

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

Held January 3, 2002

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, Dave Payne, Ruth Kubin and Lori Cosslett.

Chairman Garber called the regular meeting to order at 3:30 p.m.

MINUTES OF DECEMBER 19, 2001 - Acceptance of the Board Minutes of the December 19, 2001 meeting were tabled since the discussion regarding the Out-of-District Plant Investment Fee increase did not include the required Resolution adopting the change.

STAFF REPORTS - Assistant Manager Reinertsen presented a staff report that provided a three-year comparison of the various projects the District's repair & maintenance crew have performed. The three-year data is a budget planning tool used to help determine monthly budget allocations for FY 2002.

EXPRESS AGENDA - The Directors reviewed the Express Agenda. The following item was accepted as presented:

Newsletter - The newsletter has been scheduled for delivery during the first week of January and includes information on the Rate Increases, the Public Meeting on January 9, 2002, the Clifton Water District Website and our Elections scheduled in May.

REGULAR MEETING DATES AND TIMES - Director Woods moved to modify the District's By-Laws to have the District's Monthly Board Meeting occur at 3:30 p.m., on the first Thursday of the month at the District's main office located at 510 34 Road, Clifton, CO., and to adopt the Resolution for the Official Posting of the Clifton Water District Regular Board Meetings. Director Teal seconded the motion which passed unanimously.

RESOLUTION FOR THE OFFICIAL POSTING OF THE CLIFTON WATER DISTRICT REGULAR BOARD MEETINGS

WHEREAS the Clifton Water District designates the time and place of the regular Board of Directors Meeting to be held at 3:30 p.m. the first Thursday of each month at the Clifton Water District office located at 510 34 Road, Clifton, Colorado.

WHEREAS the Clifton Water District also designates the location of posting the notices of the Regular Meeting at the Clifton Fire Station, Clifton Sanitation District No. 2 office and The Clifton Branch of the Mesa County Clerk and Recorder.

WHEREAS in compliance with C.R.S. 24-6-402(2)(c) the Clifton Water District designates the posting place of the 24-hour agenda notice to be the Clifton Water District Office located at 510 34 Road;

BE IT FURTHER RESOLVED that this resolution annually designates the Official Posting of the Clifton Water District Regular Board Meetings effective on January 3, 2002.

At 3:55 p.m., Director Teal made a motion to enter into Executive Session for “determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators” C.R.S.24-6-402(4)(e). Director Woods seconded the motion which carried unanimously. Chairman Garber then announced that the Board was now in Executive Session for “determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators” C.R.S.24-6-402(4)(e).

The Board exited the announced Executive Session at 4:07 p.m.

REQUEST FOR PROPOSALS (RFP) FOR THE REMEDIAL DESIGN AND CONSTRUCTION OF THE RAW WATER SETTLING POND - Director Teal moved to award the RFP for the Remedial Design and Construction of the Raw Water Settling Pond to Red Mesa Consulting, Inc. based upon the recommendations of counsel. Director Ballagh seconded the motion which passed unanimously. Staff will work with Red Mesa Consulting, Inc. to develop a contract that will be presented to the Board for approval at a later date.

AVAILABILITY OF SERVICE CHARGE - Director Ballagh moved the adoption of the Resolution setting the Availability of Service Charge at 36.7% of average monthly water bill for the Clifton Water District.

RESOLUTION FOR THE AVAILABILITY OF SERVICE CHARGE FOR 2002

WHEREAS the District has reviewed the Availability of Service Charge Policy and;
WHEREAS the Availability of Service Charges are considered to be an equitable revenue contribution toward the repayment toward debt incurred by the Clifton Water District and;
WHEREAS the Availability of Service Charge Policy is for those customers who benefit from the immediate availability of water service even though they are currently not receiving water and;
WHEREAS all revenue generated by the Availability of Service Charge shall be used to repay the principal and interest on bonds and other outstanding indebtedness and;
WHEREAS in the 2002 Fiscal Year the District has indebtedness for the Water Revenue Bonds and;
WHEREAS the said percentage of the Availability of Service Charge shall be determined by the Board.
WHEREAS the 2001 average water usage charge for a Clifton Water District customer was \$23.15 per tap.
NOW THEREFORE BE IT RESOLVED that the Clifton Water District Board of Directors establish the Availability of Service Charge for the 2002 Fiscal Year to 36.7% of the average water bill in 2001, which equals \$8.50 per month per customer.

