

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held January 18, 1989

Present were President Smith, Vice President Ela, Secretary Ballagh, Treasurer Barrick and Director Garber. Also present were Superintendent Schuster, Office Manager Kay and Chief Operator Blount. Guests present were Terry Mariner, a Director on the Board of the Ute Water Conservancy District, Fay Martin, Mrs. Kelly and Charles Strain. Director Smith called the meeting to order at 7:30 p.m. and gave the floor to Mrs. Martin.

Mrs. Martin asked the Directors how many Board members had had their water bill doubled. She received no answer, then asked how many Board members had a bath and a half in their house whose rate did not increase. She did not receive an answer to that and went on to say that she has paid the multiple rate for over 20 years for her three units and she was opposed to the rate the Directors had adopted at the December meeting. Director Smith asked Mrs. Martin how many of her units were occupied and she stated two were occupied. The Directors went on to tell Mrs. Martin that if she would have told the District prior to December 30, 1988, they would have removed one of those units from the record and her minimum bill would only be \$10.00 per month for 6,000 gallons rather than \$15.00 per month for 9,000 gallons. The Superintendent asked her if she had read the notification card, he then obtained a copy of the card and read it to her. Mrs. Martin said she was very aware of what was on the card but she wanted to take the matter up personally with the Board. Mr. Strain left during the discussion. After 30 minutes of discussion, Director Garber moved to waive the \$10.00 Account Servicing Charge since it is only a few days past the grace period given in the December notice. The motion was seconded by Director Ela and passed unanimously. After the motion had passed Director Ela asked Mrs. Martin on several occasions whether she understood the policy and whether she understood the charges, especially the penalty and charge if she should ever rent the third unit. Mrs. Martin stated that she understood the policy and the penalties associated with it.

Director Smith stated that she did not think it was appropriate that she chaired the Board and hinted that she may resign from the Board since her move from the District as her ideas may change. The other Directors said that since she still owned property within the District, she was eligible to serve on the Board, her expertise was needed and they wanted her to maintain her position as Chairperson.

Director Barrick moved to approve the minutes of December 21, 1988, with two corrections pointed out by Director Ballagh. The two corrections being to insert the word "gallons" behind the word "thousand" on the twelfth line of the second paragraph on page 1 and to change the word "opinion" on the eighth line of the fourth paragraph on page 2 to "insurance". The motion was seconded by Director Ballagh and passed unanimously.

Director Garber moved to approve the Financial Report and the Accounts Payable as shown on the Report plus a transfer of funds of \$30,000 to Mesa Federal Savings and a payment of \$85.00 to Mesa State College for training. The motion was seconded by Director Ballagh and passed unanimously.

Director Ballagh gave a report on the January 11th ad hoc committee meeting stating that virtually no progress had been made.

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There was some discussion on the Colorado Water Congress annual meeting in Northglenn on January 26th and 27th. It was the consensus of the Directors that if Director Ela could attend, the District would pay his way. Director Ballagh moved to send Director Ela to the Colorado Water Congress meeting on the 26th if he could attend. The motion was seconded by Director Barrick and passed unanimously.

Director Smith said that she thought we should go over Ute's proposal point by point and reply to their position paper of August of 1988, and in our reply request a written response to Clifton's position paper of last year. It was the consensus of the Directors the reason Clifton was sitting in on the ad hoc committee meetings was to obtain water of a lesser hardness in winter and that that should be contained in a written reply as well as a statement that Clifton must be able to maintain its low rates. Director Smith said the ad hoc committee should put a limit on the number of people at the ad hoc committee meetings in order that more could be accomplished. Director Garber stated that possibly the bridge to a merger would be a consolidation of the City's and Clifton's water facilities and then a merger of the City/Clifton consolidation with Ute. It is also the consensus of the Directors that the water treatment facilities in the Valley should be flexible to allow for emergencies, or "don't put all our eggs in one basket".

Director Ela asked Terry Mariner if what she was hearing at the Clifton Board meeting about the ad hoc committee meeting was what she heard from the other Ute Directors as to what happened at the ad hoc committee meeting. In other words, Director Ela wanted to know if the Ute Directors on the ad hoc committee were communicating with the other Ute Directors. Terry Mariner stated that she had heard nothing new.

Director Barrick stated that Clifton should survey its customers to see if they were willing to pay more for a less hard water or if they were satisfied with the water they were getting. Director Ballagh stated that a third party should prepare the survey to make sure that none of the questions were weighted or loaded. Superintendent Schuster was instructed to contact Mesa State College to see if they could put together the questions for a professional survey. Director Ela said there was no question that if the Clifton Directors were sold on a merger, he felt they could convince the constituents that a merger was good. Terry Mariner stated the the Palisade Tribune would be a good vehicle to educate the Clifton residents as Bill Conrad, Editor of the Palisade Tribune, wanted to expand his circulation into the Clifton area.

The Superintendent had been instructed to correct the wording on Paragraphs 1.2.2 and 1.2.3 of Page 1 of the Personnel Manual to accurately reflect the State Statutes and the time of the Board meetings. The Superintendent presented a corrected form of Paragraphs 1.2.2. and 1.2.3 which was accepted by the Board on a motion from Director Ela and a second from Director Barrick.

Director Ela again stressed the need for Clifton to find out if they had any financial commitment to the Dominquez project.

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Director Ballagh stated that he assumed the presence of Charles Strain at the beginning of the meeting was to request from the District a public trail along the River through the District property.

Superintendent Schuster informed the Board that the District had donated \$50.00 to the American Cancer Society for the Edgar Bolton Memorial Fund.

Director Smith adjourned the meeting at 10:55 p.m.

John L. Ballagh
Secretary

ATTEST:

Sarah J. Smith

J. M. El

Martin Barber

MINUTES OF A SPECIAL MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held February 1, 1989

Present were President Smith, Vice President Ela, Secretary Ballagh, Treasurer Barrick and Director Garber. Superintendent Schuster was also present.

President Smith called the meeting to order at 7:50 p.m.

The Superintendent told the Directors that "Notice" of this special meeting was posted on January 27th, (five (5) days prior to the meeting) in three public places within the District and in the Mesa County Court House. In addition, the Directors were notified by first class mail of the meeting and the purpose of the meeting in accordance with C.R.S. 32-1-903 (2).

Superintendent Schuster told the Directors that the business department at Mesa State College was too busy to conduct the survey as requested at the January 18th meeting and suggested that the District contact private industry for the service. Superintendent Schuster told the Directors he had contacted Cowden Associates and Larry Cobb and Associates and was more impressed with the response from Larry Cobb and Associates than he was with the other firm. Director Ballagh stated that he had contacted nine persons at random concerning the quality of Clifton Water and received mixed reactions from these individuals. The reactions were pretty well split in that Clifton Water is O.K., " it's not broke, don't fix it, " as compared to the alternate that they would be prepared to pay approximately 15% additional water fees for a softer water. All of the respondents were adamant against merging with Ute. Director Barrick concurred that his contacts were adamant against merging with Ute also. Director Barrick said that his comments about merger ranged from "running Directors out of town", "tarring and feathering the Directors" to "exterminating the Directors". Director Garber stated that he had made some contacts with some residents of the original Clifton area and they had indicated that an additional 15% increase in water fees for a softer water was no problem. The discussion lasted approximately fifteen minutes with the Directors indicating that they would like to see answers to the following questions: Do you have a water softener? If not, have you considered the purchase of one? Do you do your laundry in your home? Do you use Clifton Water for irrigation purposes? The maintenance and operation of a water softener is approximately \$3.00 per month. Would you be willing to pay 50% of that for a softer water? Do you think the Clifton Water District has done an adequate job of informing the public of their system so that the above questions can be adequately answered? Director Ela stated that public education combined with a survey would provide better answers. Director Smith indicated that if public education was to go along with the survey 100% of the District would have to be polled, whereas, in a survey alone only about one in seven customers would have to be contacted. After fifty minutes of discussion, Director Ela moved to hire Larry Cobb and Associates on an hourly basis to prepare the questions for the survey with the balance of the work to be done "in house". The motion was seconded by Director Ballagh and passed unanimously.

The Directors set March 1, 1989, as the date for another special meeting to discuss the survey questions and any response received by that time to the survey.

Director Smith indicated that since it was her signature that would be on the letter she would reword the letter prepared by the Superintendent to the ad hoc committee and have it at the water office by Friday for typing and mailing.

Director Ela gave a report on the Colorado Water Congress meeting of January 26, and 27th. Director Ela stated that he was disappointed in that the discussion which prompted him to attend the meeting had a nonspecific approach. He added that the Facilitator just presented a problem and did not present any solutions for the problem. He did learn that turf was a major problem in a merger of systems, which he stated was not surprising. He went on to state that it was the Directors' position "to not stop the future, but to shape it." The Facilitator went on to state that policy on water quality is a major part of the future and Directors of Water Boards should be part of the policy makers to provide quality water rather than be recipients of policy set by others. Director Ela stated he learned that the trick to a merger is "not caring if it hurts, because it is going to be a pain, and it should be a pain of creation rather than a pain of defeat". During the discussion the Facilitator pointed out many times that it is a Director's responsibility to "break out of a mind set". Bill's idea was to have the ad hoc committee request Mike Gross, of the Colorado River Water Conservation District, to be Facilitator for the ad hoc committee meeting, or if not Mike Gross, another impartial Facilitator who could keep the meeting moving in a responsible manner. Director Ela also went on to state that some of the facts he learned of the "green house effect", if it were to continue unabated, could provide sufficient heat to evaporate 50% of the Colorado River before it reaches the Grand Valley by the year 2010.

Director Garber stated that he had attended the Dominguez Reservoir meeting on Monday, and he stated the Dominguez Project has set aside some water for municipal use but that the municipalities of the Valley, including Clifton, were not financially committed should the project proceed. Director Garber asked the other Directors if they thought it would be a conflict if he continued working for the Dominguez Project while he is a Director of Clifton Water District. It was the consensus of the other Directors that since there is no financial obligation for Clifton Water District should the Dominguez Project advance, there would be no conflict.

Director Smith stated that she did not think it appropriate for her to serve as a Director since she had moved out of the District, even though owning property within the District, and stated that she has other obligations starting in March to consider and would not have adequate time to continue as a Director. Director Garber suggested that Director Smith step down as Chairman and remain on the Board. A suggestion that Director Smith flatly refused to accept. Director Ela stated that he thought Director Smith should stay on in a voluntary basis as a Director, as she had considerable input in setting policy. After some discussion it was the general consensus that Sarah would submit her resignation stating that March 1st would be her last meeting and Director Ballagh was to contact Fred Kuykendall to see if he would be interested in filling the vacancy until the next election.

The Superintendent informed the Directors the District had spent \$60,000 more than budgeted for expenditures in 1988, therefore, the District must publish notice of a Supplementary Budget and Appropriation Resolution to be adopted at the February 15th meeting. It was the consensus of the Directors that the Resolution be published and all the statutory requirements be filled in order that the Resolution could be adopted at the regular meeting of February 15, 1989.

Director Barrick moved that any two of the following five Directors, Sarah V. Smith, William M. Ela, John L. Ballagh, Paul E. Barrick or Martin Garber be authorized and empowered to transact business of any character whatsoever in connection with account Number 85240596 with World Savings and Loan Association. The motion was seconded by Director Ballagh and passed unanimously.

There was a list of approximately fifteen projects that would improve the distribution system within the District on a bulletin board within view of the Directors. After some study, Director Ela stated that he wanted to see a typed list of those projects, along with estimates of costs, prepared and presented to the Directors by the February 15th meeting. Superintendent Schuster stated that those were just projects which had to be considered, not all of them were to be constructed in 1989. Director Barrick stated that they were good projects, but he wanted to see an expansion of some of them to provide more water for fire protection at the intersection of 30 and D Roads.

There being no further business the meeting adjourned at 10 o'clock p.m.


Secretary

ATTEST









MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS
CLIFTON WATER DISTRICT

Held February 15, 1989

Present were President Smith, Vice President Ela, Secretary Ballagh, and Director Garber. Director Barrick's absence was an excused absence. Staff members present were Superintendent Schuster, Office Manager Kay and Chief Operator Blount. Also present were Mike Nelson and Janeen Kammerer of Chadwick, Steinkirchner, Davis & Company to present the audit for 1988. Terry Mariner, a Director on the Board of the Ute Water Conservancy District, was also present.

