker, David Reinertsen, Carrie Restivo, Laure Watkins

GUESTS PRESENT: Paul Fischer, Burns & McDonnell Engineering and Robert Millwee, Garney Construction

PUBLIC HEARING ON PROPOSED 2006 BUDGET - At 5:05 p.m., Chairman Ballagh opened the Public Hearing for the 2006 Budget. No public participants present. Public Hearing concluded at 5:06 p.m.

REGULAR MEETING - Chairman Ballagh called the meeting to order at 5:07 p.m.

GUESTS - Burns & McDonnell Engineering – Plant Optimization Phase II Project Status Update: Paul Fischer provided the Board with a progress report (*File 12-1-05 and Plant Optimization Project -Phase II*) on the Optimization Plant Phase II. Projected completion is still scheduled for May 2006. The presentation concluded at 5:20 p.m.

MINUTES OF THE NOVEMBER 3, 2005 BOARD MEETING - Director Teal moved to accept the minutes of the November 3, 2005 Board Meeting. Director Genova seconded the motion, which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Teal moved to accept the financial report as presented and approve expenditures of **\$85,585.36** plus **\$330,847.16** on the supplemental statement, for a total of **\$416,432.52**. Director Woods seconded the motion, which passed unanimously.

STAFF REPORTS – Whitewater Transmission Line Phase II Project Final Report – Assistant Manager Reinertsen provided a brief overview of the Transmission Line project. (*File 12-1-05 and Whitewater Transmission Line Phase II*)
2005 Mesa County Irrigation Audit Summary Report - Assistant Manager Reinertsen provided a brief overview of the Irrigation Audit program and the 2005 Drought Response Information Project (DRIP) (*File 12-1-05*).

EXPRESS AGENDA - The Directors reviewed the Express Agenda and accepted the following items as presented:

Plant Optimization Phase II Project 2002-03 Update – The Contractor has completed placement of all concrete walls and elevated concrete walkways and decks. The basin leak tests will commence on December 8. Upon successful completion of these tests, masonry wall construction can begin. The Contractor continues to be approximately 10 calendar days behind the approved performance schedule.

Waterline Replacement Project 33 & F 5/8 – Due to cost and scheduling issues, Staff has revised the main line reroute project to install the new main line in conjunction with the Clifton Sanitation District No. 2 new sewer line project at the bridge site. Work is tentatively scheduled for mid-December after the County's bridge contractor completes piling installation.

Energy and Mineral Impact Assistance Application – Staff completed the application request for \$500,000 to assist in the design and construction of the South Water Storage Tank. The application was submitted on December 1, 2005.

CCOERA Retirement Program – The new CCOERA Retirement Program has been implemented and is awaiting the transfer of funds from the Lincoln National accounts.

Water Education Foundation, Lower Colorado River Tour – The Lower Colorado River Tour is an excellent educational opportunity to observe the value of the Colorado River to Arizona, Nevada and California. The tour is April 5-7, 2005. Board members wanting to attend should contact Laure Watkins.

2006 DRAFT BUDGET - The 2006 Draft Budget (*File 12-1-05 and 2006 Budget*) was presented and reviewed. Director Teal moved to adopt the 2006 Budget. Director Woods seconded and the motion passed unanimously. Director Woods moved to appropriate funds for 2006 by approval of the Appropriation Resolution for the 2006 Budget. Director Teal seconded and the motion passed unanimously.

**APPROPRIATION RESOLUTION OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE FOR THE
2006 BUDGET YEAR**

A resolution appropriating sums of money to the various accounts, in the amounts and for the purposes as set forth below, for the Clifton Water District acting by and through its Water Activity Enterprise, Mesa County, Colorado, for the 2006 Budget Year.

WHEREAS, the Directors have adopted the annual budget for 2006 in accordance with the Local Government Budget Law, on the 8th day of December, 2005, and;

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

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

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

ESTIMATED BEGINING BALANCE	\$9,720,925
<u>ESTIMATED EXPENDITURES</u>	
Operating Expenses	
Source of Supply	\$19,035
Water Treatment	\$664,906
Transmission & Distribution	\$333,013
General & Administrative	\$277,010
Labor Expenses	<u>\$1,326,321</u>
<i>Total Operating Expenses</i>	<i>\$2,620,285</i>
Non-Operating Expenses	
Capital Expenses	\$5,300,090
Bond Principal & Interest	\$557,500
Emergency Fund	\$396,020
Reserve Fund	\$696,135
Contingency	<u>\$4,791,795</u>
<i>Total Non-Operating Expenses</i>	<i>\$11,741,540</i>
TOTAL ESTIMATED EXPENDITURES	\$14,361,825
<u>ESTIMATED REVENUES</u>	
Operating Revenue	
Sale of Water	\$3,070,000
Sanitation District	\$10,200
Penalty & Turn Fees	\$39,600
Tap Installation	<u>\$27,600</u>
<i>Total Operating Revenue</i>	<i>\$3,147,400</i>
Non-Operating Revenue	
Plant Investment Fees	\$1,250,000
Main Line Extension Fees	\$18,000
Disposal of Assets	\$3,500
Availability of Service	\$14,000
Interest	\$200,000
Property Taxes	\$0
Lease Income	\$6,000
Other Income	<u>\$2,000</u>
<i>Total Non-Operating Revenue</i>	<i>\$1,493,500</i>
TOTAL ESTIMATED REVENUE	\$4,640,900
Estimated From Reserves	\$9,720,925
TOTAL FUNDS AVAILABLE	\$14,361,825
ESTIMATED ENDING BALANCE	(\$0)

IT IS FURTHER RESOLVED, that there is appropriated from the funds of the District acting by and through its Water Activity Enterprise, Fourteen Million, Three Hundred Sixty-One Thousand, Eight Hundred Twenty-Five Dollars (\$14,361,825) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2006 or thereafter.