NEW OPERATOR POSITION JUSTIFICATION - Plant Superintendent David Payne presented a justification analysis identifying the need for hiring a new Operator at the Charles A. Strain Water Treatment Plant. It was Board consensus for Manager Tooker to carry out the process of hiring a new Operator for the Water Treatment Plant.

OTHER BUSINESS - Director Teal made a motion to have a three hour time limit on the regular Board meetings. Director Woods seconded the motion, which passed 4 - 1, Director Rupp voting no.

Manager Tooker requested the Board to appoint a Finance Committee to meet the week of January 14th to review the District's December Financial Report and to approve the December payahles. This request was made to help the transition period in changing the regular Board meeting dates from the third Wednesday to the first Thursday of the month. After discussion, Directors Ballagh, Woods and Rupp agreed to serve on this Finance Committee for the next two months as required.

After discussion regarding the District's new water rates, the Board directed Staff to make the change in water usage fees effective January 1, 2002 in the District's billing system.

At 5:30 p.m. Director Teal made a motion to enter into Executive Session to discuss "the purchase, acquisition, lease, transfer or sale of any property interest" C.R.S.24-6-402(4)(a). Director Ballagh seconded motion which passed 5 - 0. Chairman Garber then announced that the Board was now in Executive Session to discuss "the purchase, acquisition, lease, transfer or sale of any property interest" C.R.S.24-6-402(4)(a).

The Board exited the announced Executive Session at 5:50 p.m.

Staff exited the Board meeting.

At 6:03 p.m. Director Teal moved to enter into Executive Session to discuss "personnel matters" C.R.S.24-6-402(4)(f). Director Woods seconded the motion which passed 5 - 0. Chairman Garber then announced that the Board was now in Executive Session to discuss "personnel matters" C.R.S.24-6-402(4)(f).

The Board exited the announced Executive Session at 7:14 p.m.

By mutual consent, the regular Board Meeting was adjourned at 7:15 p.m.

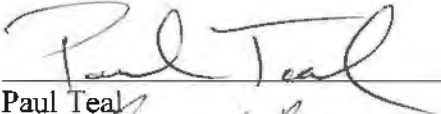
ATTEST:




Martin Garber



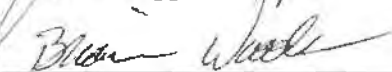
John L. Ballagh



Paul Teal



Perry V. Rupp



Brian Woods

MINUTES OF THE CLIFTON WATER DISTRICT'S PUBLIC MEETING
Clifton Community Center
January 9, 2002

Board members present Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods, and Assistant Secretary Rupp. Staff present were Manager Tooker and Assistant Manager Reinertsen.

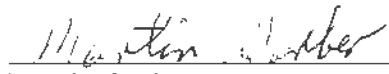
Chairman Garber opened the Public Meeting at 7:30 pm with a general introduction of the Board and Staff to the 22 members of the audience.

Manager Tooker presented an overview of the District's annual Water Quality Report, the District's financial status, the impact of growth and development within District service boundaries, and the rationale behind the recent increase in water rates and tap fees.


Questions from the audience addressing water quality concerns, future capital construction projects and funding sources, and District's backflow prevention program, were addressed by the Board members and Staff.

The meeting concluded at 9:30 pm.

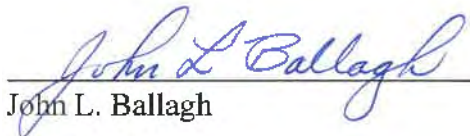
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Martin Garber



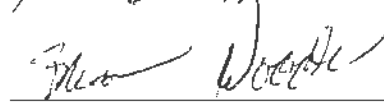
Paul Teal



John L. Ballagh



Perry V. Rupp



Brian Woods

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

Held January 18, 2002

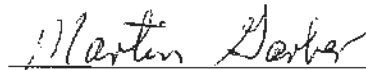
Present were Vice-Chairman Ballagh, Treasurer Woods and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, Ruth Kubin and Lori Cosslett.

Treasurer Woods called the meeting to order at 1:30 p.m.

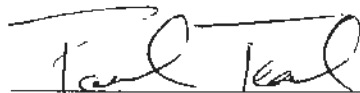
FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Ballagh moved to accept the financial report paying \$120,172.47 for a total of \$120,172.47. Director Woods seconded the motion. After discussion, the motion passed unanimously.