Director Smith called the meeting to order at 7:30 p.m. and turned the meeting over to the accountants who gave a verbal and visual presentation of the audit for 1988. Twice, during the presentation, the auditors commended Laveta for the preparation of the materials for the audit. The expenditures for 1988 exceeded the budgeted expenditures by approximately \$60,000 and the auditors explained that this was because the five-year plan, which was conceived in 1985, was completed in four years rather than five. The presentation took 45 minutes. After the auditors left, Director Ela moved to accept the audit as presented. The motion was seconded by Director Ballagh and passed unanimously.

Director Ballagh moved to accept the January 18th minutes as presented. The motion was seconded by Director Garber. During the discussion the Superintendent was instructed to write Fay Martin a letter explaining the action the Board took at the January 18th meeting so there would be no misunderstanding. After some discussion, the motion to accept the January 18th minutes as presented passed unanimously.

Director Garber moved to accept the minutes of the special meeting of February 1, 1989, as presented. The motion was seconded by Director Ballagh. During the discussion on the minutes the Superintendent was instructed to write Chairman Hoskins a letter requesting that the discussion on facilitator for the ad hoc committee meeting be put on the ad hoc committee's next meeting agenda. The motion to accept the minutes of the special meeting of February 1st passed unanimously.

Director Ballagh moved to accept the Financial Report and pay the bills as shown on the Report in addition to a \$30,000 transfer of funds from Valley Federal Savings to Mesa Federal Savings. The motion was seconded by Director Garber. During the discussion the Superintendent was queried on what happened to the base antenna and a discussion ensued concerning word processors and software for word processing to be used in personal computers. After some discussion the motion passed unanimously.

There was very little discussion on the events which took place at the February 8th ad hoc committee meeting. One concern was who would replace Director Smith as a member representing Clifton on the ad hoc committee. Director Garber volunteered to serve as one of Clifton's representatives on the ad hoc committee until someone else was picked to serve.

The Superintendent advised the Directors that the questions for the survey as discussed in the special meeting of February 1, 1989, were scheduled to be ready tomorrow (February 16th). Director Ela reiterated the fact the Superintendent was to use his own discretion in preparing and sending out the survey from questions developed by Larry Cobb and Associates.

A discussion on the rough draft of an Agreement between the City and the District was discussed for approximately one hour with the Directors giving their input to the wording and rewording of the Agreement. All of their comments were well taken by the Superintendent who had prepared the rough draft in order to commence negotiations with the City for the District to receive water from the City's source of supply on Grand Mesa. The Superintendent will incorporate the Directors' comments into another draft of the Agreement and discuss the subject with the City.

Director Ballagh moved to adopt the following Resolution:

SUPPLEMENTARY BUDGET & APPROPRIATION RESOLUTION

WHEREAS, the Clifton Water District (District) has experienced an undesirable number of water leaks from the galvanized pipe in its distribution system, which pipe is approximately thirty years old, and

WHEREAS, the District previously adopted a five (5) year distribution improvement program with a goal of replacing all galvanized and undersized pipe as rapidly as replacement could be achieved with available funds, and

WHEREAS, revenues from the sale of water in 1988 exceeded the budgeted income by more than \$60,000, and

WHEREAS, this excess revenue from the sale of water made funds available for replacement of galvanized and undersized pipe without reducing the District's cash reserves or requiring any transfer of funds from other budgeted accounts, and

WHEREAS, the Board believes that it is in the District's best interests to apply this portion of revenues in excess of budget toward the cost of replacing the galvanized and undersized pipe;

NOW THEREFORE BE IT RESOLVED, that the budget for 1988 of the Clifton Water District, which was adopted at a regular meeting of the Board of Directors held October 21, 1987 and corrected at the Board's meeting of December 16, 1987, be supplemented by increasing the expenditure fund for General Construction from \$50,000 to a total of \$110,000 (\$60,000 increase) with a corresponding increase in the revenue from sale of water from the budgeted \$850,500 to \$910,500 (\$60,000 increase) to allow for the cost of replacing galvanized and undersized pipe.

BE IT FURTHER RESOLVED, that there is appropriated from the 1988 revenues of the District a supplemental appropriation of \$60,000 from General Construction expenses.

BE IT FURTHER RESOLVED, that a certified copy of this Resolution be furnished to the Division of Local Government, Department of Local Affairs.

The motion was seconded by Director Ela and passed unanimously.

Director Ela moved to adopt the following Resolution:

WHEREAS, Clifton Water District, Mesa County, Colorado (the "District") has heretofore authorized, issued, and sold its General Obligation Water Refunding Bonds, dated January 15, 1985, in the principal amount of \$1,505,000 (the "Bonds") to refund their General Obligation Water Refunding Bonds dated June 30, 1978; and

WHEREAS, the Bonds were issued pursuant to a Resolution adopted and approved on January 28, 1985, by the Vice President of the Board of Directors of the District; and

WHEREAS, United Bank of Greeley was named Escrow Agent for the Bonds pursuant to an Escrow Agreement executed January 30, 1985; and

WHEREAS, United Bank of Greeley desires to resign as Escrow Agent, the District desires to appoint United Bank of Denver National Association as Successor Escrow Agent, and United Bank of Denver National Association desires to act as Successor Escrow Agent;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CLIFTON WATER DISTRICT, MESA COUNTY, COLORADO:

1. United Bank of Greeley's resignation as Escrow Agent, is hereby accepted and shall become effective upon United Bank of Greeley's tender of its Letter of Resignation to the District in the form set forth in Exhibit A attached hereto, and upon the appointment of a Successor Escrow Agent by the District.
2. United Bank of Denver National Association is hereby appointed Successor Escrow Agent. Such appointment, and acceptance thereof, shall become effective upon United Bank of Denver National Association's execution of an instrument accepting such appointment in the form set forth in Exhibit B attached hereto.
3. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not effect any of the remaining provisions of this resolution.
4. This resolution shall be in full force and effect upon its passage and adoption.

The motion to adopt this Resolution was seconded by Director Ballagh and passed unanimously.

The Directors discussed the Letter of Resignation as presented by Director Smith, dated February 2, 1989. After some discussion, Director Garber moved to express the Board's gratitude for her service to the District and to regretfully accept her resignation. The motion was seconded by Director Ela and, after a long pause, passed unanimously.

Director Ballagh said Fred Kuykendall has accepted the Directors' invitation to be a Board member and it is expected he will be sworn in at the next Board meeting of the Clifton Water District.

Superintendent Schuster advised the Directors that Mesa County has sent a "Notice of Claim" to the District for \$1,000 for damage to Gerken Road. Some discussion followed in which the Superintendent advised the Directors that he had sent a copy of the Notice of Claim to the insurance company.

Director Ela moved to instruct the President and Secretary to execute the Quit Claim Deed in favor of Ben Dowd for the pump house property just south of the railroad track on 32 Road. The motion was seconded by Director Garber and passed unanimously.

Director Ballagh moved to reduce the Availability of Service Charge from the 1988 rate of 35.19% of the average monthly water bill to 33.82% of the average monthly water bill of 1988 for the Availability of Service Charge for 1989 (the 1988 average monthly water bill was is \$14.78, 33.82% of \$14.78 is \$5.00). The motion was seconded by Director Ela and passed unanimously.

The Superintendent requested that the Directors consider the construction of a garage at the water office which would house two of the company's pickups as well as a shop which would include the meter testing equipment. A lengthy discussion followed in which the Superintendent was instructed to prepare various alternatives to his request and present to the Directors at the next meeting.

During the most recent period of cold weather, the District's electricity at Plant #2 was interrupted frequently and for long periods of time. The Superintendent advised the Directors that the plant operators did an outstanding job during the recent cold period in maintaining water in the retention pond since there was no electricity available to pump water from the river to the plant. The Superintendent explained that the diesel powered generator which was installed in 1985 was not wired to the pumps at the river and the only energy for these pumps was from Public Service. Since Public Service had the electricity off for long periods of time, the source of electric supply to the plant was nip and tuck for a period of approximately one week, and he requested that the Directors consider the purchase of a diesel powered pump to provide water during times of electrical outages due to the primary interruptible rate for electricity the District now enjoys. The Superintendent stated he had received a price from Munroe Supply, the base price of \$6,355 for a diesel powered pump in addition to \$805 for mounting the pump on a trailer. The Superintendent was instructed to obtain prices from other suppliers for the Board's consideration.

Director Ballagh inquired as to the depth of the water in the lake acquired from Foster/Foster/Coleman and as to the adequacy of the spillway. The Superintendent stated that the depth of water was about seven feet and that in his opinion the spillway was adequate. However, the Superintendent stated there was some seepage through the dam and a bentonite slurry trench is scheduled to be constructed through the dam to stop this seepage. There was some discussion as to whether or not the land acquired from Foster/Foster Coleman could be put to some beneficial use.

Director Garber stated he had received a letter from the Mesa County Water Association and that he intended to attend their next meeting just to see what the Association was all about.

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

John L. Ballagh
Secretary

ATTEST:

Wm. M. Ela V.P. Martin Barber

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held March 15, 1989

Present were Vice President Ela, Secretary Ballagh, Treasurer Barrick and Director Garber. Fred Kuykendall, who had been appointed to fill the vacancy created by the resignation of Sarah V. Smith by consensus of the Board, was also present. Staff members present were Superintendent Schuster, Office Manager Kay and Chief Operator Blount.

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

Director Ballagh moved to appoint Fred M. Kuykendall, Jr. to fill the vacancy created by the resignation of Leslie Smith. The motion was seconded by Director Barrick and passed unanimously. Director Kuykendall was informed of his appointment per C.R.S. 32-1-902(2). Director Ela administered the oath of office and then called for a reorganization of the Board.

Director Ela explained his reasons for declining to Chair the Board as he felt that he could move the meeting much more effectively as a Director rather than as Chair. Director Barrick nominated Director Garber for Chairman of the Board (President of the District). Director Garber countered by nominating Director Barrick. Vice President Ela asked if there were any other nominations. Hearing none he declared the time for nominations for Chairman of the Board (President of the District) as being closed. On a roll call vote, Directors Ballagh, Ela and Kuykendall voted for Director Barrick and Director Barrick voted for Director Garber. Vice President Ela then called for nominations for Vice Chairman. Director Garber nominated Director Ballagh for Vice Chairman and Director Barrick nominated Director Ela. Vice President Ela asked if there were any other nominations. Hearing none he declared the time for nominations for Vice Chairman of the Board as being closed. On a roll call vote, Directors Ballagh, Barrick and Kuykendall voted for Director Ela and Director Garber voted for Director Ballagh. Vice President Ela then called for nominations for Secretary. Director Barrick moved to nominate Director Ballagh for Secretary, that the nominations be closed and Director Ballagh be elected Secretary by acclamation. The motion was seconded by Director Garber and passed on a voice vote with Director Ballagh abstaining. Director Ballagh then nominated Director Garber as Treasurer. Director Barrick moved to close the nominations and have the Secretary cast a unanimous vote for Director Garber as Treasurer. The motion was seconded by Director Ballagh and passed on a voice vote. Director Barrick took over as Chair.

Director Ballagh moved to approve the minutes of the February 15, 1989 meeting as presented. The motion was seconded by Director Garber and, after a 5 minute discussion, passed unanimously.

Director Ballagh moved to accept the Financial Report and pay the Accounts Payable in the amount of \$32,414.33 plus a payment to Public Service Company of Colorado in the amount of \$665.92 and a \$30,000 transfer of funds from Valley Federal Savings to Mesa Federal Savings. The motion was seconded by Director Ela and, after a 30 minute discussion, passed unanimously.