I hereby certify the forgoing is a true copy of a resolution adopted by the Board of Directors of the Clifton Water District acting by and through its Water Activity Enterprise at a regular meeting of the Board held on December 8, 2005. Said budget was displayed for inspection and notice of said display for inspection was duly published in accordance with C.R.S. 29-1-106.

Dated December 8, 2005

CLIFTON WATER DISTRICT / CLIFTON SANITATION #2 IGA - Director Woods recused himself from discussions regarding the IGA. The IGA (*File Clifton Sanitation #2 and Agreements*) was signed by the Directors, which finalized this document.

WARREN PROPERTY - Manager Tooker reported that the District received notification from Central Grand Valley Sanitation District of "No Further Action" from the State of Colorado. (*File 12-1-05 and Warren Property*) The Board recognized the leadership efforts of Central Grand Valley Sanitation District Manager, Lori Cosslett, in spearheading the completion of this project. It was the consensus of the Board to send Ms. Cosslett a commendation letter signed by the Board.

The Board directed staff to send a letter to the Central Grand Valley Sanitation Board requesting representatives from the District Board to meet and review the project.

BUDGET TRANSFER FOR VEHICLE EXPENSES – Manager Tooker reported that as a result of increased fuel costs and unexpected backhoe repair in 2005, he is requesting a \$20,000 transfer of funds from Contingency to Vehicle Expense line items. Director Woods moved to transfer \$20,000 from Contingency to Vehicle Expense to be allocated as follows: \$19,000 to Distribution/Administration and \$1,000 to the Water Treatment Plant. Director Cook seconded and the motion passed unanimously.

STATE OF COLORADO OIL AND GAS STORM WATER REGULATORY SUPPORT - Manager Tooker presented the Resolution (*File 12-1-05 and Resolutions*) supporting the Water Quality Control Commission in their efforts to control storm water discharge from oil and gas well sites. Director Woods moved to accept the "Resolution in Support of the Water Quality Control Commission Revision of Regulation #61 Controlling Storm water Discharge from Oil and Gas Well Sites". Director Cook seconded and the motion passed unanimously.

RESOLUTION IN SUPPORT OF THE WATER QUALITY CONTROL COMMISSION REVISION OF REGULATION #61 CONTROLLING STORMWATER DISCHARGE FROM OIL AND GAS WELL SITES

WHEREAS, the Clifton Water District recognizes that oil and gas development in Colorado and the western slope is occurring at an accelerated pace; and

WHEREAS, the Clifton Water District receives its water from the Colorado River and associated tributary watersheds recognizing the responsibility of a public water supply to be stewards of the waterways; and

WHEREAS, storm water from rain and melting snow flowing across areas associated with oil and gas exploration can cause soil erosion that can be transported with contaminants into streams and rivers; and

WHEREAS, the transportation of contaminants from energy related sites and access routes can adversely effect water quality in the tributaries and source water of the District; and

WHEREAS, all other industries , public agencies, and private citizens in Colorado must comply with Colorado Water Quality Control Commission regulations for stormwater discharges; and

WHEREAS, in March of 2005 the Water Quality Control Commission adopted regulations requiring all oil and gas sites to meet the same standards as other industries for storm water runoff; and

WHEREAS, the Colorado Oil and Gas Associations has filed suit against the state of Colorado to exempt their industry from meeting storm water discharge regulations; and

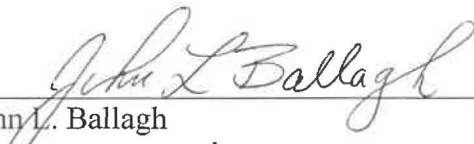
WHEREAS, the Water Quality Control Commission will review its March 2005 regulations; and **BE IT FURTHER RESOLVED** that the Clifton Water District Board supports the Water Quality Control Commission and urges the Commission to maintain the regulations that are currently in place by the adoption of this resolution on December 8, 2005.

At 6:35 p.m., Director Cook moved to enter into Executive Session to discuss personnel matters 24-6-402(4)(f) C.R.S. Director Teal seconded and motion passed unanimously. Staff members Tooker, Reinertsen, Restivo and Watkins exited the meeting.

At 7:06 p.m., the Board resumed regular session. Director Teal moved to raise the District Manager's pay by 4% retroactive to September 1, 2005. Director Cook seconded and the motion passed unanimously.

The regular meeting adjourned at 7:45 p.m.

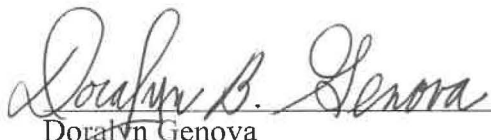
ATTEST:




John L. Ballagh




Brian Woods



Doralyn Genova



Paul Teal



Randy L. Cook