The Special Meeting of the Financial Committee was adjourned at 1:50 by Director Woods. Director Rupp seconded the motion.

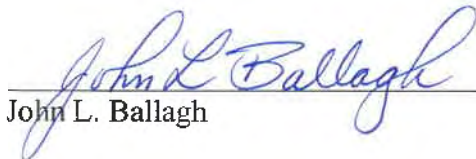
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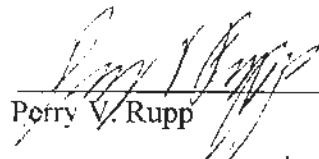
Martin Garber



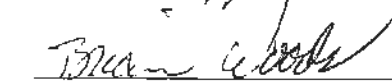
Paul Teal



John L. Ballagh



Perry V. Rupp



Brian Woods

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

Held January 28, 2002


Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, Dave Payne and Lori Cosslett. Paul Fischer and Vinnie Hart from Burns & McDonnell. Dan Brennecke with Weston Engineers was present as an observer.

Director Garber called the meeting order at 3:30 p.m.


Paul Fischer and Vinnie Hart from Burns & McDonnell were present to give a presentation on a Preliminary Design Report for the Charles A. Strain Water Treatment Plant Optimization Study. A power point presentation was given followed by discussion and questions from the Board.

The meeting was adjourned at 5:45 p.m.

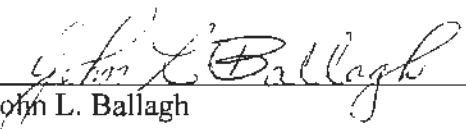
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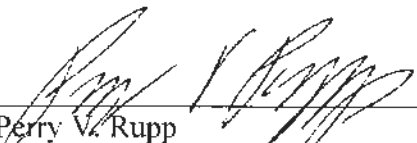
Martin Garber



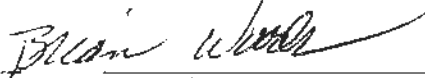
Paul Teal



John L. Ballagh



Perry V. Rupp



Brian Woods

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

Held February 7, 2002

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, Dave Payne, Ruth Kubin and Lori Cosslett. John Whiting was present as a guest.

Chairman Garber called the meeting to order at 3:30 p.m.

John Whiting, of the Hidden Valley Water Company, was present as a guest asking for relief on the two Plant Investment Fee increases for the Whitewater service area. On January 11, 2002, Mr. Whiting delivered a check to the District office in the amount of \$2,625 from Can Do Construction, Inc. for the multiple unit fee for a parcel which is served by the Hidden Valley Water Company. Mr. Whiting claimed he did not clearly understand that the Out-of-District Plant Investment Fees were going to increase on January 1, 2002. He thought they would be effective on July 1, 2002. Director Ballagh moved that the District accept a one time payment of \$2,625.00 from Can Do Construction, Inc. for the Multiple Unit Plant Investment Fee for a parcel served by the Hidden Valley Water Company. Director Teal seconded the motion which passed unanimously. Additionally, Mr. Whiting requested relief in the amount of \$300 per Multiple Unit Fee from the Out-of-District Plant Investment Fee scheduled to go into effective July 1, 2002. The \$300 reduction of the Multiple Unit Fee would lower the fee to \$3,900 from \$4,200. Mr. Whiting is requesting this reduction because he claims Hidden Valley Water Company cannot remain competitive with the City of Grand Junction charges for tap fees adjacent his service area. He also wants to maintain Hidden Valley Water cash reserves so that he can continue to plan for his future development plans. Director Ballagh moved to defer the request until further information is obtained by staff and presented to the Board. Director Woods seconded the motion which passed unanimously.

MINUTES OF DECEMBER 19, 2001 - Director Ballagh moved to accept the minutes of the December 19, 2001 meeting. Director Teal seconded the motion. The motion to accept the minutes with corrections passed unanimously.

MINUTES OF JANUARY 3, 2002 - Director Teal moved to accept the minutes of the January 3, 2002 meeting. Director Woods seconded the motion. The motion to accept the minutes with corrections passed unanimously.

MINUTES OF JANUARY 18, 2002 - Director Ballagh moved to accept the minutes of the January 18, 2002 meeting. Director Rupp seconded the motion to accept the minutes of the Finance Committee which passed unanimously.