Director Garber moved to put a moratorium on Clifton's participation in the ad hoc committee meetings until there is something to discuss, because of Ute's lack of open communication and his feeling that Clifton should not be spending funds for Directors to attend meetings and get no results. The motion was seconded by Director Ballagh for discussion purposes. Director Ela stated he wanted to go on record that he would abstain from any discussion at Clifton Water meetings, at ad hoc meetings or wherever the subject was broached as he was presiding as judge on a case in which a water conservancy district was being challenged by the electorate because, due to the appointment of water conservancy directors, their constitutional rights were violated since they had denied the franchise of the electors. Director Ela also stated he wanted to go on record that he would attend the ad hoc committee meetings without charge in order to maintain an open communication with the other two entities. After some discussion, Director Ela moved to amend Director Garber's motion to state the Clifton Directors would not be paid for attending ad hoc committee meetings. The amendment to the motion was seconded by Director Ballagh and was debated for approximately 30 minutes. At the end of the debate, Directors Ballagh and Ela voted in favor of the amendment. Directors Kuykendall and Garber opposed the amendment. Director Barrick broke the tie vote by also opposing the amendment to Director Garber's motion. Director Barrick suggested that Clifton notify the City and Ute that they wanted a response to their position paper of August, 1988, and Leslie Smith's letter of January, 1989, that the committee members who attend the ad hoc committee meeting be prepared to speak for their Board and that constructive advances be made in the unification at these meetings. He then called for a vote on Director Garber's motion of the moratorium. The motion failed.

Director Garber moved for the Clifton delegation to attend one more ad hoc committee meeting and notify the City and Ute that if nothing constructive came from the meeting Clifton would not attend any more ad hoc committee meetings until some advances had been made. One of the advances was to be replies to the position paper of August, 1988, and Leslie Smith's letter of January, 1989. The motion died for lack of a second. Director Ballagh then stated that he would express Director Garber's feelings at the next ad hoc committee meeting and for this subject to be on the Clifton Water District agenda for the April 19th meeting for further action.

The Superintendent presented the Directors with the results of the recent survey taken of the Clifton Water users as well as 16 pages of typed comments that were taken from the survey. The Superintendent stated that the District had received a 55% return of the 1,413 surveys sent out which represented 14% of the active taps in the District. After approximately 40 minutes of discussion the Superintendent was instructed to prepare an analysis of water rates which would be necessary to pay for the construction of a water line from Whitewater Hill to Plant #2 to provide supplemental winter water to the District.

The proposed contract between the District and the City concerning participation in the construction of a flow line off Grand Mesa was discussed at length. The Superintendent was instructed to make sure that Clifton received any credit for professional work performed by Clifton personnel in

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the project. Director Ela moved to advise the City that Clifton wishes to pursue a contract which would allow Clifton to participate in the construction of a flow line along the lines of the first draft of a contract dated February 8, 1989, which had been previously presented to the Directors, and that it was okay to combine the contracts dated August of 1977, and December of 1981, into the new contract. The motion was seconded by Director Garber. Director Kuykendall cast the only negative vote to the motion stating that he would like to see a more stable money situation before he could cast an affirmative vote.

The Superintendent asked that the consideration for a garage to house the vehicles at the water office be deferred until he had more time to make a proper presentation to the Directors.

The Superintendent informed the Directors that the District could purchase a pump to use at the river during times when electrical energy from the Public Service Company of Colorado was discontinued at Plant #2 at a cost of \$6,182. After some consideration it was determined that it may be more cost effective for the District to rent a pump on an as needed basis rather than to purchase a pump. Chief Operator Blount made the statement that the last time pumps were needed there were none available and that is why he suggested the purchase. Director Ballagh stated he would check with the Board of Directors of the Grand Junction Drainage District to see if a pump could be made available during times of need to the Water District. Chief Operator Blount stated he could live with that as long as the pump met the requirements of the Water District.

At the adjournment of a previous Directors' meeting, Director Ela placed on the table an article from the Wall Street Journal which reported there was a relationship between aluminum in drinking water and Alzheimer's disease. The conclusion of the study was flawed. The Superintendent had previously given the Directors a rebuttal to the study for their review.

The Superintendent stated that the amendments to the Safe Drinking Water Act required the use and purchase of an Atomic Absorption Analyzer (AA). These instruments are available for a cost of approximately \$50,000. He stated the City of Grand Junction had found a used AA which could be purchased for \$21,200 and they had asked Clifton to bear 50% of this cost with the understanding Clifton could share its use. The Superintendent went on to state that under a previous agreement with the City, Clifton was now doing the organic analysis of the drinking water and the City was doing the inorganic analysis, the sharing of the cost of the AA would be in keeping with the contents of that agreement. After some discussion, Director Ela moved to approve the expenditure for 50% of the purchase of the AA as a joint venture with the City with the understanding the District could back out of the agreement should the Superintendent, Chief Operator, or Lab Technician be provided with additional information which would indicate the AA could not provide the necessary data required by EPA. The motion was seconded by Director Kuykendall and passed unanimously.

Superintendent Schuster stated that Director Ballagh and himself had attended a meeting where a hatchery to propagate the endangered and threatened fish

species of the Colorado River was discussed and requested the Directors provide land for the construction of this hatchery at the site of Plant #2 provided that the hatchery operation did not interfere with the water treatment operation. It was the general consensus of the Directors that land would be made available for a hatchery at the location of Plant #2 provided that the operations of the hatchery did not interfere with the operations of water treatment.

Superintendent Schuster stated that due to a concurrent outage of electrical power from Public Service and the repair to the diesel powered generator at Plant #2, he thought it was in the best operations of the District to provide more storage north of I-70. He stated that he thought the Mantey Heights tank could be acquired from the City and reconstructed north of I-70 at a cost of 40% to 50% less than the cost of a new tank. The capacity of the Mantey Heights tank is 3,000,000 gallons and the Superintendent estimated new construction would cost approximately from \$375,000 to \$400,000. It was the consensus of the Directors that if the District could acquire the Mantey Heights tank from the City at no cost, that the idea be pursued.

The Central Orchard Mesa Fire Department had requested permission from the Clifton Water District to provide water for fire hydrants to be intalled on the 10" line from Plant #1 at 31 1/4 and A 1/2 Roads and at 31 1/4 and B Roads. The hydrants would be furnished by the Central Orchard Mesa Fire Department and would be installed under the supervision of the Clifton Water District with the Fire District paying all installation costs. After some discussion Director Garber moved that the Clifton Water District provide water for the Central Orchard Mesa Fire Department under the following conditions:

1. They pay for all installation under the direct supervision of the Clifton Water District;
2. That they be responsible for the maintenance and operation of these hydrants;
3. That a detector check be installed on the hydrants to detect any unauthorized use of water from these hydrants.

The motion was seconded by Director Ela and passed unanimously.

Superintendent Schuster had prepared a memo stating that the District could realize a financial gain by borrowing money to set up an escrow account to redeem their present bonded indebtedness as they could borrow money at a lesser interest rate than that of the present bond.

Director Ballagh asked about the status of Mesa County's claim for the repair of Gerken Road. Superintendent Schuster stated the claim had been denied by Clifton's insurance carrier and was waiting for the County to take the next step.

The meeting adjourned at 11:30 p.m.

ATTEST:

Paul G. Benick

Fred M. Kingheadall Jr.

John L. Ballagh
Secretary

Wm. M. Ela, V. P.

Martin Garber

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held April 19, 1989

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

President Barrick called the meeting to order at 7:30 p.m.

Director Ballagh moved to approve the minutes of the March 15th meeting as presented. The motion was seconded by Director Garber and after a few moments of discussion passed unanimously.

Director Garber moved to accept the Financial Report and pay the Accounts Payable in the amount of \$43,042.80 plus a \$30,000 transfer of funds from Palisades National Bank to Mesa Federal. The motion was seconded by Director Ela. Director Ballagh challenged the Mesa County charge for license plates for District vehicles and moved to amend the motion to pay all accounts but hold the check to Mesa County until staff was satisfied that it was a valid charge. The amendment to the motion was seconded by Director Garber and after very little discussion passed unanimously. A discussion followed. Director Garber questioned an increase of \$10,000 in salaries in year-to-date in 1989 over 1988 as well as payment of invoices in excess of \$20,000 for the same time period. The Superintendent and Office Manager said they would research the numbers and address the questions at the May meeting. Director Ballagh questioned the format of the Profit and Loss Statement stating he wanted the columns to read from left to right as follows: Current Period, Budgeted for Current Period, Year-to-Date Expenses, and Budgeted Year-to-Date; and delete the Variance Column. After some discussion Director Garber stated that if the Ratio Column were left out there would be room for a fifth column which would allow the variance figures. After some discussion where there was not a consensus of opinion for the format, Office Manager Kay stated she would prepare several formats of the Profit and Loss Statement for the May meeting and the Directors could make their choice at that time. Director Ballagh also questioned the nomenclature of "deferred taps" but stated he would discuss it under New Business. The Superintendent stated that the bill from Chances-R Welding was for a carbon feeder designed by Chief Operator Blount. The Superintendent went on to praise Blount for not only the carbon feeder design, but also the way he maintained water in the system under adverse conditions. The motion passed unanimously.

Superintendent Schuster gave a history of the drop structure which was constructed in the Colorado River and told the Directors why it was constructed without receiving permission from the Corps of Engineers. He also stated that the condition of the rock structure after some rearranging of the rocks to allow for boat access at the apex of the structure had been verbally approved by the Corps of Engineers and the U.S. Fish and Wildlife Service. Approval from the EPA is pending. The Superintendent went on to state that a

\$10 charge for every acre-foot of depletion on the new projects would be assessed to the District. He estimated this one time assessment would be \$3,000. He said that this assessment would have to be paid by the District regardless of whether permission to construct the structure was before or after the actual construction. Director Ela stated that this would be reviewed in its entirety at the time of assessment as he did not think it was lawful.

There was some discussion on the cancellation of the April ad hoc committee meeting. Director Ballagh stated that Dot Hoskins, Chairman of the ad hoc committee, was waiting for the results of the Clifton Water District's survey of its customers before calling a meeting. Superintendent Schuster stated that Ute was in receipt of the results of the survey along with copies of all the comments which accompanied the survey. The Directors then discussed in some detail how the results of the survey should be made public, whether it should be a staffer in the Shopping News, a paid ad in The Daily Sentinel, information given at a public meeting or in a news release. All the Directors thought the respondents to the survey should be thanked. Director Ela moved for the Superintendent to take appropriate steps to advise the Clifton Water District users in particular, or the general public if necessary, of the significant answers to the survey along with the Directors' thanks for their participation. Action on the motion was deferred until the end of the meeting due to the lengthy agenda (Note: The item was not brought up at the end of the meeting due to the lateness of the hour at the time of adjournment).

The Superintendent's memo of March 24th which discussed water rates generated an intelligent discussion which produced many ideas on water rates to provide less hard water to the District. Director Garber stated that he thought the District should provide for the future at this time because at some later date there may not be any water available to the District. Director Kuykendall stated that a small raise in water rates at this time to build a reserve with a larger water rate for when water becomes available from the City would be to his liking. Director Ballagh stated that the City water rights are far superior to any other domestic water rights in the Valley and he was inclined to support the 19 MGD flow line, which would provide the projected water needs of the District to the year 2040, over a 3 MGD flow line which would only supplement winter water use. All the Directors thought the District should prepare for the future but not to start collecting and spending money until an agreement with the City was in hand. Director Ela stated he thought the District should not raise any water rates until the project was more firm. Director Ballagh stated that in his opinion an increase in water rates would get better acceptance if the District would set a firm date for when the improvement would be on line. Director Ela stated that he would amend his statement to agree with Director Ballagh's. Superintendent Schuster stated he thought the Directors should retain a fiscal agent to assist the District in its financial affairs for financing the proposed project. Director Ela moved to have the Superintendent contact Jack Pepper of Hanifen, Imhoff, Inc. Investment Bankers to attend the May meeting to discuss finances. The motion was seconded by Director Ballagh and passed unanimously.

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Director Ballagh stated he thought the District should have a "paper trail" on all projects and to have a record of the date of acceptance and completion of all projects for warranty purposes. The Superintendent was instructed to advise Ben Dowd Excavating (BDE) that BDE would be required to repair any problems which occurred prior to the anniversary of one year from the acceptance date at BDE's expense and the District would pay for all repairs after that date.

The agenda for this meeting was in error. Director Ela moved to amend the agenda of the meeting to show the rock structure with a total cost of \$36,437 was actually two projects completed over a two-year period with each project costing less than \$25,000 with an admonition to the Superintendent to not allow costs of any project to any single vendor to exceed \$25,000 without going through the bid process. The motion was seconded by Director Garber and passed unanimously.

Superintendent Schuster advised the Directors that the vesting table for the District's retirement plan did not conform to the Internal Revenue Code Amendments of 1986 and suggested that the Directors select either a 5-year or 7-year vesting schedule which conformed. After some discussion the Directors deferred action on the vesting plan until the May 17th meeting.