MINUTES OF JANUARY 28, 2002 - Director Teal moved to accept the minutes of the January 28, 2002 meeting. Director Woods seconded the motion which passed unanimously.

STAFF REPORTS - Assistant Manager David Reinertsen presented the results of the Customer Satisfaction Survey that was sent out to Owner/Developers, Engineers, and Contractors that had development projects constructed within the District's service area during the second half of 2001. The survey results indicated an overall satisfaction with District operations as they pertain to new development projects. A few items were identified that Staff will evaluate for implementation on future projects.

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

Manager's Education - Manager Tooker has registered for a college level management class as identified in his evaluation. The class is offered by the University of Colorado at Denver, Graduate School of Public Affairs. The course is Human Resources Management and it will be held on Saturday and Sunday, February 16 & 17, March 16 & 17 and April 27 & 28. A syllabus of the course is included in the Board Packet. The cost of the course is \$686.

Project 2001-02 E Road and Gunnison Avenue - A staff report is included in the Board Packet. As of January 31, 2001 the Gunnison Avenue and E Road phases of this project are 95% complete. This project was a budgeted project in 2001 that will carry over into 2002. Staff is requesting a Fund Transfer under new Business.

Powell Request - Manager Tooker talked to Mr. Powell at the Public Meeting and will continue to research the property needs of the District and will report any further developments to the Board at a later date.

Mesa County Annual Report - Pursuant to C.R.S 32-1-207(3)(c) Manager Tooker has prepared an Annual Report for 2001 and has submitted it to Mesa County. A copy of the report is included in the Board packet.

Mesa County 30 Road Project - Partnering/Charter Workshop - On January 23, 2002, Assistant Manager Reinertsen participated in the Partnering/Charter Workshop sponsored by Mesa County and Civil Constructors for 30 Road Project. The Mission Statement developed by this group, "*Collaboratively and safely construct a quality project within the partner's time and budget constraints, providing benefits to all parties*" along with the adopted charter objectives, have created a method for directing and guiding the progress of this 600-day duration high profile project. District staff are committed to participating in this project in accordance with the Mission Statement and charter objectives.

DISTRICT RETIREMENT CONTRIBUTION - Director Ballagh moved to defer discussion on this topic until the March Board meeting. Director Teal seconded the motion which passed unanimously.

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PUBLIC MEETING - Director Woods commended staff on the excellent job that was done on the presentation given at the Public Meeting held on January 9, 2002. A letter from Mrs. Lois Beeson, a District customer who attended the meeting, was included in the Board Packet. Staff made a brief report to the Board regarding the outcome of the Public Meeting. The Board discussed the value of the Public Meeting and the overall customer satisfaction of the District's operation.

DESIGNATED ELECTION OFFICIAL - Director Ballagh made a motion to have David Reinertsen serve as the District's Designated Election Official with Lori Cosslett assisting. Director Teal seconded the motion which passed unanimously.

2002 CAPITAL IMPROVEMENT PROJECTS - Staff requested Board approval to advertise for Requests for Proposals for the Capital Improvement Projects for 2002. Director Woods made a motion to advertise for Requests for Proposal for the Treatment Plant Chlorine Facility Capital Improvement Project 2002. Staff presented the information to justify this project as a Design/Build type format. It was the Board consensus that the contracting determination is a management decision as long as statutory requirements are met. Director Teal seconded the motion which passed unanimously.

Director Ballagh made a motion to advertise for Requests for Proposal for the Finished Water Storage Tank Capital Improvement Project 2002. Director Rupp seconded the motion which passed unanimously.

Director Teal moved to advertise for Requests for Proposal for the 10" Distribution Line Capital Improvement Project 2002. Director Rupp seconded the motion which passed unanimously.

VEHICLE USE POLICY - Manager Tooker presented a Staff Report outlining a new District Vehicle Use Policy for adoption. Director Ballagh made a motion to adopt Section 21 of the Personnel Manual, Vehicle Use Policy as written. Director Woods seconded the motion which passed unanimously. It was Board consensus that staff contact the District's Insurance Agent concerning Section 21.4 and rework Section 21.5 to include the appropriate State Statute for seat belt use.