The annual maintenance agreement for the DEC computer will expire July 4, 1989. The monthly charge for the maintenance agreement would continue to be \$482 if renewed. After some discussion Director Kuykendall moved to decline the renewal of the maintenance agreement and to pay for maintenance on an as needed basis. The motion was seconded by Director Ballagh and passed unanimously.

Superintendent Schuster read aloud a letter from Robert Saunders, President of the Ute Water Conservancy District, to Paul Barrick requesting Clifton Water District to participate with Ute, the City of Grand Junction and the Town of Palisade in requesting the County Commissioners to pass a proclamation declaring the week of May 1, through May 7, 1989, National Drinking Water Week. The letter to the Commissioners was typed on Ute stationery. Director Ela moved to sign the letter to the County Commissioners requesting the proclamation on the condition there was no expense to the Clifton Water District. The motion was seconded by Director Garber and passed unanimously.

The Superintendent had prepared a draft of a letter to be sent to the Ute Water Conservancy District requesting their assistance in obtaining legislation to allow withdrawal from a water conservancy district providing there are no outstanding general obligation bonds. After some discussion Director Ela moved to send the letter to Ute. The motion was seconded by Director Kuykendall and passed unanimously.

Director Ballagh moved that the staff research the files to see under what conditions taps were purchased, but not installed, and make a report to the Directors at the May meeting. Director Ballagh felt uncomfortable with the

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District funds which were referred to as "deferred sale of taps" in the Financial Statement and wanted to have the matter cleaned up to the satisfaction of the Directors.

The meeting adjourned at 11:22 p.m.


Secretary

ATTEST:









MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held May 17, 1989

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

President Barrick called the meeting to order at 7:30 p.m.

Director Ballagh moved to approve the minutes of the April 19th meeting as presented. The motion was seconded by Director Ela and passed unanimously.

Director Ballagh moved to accept the Financial Report and pay the Accounts Payable in the amount of \$62,579.45 plus \$150 to SDA of Colorado, \$665 to Grand Mesa Mechanical, \$415.53 to Grand Mesa Marine, \$99.32 to Diamond Shamrock, \$221 to Farmers Union Insurance, \$475 to Mesa County Road Department, \$72 to Randy Sheley, \$1,000 as a special one-time assessment from American Water Works Association to assist AWWA in being a part of drinking water legislation rather than reacting to drinking water legislation after the fact, and a transfer of funds of \$35,000 to Mesa Federal Savings and \$100,000 to ColoTrust. The motion was seconded by Director Garber. Superintendent Schuster specifically informed the Directors of the special assessment by the American Water Works Association. During the discussion, Director Ballagh told Laveta he liked the Profit and Loss Statement format as presented in the Report. After some discussion the motion passed unanimously.

Superintendent Schuster informed the Directors that Director Ballagh was correct in stating that special districts were exempt from paying license fees and that the District had received license plates for six vehicles at no cost. The Superintendent also went on to say he had a hard time convincing the employees at the Mesa County Clerk and Recorder's office that Clifton Water was a political subdivision of the State.

Superintendent Schuster read aloud a letter addressed to Representative Bledsoe and Senator Strickland requesting an interim committee investigation of the Water Conservancy Districts Act and a letter from Ute Water Conservancy District declining support of Clifton's effort to provide for withdrawal from a water conservancy district. It was announced that Ron Jaynes was one of the new Board members for the Ute Water Conservancy District. Ron was raised in the Clifton area. Director Garber stated that Dodie Gale of the SDA of Colorado told him there would probably be some legislation in 1990 to require Directors of water conservancy districts to be elected.

There was some discussion on the advantages and disadvantages of general obligation bonds vs. revenue bonds and the advantages and disadvantages of pursuing funding for capital improvements through private firms or from the Colorado Water Resources and Power Authority.

There was approximately a 15 minute discussion on the ways and means to make the results of the Clifton Water survey known to the public, after which

Director Ela moved for the Superintendent to contact representatives of Creative Associates Unlimited, who are acting as a consultant to the SDA of Colorado, and after giving them a full background report of Clifton Water, Ute Water, City water, potential merger, etc., to accept their recommendations of making the results of the survey known to the public and then follow through with their recommendations without further consideration from the Board provided it did not cost more than \$2,000. The motion was seconded by Director Ballagh and passed unanimously.

The term "deferred sale of taps" has been appearing on the monthly Balance Sheet when referring to payments which have been received for taps but the taps not installed. Director Ballagh had questioned this nomenclature at the April meeting and requested that it be on the agenda of the May meeting. After some discussion the Directors unanimously agreed that the term "deferred sale of taps" would be changed hereafter to "advance payment toward taps".

Using a visual aid the Superintendent told the Directors that the treated water stored on Orchard Mesa could possibly stagnate due to lack of use since Plant #1 was being retired. Previously, the Superintendent had explained that the Chief Operator did not feel comfortable with the operation of Plant #1 as it could not produce water to meet the requirements of the Amendments to the Safe Drinking Water Act. The Superintendent described a way to pipe the reservoirs in such a manner that the water in the reservoirs would be exchanged regularly and avoid stagnation at an estimated cost of approximately \$20,000. After considerable discussion Director Garber moved to retire Plant #1 and to construct the required piping to provide fresh water to Southridge and Whitewater through the reservoirs. The motion was seconded by Director Ela and passed unanimously.

The current vesting schedule for the retirement plan of the Clifton Water District does not conform to the Internal Revenue Code Amendments of 1986. After some discussion Director Ela moved to adopt the approved 7-year vesting schedule as follows:

0-3 years	0%
After 3 years	20%
After 4 years	40%
After 5 years	60%
After 7 years	100%

The motion was seconded by Director Kuykendall and passed unanimously.

The Superintendent informed the Directors that the District was close to a stipulated settlement on the change of use of the Grand Valley Irrigation Company shares and he thought that court could be avoided. There was some discussion in which the Superintendent was told to pursue the stipulated agreement in accordance with the schematic he drew on the board, but under no circumstances to postpone the court date as it is now set.

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Under new business the Superintendent informed the Directors that the District had been approached to purchase 18 cfs of Colorado River water with a conditional decree dated 1979. The Superintendent told the Directors he thought the decree to be of little value since it was too junior to be augmented by Green Mountain Reservoir water. Director Ela moved to decline making an offer for the water. The motion was seconded by Director Kuykendall and passed unanimously.




The Directors then gave Office Manager Kay a consensus of opinion of how they wanted the Profit and Loss Statement to look on the monthly Report from now on.

There was some discussion on the rock structure and the boat passage in the center on the Colorado River but no action was taken.

The meeting adjourned at 10:40 p.m.


Secretary

ATTEST:


MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held June 14, 1989.

Present were President Barrick, Vice President Ela, Treasurer Garber and Director Kuykendall. Secretary Ballagh had previously called and asked to be excused for the first 20 to 30 minutes as he had other pressing matters. His temporary absence was excused as requested. Staff present were Superintendent Schuster, Office Manager Kay and Chief Operator Blount.

President Barrick called the meeting to order at 7:36 p.m.

Director Kuykendall moved to approve the minutes of the May 17, 1989 meeting as presented. The motion was seconded by Director Ela and passed unanimously.

Director Garber moved to accept the Financial Report and pay the Accounts Payable in the amount of \$60,436.25, plus \$25 to Release Me/The Creative Group Associates, \$310.27 to Diamond Shamrock, and a \$35,000 transfer of funds to Mesa Federal Savings. The motion was seconded by Director Ela. After a 20 minute discussion the motion passed unanimously.

Director Ballagh entered the meeting at 8:05 p.m.

Superintendent Schuster informed the Directors that Creative Associates Unlimited had recommended a newsletter to be followed by a public meeting to thank the public for their response to the March survey as well as to make public the results of the March survey. Even though the Superintendent was instructed to follow through with the recommendations of Creative Associates Unlimited without further consideration from the Board, the Superintendent had prepared a draft of the newsletter for the Board's approval. During the discussion of the newsletter, in which the Directors made some editorial input and helpful suggestions, the 3 MGD flow line versus the 19 MGD flow line from Whitewater Hill to Plant #2 was discussed at some length. The Superintendent was asked when the City would be constructing a new flow line off the Grand Mesa. It was the Superintendent's best estimate it would not be until 1995. During the 40 minute discussion Superintendent Schuster told the Directors the Mantey Heights tank was not available from the City as the City Engineers thought they would require that tank to pump to various other places in the City to satisfy their new ordinance which required all construction within the City limits to use City water.

Superintendent Schuster informed the Directors that Dr. Yarbrough had responded to Dot Hoskins' request for assistance and stated she was too busy to take on more clients but said she would send a list of consultants that she recommended as conflict resolution experts. As of June 12th, Dot had not received this list of conflict resolution experts but hopefully she would have the list for the scheduled ad hoc committee meeting of July 12th.

Superintendent Schuster had previously distributed a draft copy of an agreement between the City and Clifton but not all of the Directors had had an opportunity to read it. Director Ballagh had had an opportunity to read it

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and had a few editorial comments. He expressed a desire to have a few of the phrases more descriptive and less ambiguous. It was the general consensus of the Directors during a 40 minute discussion that the matter be set aside until the July meeting until all Directors had had a chance to read the draft agreement and prepare their comments.

The May Report which was presented for the June meeting had a different format in the Profit and Loss Statement which seemed to satisfy all the Directors with the exception of Director Barrick. Director Barrick's only comment was that it took additional time to prepare the Profit and Loss Statement as the new format was prepared on the Apple Computer in the Superintendent's office whereas it is normally prepared on the DEC from information fed into it by the Office Manager. After some discussion Director Barrick finally said he thought it was worth an additional one man-hour to prepare the new format for the Profit and Loss Statement rather than spend two hours at a Directors meeting discussing what changes should be made. At that point Director Ela moved to accept the new format of the Profit and Loss Statement. The motion was seconded by Director Garber and passed unanimously.

Superintendent Schuster had suggested that Clifton offer Ute 18% of the balance of Ute's note from the Fruita State Bank which was authorized in the election of August 29, 1961. The Superintendent stated that the 18% was derived from the percentage of Clifton's valuation within the Ute District. This 18% would amount to a payment of approximately \$1,177,200. After some discussion Director Ballagh told the Superintendent to draft a letter to that effect for the Directors' review. At the outset of the discussion Director Ela made it perfectly clear he would not partake in any discussion concerning withdrawal from the Ute Water Conservancy District.

There being no other old business, Chairman Barrick called for new business.

The Superintendent told the Directors that the hiring of two young men from Central High School to flush fire hydrants was working out very well and that this means of flushing the hydrants would probably resolve the conflict which had existed between the Clifton Water District and the Clifton Fire Protection District.

The Superintendent suggested that the District construct an 8" line from the 27" line in E Road through Mesa View Trailer Park to the San Miguel Subdivision to provide additional water for fire protection for the Mesa View Trailer Park. There was considerable discussion on this matter with Director Ballagh suggesting an alternate route of line construction which would provide the same benefit to the trailer park in addition to providing benefits to the property directly west of the trailer park. The Superintendent said he would study the matter and make a more definite proposal at the July meeting.

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Superintendent Schuster informed the Directors the State Health Department had developed a backflow prevention program which required the use of a check valve on the meter yoke, or a similar device, to prevent water which had entered the customer's system to back into the District's system. He went on to state that with the installation of a check valve, if the heater's pressure relief valve is not functioning, the vent or flue may fail. When water heats, it expands. In a tight system there is no place for the additional volume and as a result the flue collapses in the hot water heater when the pressure relief valve does not work. After some discussion Director Kuykendall said the District should take the same position as the Public Service Company of Colorado and provide the information in the next newsletter that the customer should maintain the pressure relief valve on the hot water heater to prevent this.

Superintendent Schuster gave a brief report on some problems between the residents of Valle Vista Subdivision and the owners of Rolling Hills Sanitation Company which alluded to a memorandum dated May 24, 1989, wherein the Superintendent suggested the District consider taking over the operation of the Rolling Hills Sanitation District to protect its investment. After some discussion Director Ballagh moved to table the matter. The motion was seconded by Director Garber and passed unanimously.