FUND TRANSFER FOR PROJECT 2001-02 - E ROAD AND GUNNISON AVENUE - Project 2001-02 was budgeted in 2001 and was not completed by December 31, 2001. The remaining amount on the Contract that will be paid in 2002 is \$57,000.00. Director Woods made a motion to "Spend To Reserves" the \$57,000 unspent portion of the 2001 Budget and transfer the same amount from Contingency to the 2002 Budget Construction Line Upgrade. Director Teal seconded the motion which passed unanimously.

CLIFTON SANITATION #2 PROPOSAL - Manager Tooker presented a Staff Report identifying a proposed cooperative agreement with the Clifton Sanitation District #2 to perform the Sanitation District's quarterly service billing and payment receipt. Staff believes that the proposal would be mutually beneficial to both organizations. It was the consensus of the Board to have Staff further evaluate the proposal and approach Clifton Sanitation #2 with a proposal.

CONSTRUCTION CREW PROPOSAL - Assistant Manager Reinertsen presented a Staff Report proposing securing in-house resources to perform the District's water main line upgrade and replacement capital construction projects. The report included an evaluation of potential cost savings that could be realized over the next four years based on the District's Capital Improvement Plan (dated May 2000) and revisions to the plan. The evaluation indicates a savings of approximately \$950,000 realized by utilizing in-house resources (labor, equipment, and materials). It was the consensus of the Board to perform additional evaluation and present a report of cost savings the District has experienced by performing repairs in-house with the District's Repair & Maintenance Crew at the March meeting.

OTHER BUSINESS - Director Ballagh requested Staff to review the existing agreement with School District 51 pertaining to the Mt. Garfield Middle School Outdoor Classroom activities. Manager Tooker will set up a meeting with School District officials and will report their activities at a future Board meeting.

Director Teal inquired about the status of the dedication plaque for the main office building. Staff is in the process of having the plaque fabricated and plan to have a dedication in April.

It was Board consensus to schedule a Planning Meeting on Tuesday, February 26, 2002, at 3:30 pm to further discuss the Treatment Plant Optimization Study performed by Burns & McDonnell.

Manager Tooker informed the Board that Chris Johnson of Capital Investment Counsel would like to make a presentation to the Board via conference call at the regularly scheduled Board Meeting in March. It was Board consensus to schedule this conference call for the March Board Meeting.

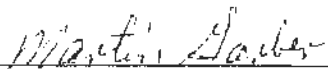
At 6:26 pm, Director Ballagh moved to enter an Executive Session to discuss "positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators", and "personnel matters" (24-6-402 (4)(e)(f) C.R.S.). Director Woods seconded the motion which carried unanimously. Chairman Garber then announced that the Board was now in Executive Session to discuss "positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators", and "personnel matters" (24-6-402 (4)(e)(f) C.R.S.).

The Board exited the announced Executive Session at 6:29 pm. Director Ballagh moved to extend the Regular Meeting past the 6:30 pm closure time. The motion was seconded by Director Woods and was approved unanimously. The Board acknowledged Manager Tooker's performance evaluation and that Manager Tooker agreed that discussion could take place at a later time.


At 6:31 pm, Director Woods moved to enter an Executive Session to discuss “positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators” (24-6-402 (4)(e) C.R.S.). Director Rupp seconded the motion which carried unanimously. Chairman Garber then announced that the Board was now in Executive Session to discuss “positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators” (24-6-402 (4)(e) C.R.S.).

The Board exited the announced Executive Session at 7:20 pm. By Board consensus, the Regular Meeting was adjourned at 7:20 pm.

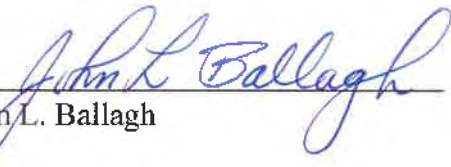
ATTEST:



Martin Garber



Paul Teal



John L. Ballagh



Perry V. Rupp



Brian Woods

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

Held February 26, 2002.

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, Dave Payne and Lori Cosslett.

Chairman Garber called the meeting to order at 3:36 p.m.

The scheduled topic for this planning meeting was to review the Preliminary Design Report for the Plant Optimization Study prepared by Burns & McDonnell. Manager Tooker prepared and presented a summary of the study with Staff recommendations to the Board. The summary identified Justifications, Options and Financial reviews for implementing the proposed optimization options of the Charles A. Strain Water Treatment Plant.