The Directors asked the Superintendent about the status of the rock drop structure in the Colorado River, particularly with respect to an article in The Daily Sentinel of June 13, 1989. After some discussion the Superintendent was told to check with the Corps of Engineers on the specifications for buoys to determine the size, color and spacing so river rafters could negotiate the "chute" as recommended in two warning signs upstream from the rock structure. The Superintendent was also instructed to find the dock site at Palisade and post warnings of the rock structure at that point.

There being no other business before the Board the meeting was adjourned at 10:30 p.m.


Secretary

ATTEST:

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held July 19, 1989

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

President Barrick called the meeting to order at 7:30 p.m.

The Beauregard account (07-779-000) was discussed for approximately 10 minutes as Mrs. Beauregard had attended the public meeting at the Community Center on July 12th and expressed a problem with our billing procedure. During the discussion it was resolved that Mrs. Beauregard had not paid for any water she did not receive.

Director Ballagh moved to approve the minutes of the June 14th meeting as presented. The motion was seconded by Director Ela and passed unanimously.

Director Ballagh moved to accept the Financial Report and pay the Accounts Payable in the amount of \$39,884.70, plus \$12,876 to Ben Dowd Excavating, \$60 to Sign Designs, \$237.50 to Creative Group Associates, \$65 to The Glass Patchers and a \$35,000 transfer of funds to Mesa Federal Savings. The motion was seconded by Director Garber. After a 25-minute discussion the motion passed unanimously.

The Directors talked about the newsletter and the public meeting of July 12th. It was the consensus of the Board that the June newsletter was well received by the water customers and another edition would be forthcoming at some later date.

Superintendent Schuster told the Directors there was nothing new in the City/Clifton agreement, that the City had received their draft copy on June 16th and had not replied at this point.

The Superintendent informed the Directors that the installation of a 10" line at Plant #1 as discussed at the May 17th meeting to provide fresh water to Southridge and Whitewater through the 100,000 gallon reservoir had been completed at a cost of \$10,947.75. Previously, the construction was estimated to cost \$20,000.

The Superintendent had prepared a draft of a letter to the Ute General Manager as another effort by Clifton to withdraw from the Ute Water Conservancy District. The contents of the letter were discussed at length with Director Garber stating he thought we should send the letter just to see what response we would get from Ute. After some discussion Director Garber moved to send the letter prepared by the Superintendent to the General Manager of Ute Water Conservancy District. The motion was seconded by Director Ela and passed unanimously.

Superintendent Schuster informed the Directors he had not received any response from Mrs. South concerning the request for an easement on her property. The South property lies directly west of the Mesa View Park. An easement was requested in order to bring water from the 27" line on E Road up to the San Miguel Subdivision.

The Superintendent told the Directors he had installed a "river rafter warning" at a popular embarking spot in the Palisade area on the Colorado River to warn rafters of the low head dam approximately 4 1/2 miles downstream. The Superintendent also informed the Directors he had had a meeting with the EPA, Corps of Engineers and the U.S. Fish and Wildlife wherein they requested eight alternatives to the rock structure be studied. These 8 alternatives are: lower the existing pumphouse to the grade of the river; relocate the pumphouse to the other side of the river; relocate the pumphouse upstream to where the water is not crowding the left bank; obtain an alternate source of water during times of low flow from either Ute or the City; study ground water as a source of water; remodel the drop structure so it does not require as much fill; construct an infiltration gallery in the river; and construct a pipeline under the river so the "mouth" is at the deeper part of the river. The other alternative being leave the rock structure as it is in place. The report is due by August 18th.

There being no other old business, President Barrick asked for new business.

The Superintendent explained to the Directors why the wilderness areas as proposed by Senator Wirth are being held hostage by water groups in Colorado.

Director Garber moved to appoint Superintendent Schuster to prepare the 1990 budget as required by law. The motion was seconded by Director Ela and passed unanimously.

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

John L. Ballagh
Secretary

ATTEST:

Paul E. Barrick

Martin Garber

Wm. M. Ela

Frank R. Kuykendall, Jr.

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held August 16, 1989

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

President Barrick called the meeting to order at 7:30 p.m.

Director Ballagh moved to accept the minutes of the July 19, 1989 meeting as presented. The motion was seconded by Director Garber and passed without opposition.

Director Ballagh moved to approve the Financial Report and the Accounts Payable, with corrections to the Cash Flow Report as discussed, in the amount of \$66,906.07 plus \$280 to the Special District Association, \$272 to the Snowmass Resort Association, a refund of \$22.80 to Herbert Edwards and a \$35,000 transfer of funds. The motion was seconded by Director Ela and after a 35-minute discussion passed unanimously.

Director Ela questioned some of the statements in the Clifton/City Agreement stating he thought the statements in question were too ambiguous and needed clarification. After Director Ela expressed his concerns, Superintendent Schuster agreed that the language should be more specific in nature and agreed to make the necessary changes. During the discussion, the pipe sizes for the winter water and the summer and winter water were discussed at some length. Director Ela was concerned that the water could not reach Plant #2 by gravity from Whitewater Hill. The Superintendent assured Director Ela that if the pipeline could go through the cut made by the Highway Department the flow would be by gravity and no pumping would be necessary.

Superintendent Schuster stated he had received a response from Lawrence Aubert, General Manager of the Ute Water Conservancy District, concerning the letter which was approved at the July 19th meeting. Manager Aubert stated the letter sent from Saunders to Barrick stated the Ute Water Conservancy District Board's position and he thought it would be best if representatives from Clifton attended Ute's Board meeting to state their concerns about getting legislative action to let areas withdraw from water conservancy districts provided that their portion of the general obligation bonds are paid in by a vote of the people rather than a petition. After considerable discussion Director Ela moved to defer any action on appearing at Ute's Board meeting for a few months until Clifton Directors had a chance to give it some more thought. Director Ela made it perfectly clear that he was still abstaining from any discussion in this matter. The motion was seconded by Director Ballagh and passed unanimously.

Director Ballagh stated he had had a telephone conversation with Carl South concerning the easement on his property to bring a water line from E Road to the south end of the San Miguel Subdivision. During the conversation Carl South said he would consider the easement and let John know. After some

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conversation Superintendent Schuster was instructed to ask Bob Enever to contact Carl South since Enever had an excellent rapport with Mr. South and it was at Enever's request, more or less, that Clifton was seeking the easement.

The "Water Plan" report prepared for the United States Environmental Protection Agency by Superintendent Schuster was discussed for approximately five minutes but no action was taken.

Superintendent Schuster told the Directors that the stipulation between the opposers of Clifton's request to get domestic water from the Grand Valley Irrigation Company had been approved by all opposing attorneys with the exception of the Grand Valley Irrigation Company itself. The Grand Valley Irrigation Company was desirous of maintaining all water in their ditch for carry water.

There being no other old business, Director Barrick asked for new business.

Superintendent Schuster recommended that the Directors add Columbus Day to the list of holidays for the Clifton employees with the understanding that the office would be open and maintained by half staff on Colorado Day and open and maintained by half staff on Columbus Day rather than being closed for a full day on Colorado Day. The Superintendent went on to state that Colorado Day was not a popular holiday with Clifton's customers since the post office and banks remained open. After some discussion, Director Ela moved to accept the Superintendent's recommendation and maintain Colorado Day as a holiday for half of the employees and provide Columbus Day as a holiday for the other half of the employees provided that employees take at least one of the days off and receive no holiday pay for the other holiday. This is to become effective in 1990. The motion was seconded by Director Kuykendall and passed unanimously.

Ben Moya of Western Network had offered his services to the City, Clifton and Ute to help resolve the conflict of the merger at a cost of between \$12,000 to \$14,000. Director Ballagh moved to decline Moya's offer as far as the Clifton Water District was concerned but would be willing to sit in should the City and Ute elect to pay his fee. The motion was seconded by Director Garber. During the discussion, Director Ela stated that unless the parties went to a resolution conflict with the understanding that the results would be binding on the parties all of Moya's efforts would be in vain and the monies paid could not be recouped. Upon additional information, Director Ballagh moved to table the item until there is a firm proposal from Moya for the Directors to study. The motion to table was seconded by Director Garber and passed unanimously.

Superintendent Schuster presented a proposed budget to the Directors which estimated revenues in 1990 of \$1,369,500 and expenses in the same amount. After one hour of lively discussion the Directors took the proposed budget under advisement.

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Superintendent Schuster informed the Directors of a letter he had received from the State Auditor's office praising the 1988 audit.

Director Barrick showed the other four Directors a threatening letter received from Elmer Shaw (Account #01-622-000, 415 1/2 Chiswick Way). It was the consensus of the Directors that the Superintendent show this letter to the Sheriff. The office personnel were instructed to keep an occurrence report of any other time he should write a letter or appear in person. The Superintendent informed the Directors that he had instructed the girls that next time Mr. Shaw appeared in the office to let him know and he would wait on the man.

The meeting adjourned at 10:30 p.m.


Secretary

ATTEST:




MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held September 20, 1989.

Present were President Barrick, Vice President Ela, Secretary Ballagh, and Treasurer Garber. The absence of Director Kuykendall was an excused absence. Staff present were Superintendent Schuster, Office Manager Kay and Chief Operator Blount.

President Barrick called the meeting to order at 7:30 p.m.

Director Ballagh moved to accept the minutes of the August 16, 1989 meeting with the corrections as noted by Attorney Bechtel and with the addition of the following statement in the sixth paragraph on page 1, "Director Ela is still abstaining from any discussion concerning Clifton's withdrawal from the Ute Water Conservancy District". The motion was seconded by Director Garber and passed unanimously.

Director Ela moved to approve the Financial Reports and the Accounts Payable in the amount of \$88,283.42 plus \$10 to the Mesa County Water Association, \$292.03 to Diamond Shamrock, \$6.20 to Chuck Fisher, \$13.20 to W. Hinkleman, \$11.00 to Paul Long, \$12.40 to Jack Payne, \$13.40 to Wes Reeve and a \$35,000 transfer of funds to Mesa Federal Savings. The motion was seconded by Director Ballagh and after a 20 minute discussion passed unanimously.

Superintendent Schuster read aloud Dot Hoskins resignation letter as Chairman of the ad hoc committee due to a Resolution passed by the Ute Board of Directors on September 13, 1989. The September 13th Resolution of the Ute Board of Directors was also presented to the Directors for their review. It was stated that even though the engineer showed that Clifton would be in a position of negative savings if the merger should occur, Clifton was always willing to discuss the potential merger with the other two entities. Director Ela moved that the Clifton Board of Directors make no comment on the Resolution at this time as comments at this point would be nonprogressive to reconfront Ute with issues wanting of objectivity as stated in the Resolution. In seconding the motion, Director Ballagh stated he wanted the record to show that Clifton will continue its willingness for dialogue with Ute and with the City. The motion passed unanimously.

Superintendent Schuster had presented a proposed budget dated August 28, 1989 for the Directors' consideration. The budget was based on comments made at the August 16th meeting. Presentation of the budget led to an immediate discussion on a water rate increase to allow the revenue from interest to be set aside for long-term water quality betterment and capital improvements. After some discussion Director Garber moved to increase the minimum water rate from \$5.00 to \$5.50 per month for 3,000 gallons and to increase the overage from \$1.20 per thousand gallons to \$1.35 per thousand gallons, to be effective October 1, 1989. The motion died for lack of a second. After some discussion Director Garber moved to increase the minimum water rate for 3,000 gallons from \$5.00 per month to \$6.00 per month and to increase the overage from \$1.20 per thousand gallons to \$1.30 per thousand gallons. Out-of-district rates will continue to be 1.5 times the in-district rate. The motion was seconded by Director Ela and passed unanimously.

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After the discussion on the water rate increase Director Ballagh moved to revise the proposed budget dated August 28, 1989, to show the revenue from the sale of water at \$1,172,000 and under general expenses add an item titled "Funds for Long-term Water Quality Betterment" and show \$172,000 as an expense item for the 1990 budget. Director Ballagh continued in the same motion to state that a public hearing for the 1990 budget be set for October 18, 1989, and that said notice of same to be published in accordance with the state statutes. The motion was seconded by Director Ela. During the discussion Director Garber questioned the need for the purchase of two pickups in budget year 1990 but stated he had no problem with leaving the figure of \$20,000 in the budget under automotive provided that no additional pickup is purchased without the authorization of the Board. The motion passed unanimously.

There was a brief discussion on the easement from Mr. South. Superintendent Schuster informed the Directors that he had contacted Bob Enever who was going to contact Mr. South. In addition, Director Ballagh stated he would contact Mr. South to request an easement to construct a water line from E Road to the south end of the San Miguel Subdivision.

Superintendent Schuster informed the Directors that there was no change in the status of the rock structure in the Colorado River. He stated he had mailed the "Water Plan" to the Environmental Protection Agency on August 15, 1989, and had received no response as of this date.

Superintendent Schuster told the Directors that the change of use from irrigation to domestic and irrigation of the District's Grand Valley Irrigation Company shares had reached a successful conclusion in that all of the attorneys for the objectors were to sign a stipulation which had been drafted by Attorneys Dufford and Bailey. The Directors instructed the Superintendent to maintain the court dates of November 28 - 30, 1989, in the event there was some hang-up in getting the stipulation signed by all of the attorneys representing the opposition.

Superintendent Schuster informed the Directors that the existing Digital Equipment Corporation computer could be upgraded by adding another disk drive which would be compatible with the existing software for a complete cost of \$4,270. He also stated that the monthly service agreement which was \$482 per month could be reduced to \$310 per month. In addition, the Superintendent gave a total cost of \$41,488 for the purchase of hardware from International Business Machines and software from Data West or an estimate of approximately \$24,000 for purchasing hardware from the Hewlett Packard Corporation and software from Royce Arbour. After considerable discussion Director Ballagh moved to purchase the new drive from DEC provided that it had at least a 90-day guarantee but to decline entering into a service agreement contract for \$310 per month. The motion was seconded by Director Ela and passed unanimously.

There being no other old business, President Barrick asked for new business.

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Superintendent Schuster stated that the Interim Water Committee was holding hearings on October 5, 1989, for possible changes to the Water Conservancy Districts Act, mainly requiring Directors to be elected rather than appointed by a district judge. It was the general consensus of the Directors that somebody from Clifton should be present at the hearing to testify in favor of electing Directors for water conservancy districts and whoever went should express the position of Clifton which is in favor of elections. Director Ballagh stated he would check with his Board of Directors to see if they had any problem with him attending the hearing, otherwise the District would send Director Garber or Superintendent Schuster. Expenses for airfare were approved for this trip.

The Superintendent stated he thought selling water from Plant #2 to the City for \$115,000 for the first 100,000,000 gallons and \$0.10 per thousand gallons thereafter would avoid the hassle of the City's participation in the budget making process for Plant #2. It was the consensus of the Directors that the Superintendent's proposal be accepted under the condition that the City pay a premium for any water over 4.5 MGD and this price would be negotiated. It was generally decided that Superintendent Schuster discuss the proposal informally with the City to get their reaction.

Director Garber moved that those who attend the SDA of Colorado Conference at Snowmass take blank Clifton Water District checks to the conference in order to avoid paying the 7.2% sales tax where applicable. The motion was seconded by Director Ballagh and passed unanimously.

Superintendent Schuster informed the Directors that Mesa State College was offering a four-hour Continuing Education Course called "Re-inventing the Board: Strategic Leadership for Public and Private Non-Profit Governance" on October 5th from 6:00 to 10:00 p.m. at a cost of \$20.00 per head. After some discussion it was generally agreed that the District would pay the fee for the Superintendent and the Directors who wish to attend. Director Barrick stated he could not attend due to a conflict.

Superintendent Schuster asked the Directors if they wished to support a candidate for the appointment to the Colorado River Water Conservation District and stated to his knowledge that Jim Golden, Greg Trainor, Ed Carpenter and Fuzzy Aubert had each expressed a desire to be appointed. Director Ela thought it would be in the best interests of the District if they did not endorse any candidate for the position as a Board. The Directors could privately do as they wished. The other Directors agreed.

Under other new business, Director Ela moved that he be removed as a member of the Colorado Water Congress and that Fred Kuykendall take his place. Director Ela stated that as a senior judge he felt uncomfortable with this membership. The motion was seconded by Director Ballagh. It was the general consensus of the other Directors that Director Kuykendall would accept the balance of Director Ela's membership in the Colorado Water Congress.

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Director Ballagh wanted a status report on the 5-year plan prior to the budget hearing set for October 18th.

Director Ela asked if the District could save money by bidding the balance of the project on D Road. It was the Superintendent's opinion that money could not be saved but he would take the suggestion under advisement.

There being no other business, Director Barrick adjourned the meeting at 10:20 p.m.


Secretary

ATTEST:

MINUTES OF SPECIAL MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held October 4, 1989.

Present were President Barrick, Vice President Ela, Secretary Ballagh, Treasurer Garber and Director Kuykendall. Superintendent Schuster was also present.

The meeting was called for the purpose of discussing the sessions at the annual Special District Association of Colorado meeting held at Snowmass on September 28th and 29th.

Director Garber gave a short report on the Special District Association Property Liability Pool stating that originally the Pool was supporting 5% of the risk and insuring 95% of the risk, but the Pool was doing so well that the Pool is now going to support 10% of the risk and insure the other 90%. Director Garber went on to say that the assets of the Pool are up from \$507,000 to \$742,000 and the Pool is offering new coverages for machinery and boiler insurance which includes electrical panels, generators, pumps, and other items not originally covered. Superintendent Schuster was instructed to call 1-800-444-3658 to get more information.

The Directors went on talking about the sessions in networking and communication which led into a discussion concerning Clifton Water's desire to develop a general positive public attitude toward the District and, if possible, groom a reporter to report events happening in Clifton in a more positive light. The conversation went so far as to state that the Waterline newsletter should be a quarterly publication.

Director Barrick stated that during the business meeting the bylaws were changed to allow a quorum to be a majority of the special districts in attendance from 30% of the SDA membership in addition to some house cleaning changes. Director Barrick stated there were approximately 278 special districts which are members of the SDA and there are over 800 special districts in the state. Directors Garber and Kuykendall said they were not impressed with the attorneys' session as those who were not members of the Bar did not receive handouts. Another item discussed was that employment manuals and employment application forms should state employment is at will. Director Ballagh went on to state that employment applications should state for the signature area: "I understand employment is at will and there is no contractual obligation between employee and employer." There was also some discussion on letters from financial institutions stating they were authorized as a Public Depository. Other items discussed were easements and the imminent domain procedure and the necessary elements to dismiss an employee with cause.

The SDA recommends there be a written investment policy which is reviewed on an annual basis which gives clear-cut authority of who can invest and who can't invest and whether the District is interested in high-yield risk

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investments or growth investments. It was the general consensus that even though the District policy was contained in various minutes there should be a written policy which is reviewed on an annual basis.

There are new rules for audits which may require the District to perform their own audit and have the document checked by an outside auditor. The Directors who attended the SDA annual meeting were not sure of what exactly the new rules required. One of the recommendations of the SDA was that Districts do not purchase securities unless they could hold them to maturity. It was also mentioned that we should obtain our attorney's opinion on the investments we now hold.

Director Garber went over three scenarios presented at the conference, one was concerning a president of a district who thought he had more power than the other members of the Board and who took liberty with suggestions to the manager of how the district should be operated. Another scenario was where a fire district had purchased equipment without adequate notice of a special meeting. The third scenario being where three of five Board members discussed procedures prior to a Board meeting without hearing all of the facts from the manager. Fortunately, the Directors of the Clifton Water District were not guilty of any three of the scenarios presented. Director Ballagh went on to state that in the risk management session it was stated government immunity does not cover dangerous conditions in public buildings or serious injuries or accidents which occur due to the lack of operation and maintenance of a public water facility. There were several other items Director Ballagh mentioned which were not pertinent to a water district risk.

The Directors discussed the EPA regulations mentioned at the SDA conference stating that the EPA, originally a regulator, had become an enforcer since July 12, 1989, and there were also rumors the EPA has set quotas for their people to find irregularities in the regulations. The lead rule was discussed at some length and the Superintendent assured the Directors that with the exception of the "first flush" sample Clifton had no problem with compliance but he did state Clifton may have a problem with the one micron filtration requirement even though they did not have a problem with the 0.5 ntu requirement. The Superintendent stated that preliminary investigation showed it may cost the District \$125,000 to \$130,000 to upgrade the plant to be able to filter material from water that is less than ten microns in size.

The Superintendent asked the Directors if they were serious about making the Waterline newsletter a quarterly publication. It was generally agreed that Waterline should be published semiannually.

Director Ballagh stated that the Farm Credit Bank and the Production Credit Association were having an auction on October 12, 1989, at 1:00 p.m., in which 220 shares of Grand Valley Irrigation Company stock would be offered for sale.

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After some discussion Director Ballagh moved to authorize Superintendent Schuster to bid up to \$200 per share for all or any portion of the 220 shares of Grand Valley Irrigation Company stock being offered at the auction. The motion was seconded by Director Garber and, after some more discussion, passed unanimously.

There being no further business, the meeting adjourned at 10:30 p.m.

John L. Ballagh
Secretary

ATTEST:

Wm. M. EG, VP. Paul E. Banick
Fred M. Keykendall Jr. Martin Garber

MINUTES OF MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held October 18, 1989.

Present were President Barrick, Secretary Ballagh, Treasurer Garber and Director Kuykendall. Vice President Ela had previously called and asked to be excused for the first part of the meeting as he had other pressing matters. His temporary absence was excused as requested. Staff present were Superintendent Schuster, Office Manager Kay and Chief Operator Blount.

President Barrick called the meeting to order at 7:30 p.m. and immediately opened a public hearing on the 1990 budget as advertised in accordance with State Statutes. No members of the public were present. Director Garber moved to adjourn the public hearing on the 1990 budget. The motion was seconded by Director Ballagh and passed unanimously.

Director Ballagh moved to accept the minutes of the regular meeting of September 20, 1989, as presented. The motion was seconded by Director Kuykendall and passed unanimously.

Director Ballagh moved to accept the minutes of the special meeting of October 4, 1989, as presented. The motion was seconded by Director Garber and passed unanimously.

Director Ballagh moved to accept the Financial Report and pay the Accounts Payable in the amount of \$33,120.42, plus a transfer of funds of \$35,000 to Mesa Federal Savings, a payment of \$19,600 to Universal Realty and Auction for shares of Grand Valley Irrigation Company stock, and a payment of \$91.04 for petty cash. The motion was seconded by Director Garber and, after a 10 minute discussion, passed unanimously.

Director Ballagh gave a report on his attendance at the Colorado State Legislative Interim Water Committee held on October 4, 1989. Director Ballagh stated that Clifton was used by some East Slope interests, especially opponents of the Northern Colorado Water Conservation District, at this meeting. Addressing the Interim Water Committee was Fred Anderson, former State Senator, Jeanne W. Englert, an activist and opponent of the Northern Colorado Water Conservation District, and Director Ballagh. Director Ballagh stated that in a side conversation with Senator Bishop he was asked to send a specific proposal to Senator Bishop, "chapter and verse" to allow Clifton to withdraw from Ute for the Interim Committee's consideration. The report lasted 15 minutes.

Director Garber and Superintendent Schuster gave a report on the "Reinventing the Board" presentation at Mesa State College on October 5, 1989. Basically the presentation said that Boards should set their goals and then give the Superintendent (Chief Executive Officer) the leeway to accomplish these goals within the constraints as set by the Board. A 15 minute discussion followed.

At the September meeting Director Ballagh had requested an overview of the 5-year plan. The Superintendent had prepared a list of the projects which had

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been completed as scheduled of the 5-year plan in 1989 and a discussion followed. Director Ela entered the meeting at 8:30 p.m. The Superintendent was instructed to present costs of the D Road project and the E 1/2 Road project at the November meeting. The discussion on the 5-year plan lasted for 20 minutes.

There was nothing new to report on the easement from the South's.

The Superintendent reported he had heard nothing from EPA on the rock structure in the river since his submittal of the "Water Plan" on August 15, 1989.

Superintendent Schuster informed the Directors that all of the signatures on the stipulation for the Grand Valley Irrigation Company shares being changed from irrigation to domestic and irrigation had been obtained and that papers for the court were being prepared. Director Ela asked the Superintendent to send a copy of the stipulation to all the members for their review.

Superintendent Schuster stated that the auction he was authorized to attend at the special meeting on October 4th was conducted on October 12th and he had purchased 120 shares of Grand Valley Irrigation Company stock at a price of \$200 per share.