Option A - Retrofit was the original basis of the Burns & McDonnell evaluation. This option would utilize the existing CASWTP facilities and renovate the processes within the existing structure configuration. Based on the financial review, implementation of this Option would maintain the District's goal of maintaining District Reserves above \$3.5 million, however, reuse and retrofit of existing facilities has a higher degree of risk relating to unknown structural conditions which could prove to be quite costly to correct.

Option B - Expansion was also evaluated to provide the District with an alternative to Option A - Retrofit. Option B would minimize the risks associated with "design unknowns" as all construction would be 'new' with tie-ins to existing piping systems and processes not identified for retrofit, eg. rapid sand filters and the Nano facility. Implementation of Option B could reduce District Reserves to \$2.5 million, but recover to the \$3.5 million reserve goal within 2 years of construction. Staff's recommendation was to proceed with Option B - Expansion.

During discussion, Staff was directed to develop a time line to show regulatory compliance issues pertaining to the Water Treatment Plant and processes. Additionally, Staff was directed to review and update site drainage plans and to begin evaluation of alternative funding sources for future capital construction projects.

After discussion, the Board reached consensus to proceed with Option B - Expansion.

OTHER BUSINESS - Director Ballagh moved to ratify the telephone survey regarding the Agreement for Engineering Services with Red Mesa Consulting, Inc. Director Teal seconded the motion which passed unanimously.

Assistant Manager Reinertsen informed the Board that the District has received much interest in the Requests For Proposals for the new storage tank and the new 10" main line design projects.

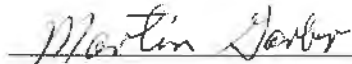
Chairman Garber reminded the Board members about the Employee of the Year luncheon scheduled for 12 noon on Friday, March 1, 2002 .

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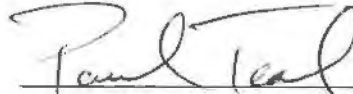
The next Regular Board of Directors Meeting will be held at 3:30 pm on Thursday, March 7, 2002.

By mutual consent, the Planning Meeting was adjourned at 5:12 p.m.

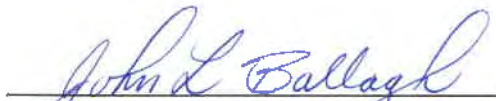
ATTEST:



Martin Garber




Paul Teal



John L. Ballagh



Perry V. Rupp



Brian Woods

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

Held March 7, 2002

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, Dave Payne, Ruth Kubin and Lori Cosslett. Present as guests were Pat Steele, Lisa Boyd, Will Garner and Mark Schmalz from Mt. Garfield Middle School and Jean Bierwirth, Maxine Green and Matt Lohof from Red Mesa Consulting, Inc.

Chairman Garber called the meeting to order at 3:30 p.m.

Pat Steele and Lisa Boyd of Mt. Garfield Middle School gave a presentation on the history and the benefit of the Mt. Garfield outdoor classroom.

Jean Bierwirth, Maxine Green and Matt Lohof of Red Mesa Consulting, Inc. gave a presentation concerning the progress to date of the Raw Water Settling Pond reconstruction including, meeting with the State Engineer's Office, preliminary design and estimated completion dates.

MINUTES OF JANUARY 9, 2002 - Director Teal moved to accept the minutes of January 9, 2002 meeting. Director Woods seconded the motion which passed unanimously.

MINUTES OF FEBRUARY 7, 2002 - Director Teal moved to accept the minutes of February 7, 2002 meeting. Director Ballagh seconded the motion. The motion to accept the minutes with corrections passed unanimously.

MINUTES OF FEBRUARY 26, 2002 - Director Ballagh moved to accept the minutes of February 26, 2002 meeting. Director Rupp seconded the motion which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Ballagh moved to approve expenditures of \$89,889.70 as shown on the report. Director Teal seconded the motion which passed unanimously.

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

Operator Position - The position of Water Treatment Plant Operator was advertised. The deadline for applications was February 15, 2002. Staff received 30 resumes and are in the process of review.

Drought Workgroup - Manager Tooker scheduled a meeting with Greg Trainor, City of Grand Junction, Larry Clever, Ute Water and Alan Koch, Town of Palisade on March 4, 2002 to establish a Grand Valley Drought Workgroup. Developments made by the workgroup will be presented to the Board at a later date.