Superintendent Schuster stated that the purchase of a supplemental gas chromatograph for the laboratory at the plant was required by the demand on the laboratory due to the amendments to the Safe Drinking Water Act. After the Superintendent's pitch for the acquisition of a supplemental gas chromatograph and accessories, Director Ballagh moved to table the matter until the November meeting at which time the Superintendent would present the Directors with an accounting of the revenue and expenditures compared to the 1989 budget. The motion was seconded by Director Kuykendall and passed.

The Superintendent had asked the Directors to consider obtaining credit cards in the name of the Clifton Water District for business travel for the Directors and staff. After 15 minutes of discussion the Superintendent was instructed to find out what is available in the form of credit cards and give a report at the November meeting. It was desired that one credit card be obtained which would be suitable for any one of seven or eight signatures.

The Superintendent reported that on or about August 15, 1989, Excel Plumbing broke a two inch valve at the Coronado Plaza Shopping Center. Excel Plumbing was not authorized to operate the valve and after breaking the valve failed to report the matter to the Clifton Water District for almost 19 hours. In the meanwhile, water users at Mesa Federal Savings in Coronado Plaza were without water. The Superintendent stated the cost of replacing the valve was \$315.10 and that Excel Plumbing had been billed and in his opinion they should be taken to small claims court for collection. The Superintendent was instructed to send another bill to Excel Plumbing stating that the monies were past due and if the statement was not paid within 20 days the District would take action. The Superintendent is to report to the Directors on the outcome of

this at the November meeting.

The Superintendent presented an "Investment Policy" for the Directors' review. Since the Directors had not had time to study the Investment Policy the matter was deferred until the November meeting.

The Superintendent informed the Directors that he had had a request from an adjacent landowner to purchase the 40-acre parcel at Southridge. The District had acquired the parcel in the Foster/Foster/Coleman deal. After some discussion the Directors told the Superintendent to have the landowner make an offer on the property but to not encourage him to think that his offer would be accepted. The matter will be discussed again at the November meeting.

Under new business Director Garber questioned the District's liability by Ben Dowd Excavating being its main contractor. He stated that the barricades used in construction had "CWD" painted on them indicating that Clifton was the prime contractor. He suggested that Ben Dowd Excavating furnish their own barricades for all construction. After some discussion the Superintendent was instructed to not use Clifton barricades for outside contractors. The Superintendent was also instructed to get an opinion from the attorney as to the District's liability for work by outside contractors in the manner the District has been performing this work. During the discussion of liability Superintendent Schuster stated he had had a "fender bender" in Denver on his way home from the Colorado Water Utility Council meeting on October 13th. He stated that the other driver received a citation for taking the right-of-way.

Director Garber moved to have the Clifton Water District continue their tradition of providing a holiday turkey for the Directors and the staff. The motion was seconded by Director Ballagh and passed unanimously.

Director Ela moved that the following Resolution be adopted:

WHEREAS, the DIRECTORS have adopted the annual budget for 1990 in accordance with the Local Government Budget Law, on the 18th day of October, 1989, and;
WHEREAS, the DIRECTORS have made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget, and;
WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, so as not to impair the operations of the DISTRICT.
NOW, THEREFORE, BE IT RESOLVED by the DIRECTORS OF THE CLIFTON WATER DISTRICT, Mesa County, Colorado:
That the following sums are hereby appropriated from the revenue of the DISTRICT, for the purposes stated:

ESTIMATED EXPENDITURES:	
Water Purchases	\$ 10,000
Purchase Office Equipment	29,000
Purchase Equipment - Plant #2	15,000
General Construction	150,000
Plant #2 Construction New Lab	20,000
Director Fees	3,300
Mileage	800
Wages and Benefits	413,540
Operating Expenses	201,820
Fund/Long-Term Water Quality Betterment	172,000

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Plant #2 Expenses less Wages & Benefits	207,840
Bond Interest & Principal	321,850
Contingency	96,350

TOTAL ESTIMATED EXPENDITURES \$ 1,641,500

ESTIMATED REVENUES:

Sale of Water	\$ 1,172,000
Sale of Taps	22,500
Sanitation District Fees	9,000
City of Grand Junction Reimbursement	120,000

Penalties & Turn Fees	40,000
Availability of Service Charge	9,000
Interest Income	165,000
Miscellaneous Income	4,000
Property Taxes	0
From Reserves of District	100,000

TOTAL ESTIMATED REVENUES \$ 1,641,500

IT IS FURTHER RESOLVED, that there is appropriated from the funds of the DISTRICT One Million, Six Hundred Forty-One Thousand, Five Hundred Dollars (\$1,641,500) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 1990 or thereafter.

The motion was seconded by Director Kuykendall and passed unanimously.

Director Barrick instructed the Superintendent to institute a policy and procedure to make sure that all valves in the system that were designed to operate in the normally open position were open under normal operating conditions.

The meeting adjourned at 10:15 p.m.


Secretary

ATTEST:









MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

CLIFTON WATER DISTRICT

Held November 15, 1989

Present were President Barrick, Vice President Ela, Secretary Ballagh and Treasurer Garber. Director Kuykendall had previously called and asked to be excused as he had other pressing matters. His absence was excused as requested. Staff present were Superintendent Schuster, Office Manager Kay and Chief Operator Blount. Also present as a guest was Ruth Hutchins, a shareholder of Grand Valley Irrigation Company stock.

President Barrick called the meeting to order at 7:30 p.m. and immediately asked Ruth Hutchins to present her concerns to the Directors. Mrs. Hutchins indicated that the Grand Valley Irrigation Company advertised in their notice of their 1989 Annual Shareholders Meeting that there would be a proposal for the shareholders to vote on the Grand Valley Irrigation Company entering into a cooperative agreement with the Bureau of Reclamation and the Pomona Lateral Ditch Company to construct, operate and maintain the Pomona Lateral for the purposes of demonstrating and evaluating the process the Bureau of Reclamation proposes to use for improving laterals in the Grand Valley Irrigation Company service area under the Salinity Control Program. Mrs. Hutchins was concerned about this proposed agreement and mentioned a litany of opposing points of view and subsequently suggested that the Grand Valley Irrigation Company form a subsidiary company to do the lateral work to avoid any liability to the company. The discussion lasted for 35 minutes. Mrs. Hutchins took leave without any action from the Board. In parting Mrs. Hutchins asked the Directors to consider writing another letter to support the EPA veto of the Two Forks Dam as proposed by the Denver Water Department.

Connie Nickerson, Account Number 15-469-000, 642 Lauradale Drive, had asked to be put on the agenda but was not present. Superintendent Schuster described the problem Ms. Nickerson had with the District in that her first statement showed a previous balance of \$7.30 which was not Ms. Nickerson's balance but the balance of the previous tenant who occupied 642 Lauradale Drive. Through a series of events Ms. Nickerson was extremely upset with the Clifton Water District and vowed to change the statutes that allowed delinquent water bills to be a lien on the property. During the course of the 30-minute discussion Office Manager Kay presented a letter to the Directors which was sent to every new customer outlining what was expected from the customers and what they could expect from the District. The Directors generally agreed that the letter which was sent to new customers was an excellent idea, carefully worded and well presented. During the discussion, Director Garber stated the Ms. Nickerson problem was an isolated incident and since it is not a chronic complaint he did not think any action was necessary. It was the general consensus of the Directors that the "Welcome Letter" and the first water bill be sent in the same envelope.

Director Ballagh moved to approve the minutes of the October meeting as presented. The motion was seconded by Director Garber and passed unanimously.

Director Ballagh moved to accept the Financial Report and pay the Accounts Payable in the amount of \$52,933.59 in addition to \$160.85 to Grand Valley Rural Power, \$208.13 for fuel to Diamond Shamrock, a refund of \$5.00 to Lois

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Lashbrook, and a \$35,000 transfer of funds to Mesa Federal Savings. The motion was seconded by Director Garber. During the discussion the liability of the District in hiring Ben Dowd Excavating as an independent contractor surfaced again. Superintendent Schuster stated that he had been in contact with Attorney Bechtel and she told him that the District is not liable for damages caused by negligent acts of employees of the independent contractor unless the injured party can prove the District was negligent in selecting the independent contractor for the job or that an instrument belonging to the District and used by the independent contractor caused the injury, or the District was in some other way negligent and its own negligence led to the injury. Director Ela stated that he wanted the minutes to reflect the Attorney's opinion and for the District to continue to separate itself from Ben Dowd Excavating so Ben Dowd Excavating would indeed be recognized as an independent contractor. The City's purchase of the Sommerville's Ranch for the water was also discussed at some length. Thirty minutes after Director Ballagh's motion was seconded the motion passed unanimously.

The Superintendent had listed four items on the agenda to leave a positive "paper trail" in the minutes as the four items had been discussed at the October meeting and action was deferred or tabled until the November meeting. The first item was the status of the rock structure in the Colorado River. The Superintendent reported he had not heard from the Environmental Protection Agency since submitting his Water Plan in the midpart of August, 1989. The Superintendent indicated that the status of the rock structure in the Colorado River would not be on the agenda in the future unless there was something to report. The second item was the status of Clifton getting credit cards for business travel for the Directors and staff with the Superintendent stating he had not progressed in this matter. The Superintendent was instructed to contact the Special District Association of Colorado to see what they would recommend in the way of a credit card. The third item under the housekeeping portion of the agenda was a statement from the Superintendent that the District had collected the \$315.10 from Excel Plumbing along with the late payment of 1.5% of the bill for payment after 30 days. The last item being the consideration of selling the 40 acres acquired from Foster/Foster/Coleman at Southridge and that he had not been contacted by the proposed purchaser in order to tell him he was to make an offer on the property for consideration.

As instructed, the Superintendent had prepared a tabulation of the actual costs of the construction on E 1/2 Road and D Road as compared to the estimated costs. In all cases the total actual cost was lower than the total estimated cost. However, in some instances the cost of labor and equipment was greater than the estimated cost and the cost of the material was less; whereas in other instances the cost of the material was greater than the estimated cost and the cost of labor and equipment was less. Overall, the actual cost was pretty well in line with the estimated cost.

After some discussion, Director Ela moved to adopt the following Investment Policy:

1. Purpose:

1.1 The purpose of this policy is to set forth the Clifton Water District's (District) practice regarding the investment of the District's cash reserves.

1.2 Whenever the District has monies on hand which are not then needed in the conduct of its affairs (cash reserves) it will attempt to invest such cash reserves in accordance with law and with the intent of obtaining the maximum net interest earnings obtainable without unreasonably limiting the District's liquidity in the event of emergencies or incurring unreasonable risk of loss of such cash reserves.

2. General Information:

2.1 The District incorporates herein all investment powers granted to it by statute and law including, but not necessarily limited to, the powers granted under C.R.S. 24-75-601, et seq., and C.R.S. 32-1-1101(5).

2.2 The Superintendent is authorized to invest cash reserves of the District in securities authorized by C.R.S. 24-75-601.1 for any period from the date of purchase of such security to its maturity date including periods in excess of five years so long as the investment does not unreasonably limit the District's liquidity in the event of emergencies and provides the District the highest net interest earnings obtainable within the guidelines of paragraph 1.2.

2.3 It is the desire of the District to invest approximately fifty percent (50%) of the District's cash reserves in certificates of deposit, savings accounts or other interest bearing investments available through financial institutions located in Mesa County, which institutions are recognized as public depositories. The balance of the District's cash reserves shall be invested in high interest return securities authorized by C.R.S. 24-75-601, et seq.

2.4 Cash reserves invested with Mesa County financial institutions must be secured by an agency of the United States Government and not exceed the insurance limits of the F.D.I.C. or the F.S.L.I.C. The Superintendent shall reinvest any accumulated interest in excess of the insurance limits within thirty (30) days after receiving notice from the financial institution of the accumulation in excess of F.D.I.C. or F.S.L.I.C. insurance.

The motion was seconded by Director Garber and passed unanimously.

Director Garber moved to purchase the supplemental gas chromatograph and accessories as presented to the Directors in the October meeting to meet the requirements of the Amendments to the Safe Drinking Water Act. The motion was seconded by Director Ballagh and passed unanimously.

Director Ballagh moved to submit the Right-of-Way Agreement as prepared by the Superintendent to Betty A. South for her signature. The right-of-way easement

granted a standard 3/4" water tap to Betty South as long as it is installed within five years at any place within the Clifton Water District at a location which is compatible with the existing system. The motion was seconded by Director Garber and passed unanimously.