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Mt. Garfield Outdoor Classroom - Staff requested that Steve Rocha with Mt. Garfield Middle School submit a 2002 Annual Plan to staff for their review. Manager Tooker and Assistant Manager Reinertsen met with Mr. Rocha on February 28, 2002. The Outdoor Class Program is not proposing any new projects for 2002. Mr. Rocha requested continuation of the existing activities under the conditions identified in earlier years.

Colorado Water Workshop Planning - Manager Tooker participated in a planning meeting on February 25, 2002 for the upcoming Colorado Water Workshop to be held in Gunnison, Colorado, July 31 - August 2, 2002. The meeting was a forum to plan the issues and topics to be covered at the 2002 Conference.

Plaque for Office - As requested by the Board of Directors, staff has designed a bronze-cast plaque to be attached to the office commemorating its completion. An example of the plaque is included in the Board packet. Staff will schedule a dedication ceremony once the plaque has been received.

Property Clean Up - Staff has been cleaning up and disposing of the trash around the treatment facilities in an effort to organize materials and beautify the District's property.

The Gunnison Basin/Grand Valley Water Forum, Annual Water Course - Included in the Board Packet is information concerning the forum on March 12, 19 & 26th, 2002 in Delta, Colorado. A registration form has been included in the Board Packet.

Election Update - Six individuals residing within the District's service boundaries, submitted complete self-nomination forms as of 3:00 pm March 1, 2002. At 1:00 pm on Tuesday, March 12, 2002, the order of the ballot will be determined utilizing a blind draw.

HIDDEN VALLEY WATER VARIANCE REQUEST - At the February 7, 2002 meeting Mr. Whiting had requested a variance in the Out-of-District Plant Investment Fees for the Hidden Valley Water Company. A Staff Report was provided to the Board with supporting information and the Cost of Service Analysis that was performed. Director Woods made a motion to deny Mr. Whiting's variance request for the Out-of-District Plant Investment Fees for the Hidden Valley Water Company. Director Teal seconded the motion. It was the consensus of the Board that the rate for the Out-of-District Plant Investment Fees were set after reasonable study, evaluation and review and that the Board had received significant data from staff to support the Out-of-District Plant Investment Fees that will be effective July 1, 2002. After discussion, the motion passed unanimously.

DISTRICT'S RETIREMENT CONTRIBUTION - Staff reviewed the District's Money Purchase Plan Agreement and contacted representatives from Lincoln National, J. Pat Gregory from Gregory & Associates and the District's legal counsel concerning increasing the District's contribution to the Money Purchase Plan from 5% to 6% based on the employee making

contributions to the 457 Deferred Comp Plan. Staff's evaluation discovered that requiring a contribution to the 457 Plan to receive an increased District contribution to the Money Purchase Plan is not allowed under the District's Plan because it would be considered a discriminatory action. Manager Tooker stated that the 2002 Budget included funds to increase the District's contribution from 5% to 6% which is approximately a \$7,860 increase for 2002. Director Teal made a motion to raise the District's Retirement Contribution for eligible employees from 5% to 6%. Director Rupp seconded the motion which passed 4-1. Staff will prepare a resolution for the next meeting.

PIPELINE MAINTENANCE CREW - Assistant Manager Reinertsen made a presentation showing a two-year Cost Comparison Analysis between using in-house resources to perform repair and maintenance activities and outside contracted services. Over the two year study period, Assistant Manager Reinertsen estimated a direct cost savings of \$180,000 using the District's in-house Repair and Maintenance crew. Assistant Manager Reinertsen then presented the Board with revised data concerning the costs of implementing a new Pipeline Maintenance Crew. The presentation identified a cost savings of approximately \$950,000 over the next four years by implementing an in-house Pipeline Maintenance Crew. Staff requested authorization to proceed with the Pipeline Maintenance Crew and to prepare the necessary budgetary funding transfers for consideration at the April 4, Board of Directors meeting. Director Woods made a motion to accept staff's proposal to assemble a Pipeline Maintenance Crew as written, contingent upon insuring that the District is within State Statutes and that the program will be evaluated on an annual basis. Director Teal seconded the motion. During the discussion the Board discussed the statutory requirements of bidding construction projects and the competition issues that may face the District. Staff reassured the Board that legal counsel will be sought to insure the program will meet the requirement of State Statutes and that the District will not be competing with "new contractors for construction." The motion passed unanimously.