Under other old business Director Garber inquired as to whether or not the District had to receive approval from the Public Utilities Commission to adjust its rates. Director Garber was informed that the Clifton Water District was not under the authority of the Public Utilities Commission.

Director Ela stated that he had read the stipulated agreement which had been prepared by Attorney Dufford for a change of use of the District's Grand Valley Irrigation Company shares and did not have a problem with it.

There being no other old business, Director Barrick called for new business. The first item under new business was the announcement of the Grand Valley Irrigation Company's annual meeting scheduled for December 2, 1989, in Fruita, Colorado. After some discussion, and taking into consideration the statements made by Mrs. Hutchins at the beginning of the meeting, Director Ela moved to have Superintendent Schuster attend the meeting and let his conscience be his guide as he votes the District's 1,221 shares. The motion was seconded by Director Garber with the understanding that Superintendent Schuster contact Mrs. Hutchins and recommend that the attorney for the Grand Valley Irrigation Company be made privy to her proposal so there was no ambush at the GVI Co. meeting. During the discussion it was the Directors' opinion that if there were a separate accounting for the operation and maintenance on the Pomona Lateral or that the contract for the Pomona Lateral was for a limited time that the Grand Valley Irrigation Company's proposal might be more palatable to the District and to the opposition. The original motion passed unanimously.

Director Ballagh stated that he had seen an ad in The Daily Sentinel for 16 shares of Grand Valley Irrigation water stock at a price of \$200 per share. After some discussion Director Ballagh moved to have the Superintendent check into the GVI Company shares as advertised in the paper and to attend the GVI Company auction on December 14th and to bid up to \$205 per share for a maximum of 179 shares. The magic in the 179 number was that this would give the District a total of 1,400 shares which would yield 9.4 million gallons per day which was estimated to be the District's maximum water requirements in the next few years. The motion was seconded by Director Garber and passed unanimously.

Director Ela moved to ratify the telephone poll approval of changing the employees' holiday from Veteran's Day to the Friday after Thanksgiving. The motion was seconded by Director Ballagh and passed unanimously.

Superintendent Schuster stated he had written a letter to the Bureau of Reclamation stating the District could remove approximately 1,375 ton of salt from the Colorado River if the District utilized the lime-soda softening process on the water it diverted from the Colorado River. In the letter to the USBR the Superintendent stated there would be a capital investment of

approximately \$750,000 and an increase in operating costs from \$0.34 per thousand gallons to \$0.85 per thousand gallons. He stated that the Regional Bureau of Reclamation Office took a very favorable view of the potential of removing salt from the Colorado River by this process.

The Superintendent told the Directors that the SDA of Mesa County was sponsoring a "Local Government Information Exchange" at the Ramada Inn on December 6th at 6:00 p.m. at a cost of \$15 per head. Directors Ballagh, Barrick and Ela indicated that they could attend.

Superintendent Schuster told the Directors that Margaret Coleman held a second deed of trust for the Rolling Hills Sanitation Company and that the residents of Valle Vista Subdivision wanted to borrow \$20,000 from the Clifton Water District to acquire Rolling Hills Sanitation Company from the Colemans which would leave a first deed of trust in favor of the Clifton Water District for approximately \$92,000. Superintendent Schuster stated that \$600 per month would pay back the loan over a period of approximately 33 years at 7% interest. Since there was not an immediate necessity for a decision the matter was tabled.

Under other new business the Superintendent was instructed to write a letter opposing the construction of Two Forks to the address given the District by Mrs. Hutchins. The Superintendent was also instructed to look into the purchase of the Whiting water with Attorney Greg Hoskin. It was the general consensus of the Directors that with council from Greg Hoskins there would not be the same potential for a conflict of interest as there could be by using an attorney who represents the water interests of the City of Grand Junction.

The Superintendent was instructed to negotiate with the Town of Palisade for their excess water in the event that the contract between the Ute Water Conservancy District and the Town had not been consummated or was somewhat in jeopardy where there would be an opening for Clifton to enter into negotiations.

There being no other business the meeting was adjourned at 10:45 p.m.

ATTEST:


Secretary







MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS
CLIFTON WATER DISTRICT

Held December 20, 1989

Present were President Barrick, Vice President Ela, Secretary Ballagh, Treasurer Garber and Director Kuykendall. Staff present were Superintendent Schuster and Chief Operator Blount. Present as a guest was Fay Martin.

President Barrick called the meeting to order and turned the meeting over to Fay Martin to address the Directors. Mrs. Martin complained that a vote was taken at the July 12, 1989 public meeting of the people present and they expressed their desire to maintain Clifton's present water supply and forget pursuing softer water. The Directors denied that there was an affirmative vote of the people present to maintain Clifton's present source of water supply. Director Barrick stated that the softer water the District is looking for is water from the City's reservoir on Grand Mesa or water from the Town of Palisade but not soften the existing supply by the lime-soda softening method. Mrs. Martin stated she did not want anything added to her water, she wanted the water to come to her the way it was provided by our good Lord. Director Barrick went on to say that all the District added to their water was chlorine for disinfection and fluoride for teeth, all within the approved limits as set by the Colorado Department of Health. The discussion lasted for five minutes wherein Mrs. Martin took her leave satisfied that the Directors were not violating the trust of the Clifton Water users.

Director Garber moved to approve the minutes of the November 15, 1989 meeting as presented. Director Ballagh seconded the motion suggesting some clarification be made to the second paragraph on page 2 by labeling each item 1, 2, 3, etc. Director Garber also thought there should be an "s" added to the word ton in the second line of the last paragraph on page 4. After a very short discussion the motion passed unanimously.

Director Ballagh moved to accept the Financial Report and Accounts Payable in the amount of \$35,346.90 in addition to a transfer of funds in the amount of \$35,000 from Palisades National Bank to Mesa Federal Savings, and a payment to Dependable Plumbing and Heating Company in the amount of \$1,403. The motion was seconded by Director Ela and, after a 15-minute discussion in which several Accounts Payable were discussed, passed unanimously.

Superintendent Schuster informed the Directors that Judge Thomas Ossola had signed the judgment and decree for the Change of Water Right on December 11th, concerning the change of use of Grand Valley Irrigation Company shares from irrigation to domestic and irrigation. The Superintendent also reported on the Grand Valley Irrigation Company's annual meeting held on December 2nd at the Fruita Monument High School and stated that only on one occasion did Clifton's vote of 1,221 shares change the outcome of the vote of the irrigators. Superintendent Schuster also reported that he attended the Grand Valley Irrigation Company auction for delinquent assessment payments on December 14th and purchased 20 shares at a cost of \$160 per share. The Superintendent stated that the District could have purchased more but he let the irrigators purchase all they wanted at the price of \$160 per share before he committed the District.

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The loan to Rolling Hills Sanitation Company which was tabled in the November meeting required no action as the District had not heard from the Rolling Hills Sanitation Company since prior to the November meeting.

Superintendent Schuster stated that he had received a call from Carl South indicating that the District could get an easement through his property if the District would change the consideration from a 3/4" standard tap to an 1 1/2" tap. After considerable discussion Director Ballagh moved to allow the Souths to have a 1 1/2" tap to be used on the tract in which the easement is obtained or a 3/4" standard tap anywhere within the District which is compatible with the system. The motion was seconded by Director Garber and passed unanimously.

There was a 50-minute discussion on the purchase of the Whiting Brothers' shares of the Grand Mesa Reservoir Company during which the Superintendent's proposal to the Town of Palisade to purchase treated water was discussed. After this discussion Director Ballagh moved to pay the Whiting Brothers \$1,050 per acre-foot of water actually obtained by the District after the purchase of their interests in the Grand Mesa Reservoir Company. Director Ballagh was concerned that since the water is presently adjudicated and used for irrigation purposes within the Kannah Creek Basin that there would be some loss to the District in changing the use from irrigation to domestic and moving the water out of the Kannah Creek Basin. The motion died for lack of a second. Director Ela moved to defer any action on the purchase of the Whiting Brothers' interests in the Grand Mesa Reservoir Company until the January meeting at which time the Superintendent will have had time to obtain an estimate of the engineering and legal costs involved in the purchase. The Superintendent was also instructed to call Myrl Goodwin and ask how much the price of the Whiting Brothers' water was reduced by the City's purchase of the Somerville Ranch. The motion was seconded by Director Ballagh and passed unanimously.

Director Garber inquired as to the disposition of the Connie Nickerson problem which was discussed at some length at the November meeting. Superintendent Schuster told the Directors that he had called Ms. Nickerson after the November Board of Directors' meeting and told her that her problem was discussed at some length and he was disappointed she was not there to present her case. Ms. Nickerson advised the Superintendent that she had a sick child on the evening of the meeting and she could not make it but seemed to be satisfied that the problem was brought to the Directors' attention.

The Directors were told that the minutes from the meetings of August 2, 1956, to December 10, 1959, had been found and were now in the District's custody. Previously, records of the meetings in that time period were thought to have been lost. The documents were found when the law firm of Dufford, Waldeck discovered them in their archives.

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The Grand Valley Irrigation Company had written a letter to the District requesting that the District reimburse GVIC \$20,782.96 for attorney fees accrued between November 13, 1985 and October 11, 1989. Director Garber moved to deny the GVIC any funds in reimbursement for attorney fees as the GVIC did not have to contest the District's request for a change of water right from an adversarial point of view. The motion was seconded by Director Ela and passed unanimously.

An engagement letter dated October 18, 1989, from the accounting firm of Chadwick, Steinkirchner, Davis and Company was presented to the Directors for their review. The Directors expressed their displeasure in all the disclaimers in the letter but instructed President Barrick to sign the letter so the 1989 audit could be performed. It was also the general consensus of the Directors that they bring to Senator Bishop's attention the statutes which require an annual audit but relieve the auditors of any responsibilities.

The Superintendent had asked the Directors to consider a 2 1/2% morale-boosting bonus to the employees who had worked 99% of their scheduled work days in 1989. Director Ela moved to amend the 1989 budget to transfer \$7,750 from the Contingency Fund to the Employee Salary Fund to be disbursed according to the Employee Salary Policy by the Superintendent and a like percentage to the Superintendent, said percentage being appropriated and not discretionary. After a 25-minute discussion Directors Ela and Ballagh voted in favor of the motion and Directors Kuykendall and Garber voted against the motion. Director Barrick cast a negative vote to break the tie.

An engagement letter from the law firm of Nelson, Hoskin, Groves and Prinster was presented to the Directors for the legal work required in the purchase of the Whiting Brothers' interest in the Grand Mesa Reservoir Company. After some discussion Director Ela moved to instruct President Barrick to sign the engagement letter but questioned the lack of specificity in the District's right to terminate the contract and the wording which makes it possible for the final bill to be raised for considerations other than the hourly rate in the letter. After a 15-minute discussion the motion passed unanimously with the Superintendent being instructed to send a copy of the minutes stating the concerns of the Directors along with the signed letter to Nelson, Hoskin, Groves and Prinster.

Director Barrick requested that the Superintendent check with the City of Grand Junction, the Ute Water Conservancy District and the Special District Association to obtain information to overhaul the present Sick Leave Policy to prevent a liability to the District for employees who take advantage of the District's present Sick Leave Policy. Director Ballagh stated that a new Sick Leave Policy should definitely state that the job may not be held open in the event of a disability of an employee. Director Ela instructed the Superintendent to ask Attorney Bechtel why the present Sick Leave Policy was drafted the way it was, stating that surely there was some reason and rationale that would protect the District with the existing policy. After obtaining information from Attorney Bechtel, the City of Grand Junction, the Ute Water Conservancy District and the Special District Association, the Superintendent is to present a recommendation for the Sick Leave Policy.

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The Board Room has eight new chairs which were presented as a courtesy from the Vice President of Occidental Oil Shale Company, Inc. to the District. During the discussion of the chairs, Director Barrick told the Superintendent any thank you letter to Occidental Oil Shale, Inc. should also state that the Clifton Water District is a nonprofit entity so that the Occidental Oil Shale, Inc. could take advantage of any deductions to their tax rate.

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

John L. Ballagh
Secretary

ATTEST:

Paul E. Barrick

Martin Gerber

Fred M. Keybendall Jr.

W. M. Da