PROJECT 2001-02 E ROAD AND GUNNISON AVENUE - As of February 28, 2002, the project is 100% complete. Director Ballagh moved to authorize staff to advertise for final payment and release of the retainage amount of \$9,174.74 on Project 2001-02 E Road and Gunnison Avenue. Director Woods seconded the motion which passed unanimously.

RFP'S FOR NEW WATER STORAGE TANK - Staff completed the evaluation of the submitted Request for Proposals that were received. Proposals were received from, Weston Engineers and Burns & McDonnell. Based on their evaluations staff recommended to the Board the selection of the engineering firm of Burns & McDonnell, Inc. to begin the design of the New Water Storage Tank. Director Ballagh moved to accept staff's recommendation and to authorize staff to negotiate a contract with Burns & McDonnell, Inc. to provide the required engineering services for the New Finished Water Storage Tank, Project 2002-01. Director Teal seconded the motion which passed unanimously.

RFP'S FOR NEW 10" WATER LINE - Staff completed the evaluation of the submitted Request for Proposals that were received. Proposals were received from, GR Williams Engineering, Inc., Weston Engineering and LanDesign, LLC. Staff recommended to the Board that GR Williams Engineering, Inc. be selected for the engineering design. Director Ballagh

moved to accept staff's recommendation and to authorize staff to negotiate a contract with GR Williams Engineering, Inc. to provide the required engineering services for the New 10" Water Main Pipeline Project 2002-02. Director Teal seconded the motion which passed unanimously.

CONSECUTIVE SYSTEMS - A Staff Report concerning Consecutive Public Water Systems was presented to the Board. The District has observed a growth in Consecutive Public Water Systems from 11 in 1995 to 21 in 2002. Staff recommended that the District notify all of the District's Consecutive Public Water Systems and request that they obtain a Public Water System ID (PWSID) from the Colorado Department of Public Health and Environment and submit the PWSID to the District by April 1, 2002. Director Rupp made a motion for staff to proceed with the notification of all the District's Consecutive Public Water Systems and request that they obtain a Public Water System ID from the Colorado Department of Public Health and Environment. Director Woods seconded the motion. Staff identified that this notification had taken place in 1995 and because of the increase in Consecutive Systems it was time to send the notifications again. The District's intent is to define the line of responsibility for these systems and allow enforcement of regulations to be conducted by the Colorado Department of Public Health and Environment. The motion passed unanimously.

2002 COLORADO WATER CONVENTION - A sponsorship request and registration information was received from the 2002 Colorado Water Convention. Last year, the Board contributed \$300 to the 2001 Millennium III Conference and Directors Garber and Teal attended. Director Woods made a motion to contribute \$300 to the 2002 Colorado Water Convention. Director Teal seconded the motion which passed unanimously.

FLOOD INSURANCE - Each year staff reviews the need for placing a rider on our current insurance policy for flood insurance. Manager Tooker presented the Board with information concerning the flood insurance premium. It was the consensus of the Board based on the current condition of the snow pack in the Colorado River Basin the District should not seek flood insurance.

CANAL CROSSING AGREEMENTS - Assistant Manager Reinertsen presented the Board two Canal Crossing Agreements to perform maintenance on the pipeline located in the 34 Road Right-of-Way at the Grand Valley Canal and the Government Highline Canal. The Agreements are necessary to perform the scheduled pipeline maintenance activities. Director Ballagh moved to accept the Agreement with the Grand Valley Canal Company and have the President and Secretary sign the Agreement. Director Woods seconded the motion which passed unanimously. Director Ballagh also moved to authorize staff to complete the Right of Use Application for the pipeline canal crossing located at the Government Highline Canal and 34 Road. Director Teal seconded the motion which passed unanimously.

UTILITY BILLING SYSTEM, CYBERNETICS - Manager Tooker informed the Board that staff will begin the design of a new Customer Service Information Software Package with Cybernetics of Grand Junction, Colorado. Funds were included in the 2002 Budget to complete this task.

It was the consensus of the Board for Manger Tooker to continue working with Cybernetics to develop the program.

At 6:20 p.m., Director Woods made a motion to extend the regular meeting past the at 6:30 p.m. closure time. Director Rupp seconded the motion which passed unanimously.

EXECUTIVE SESSION - At 6:29 p.m. Director Ballagh made a motion to enter an Executive Session to discuss "personnel matters" 24-6-402(4)(f) C.R.S. Director Rupp seconded the motion which passed unanimously. Chairman Garber then announced that the Board was now in Executive Session to discuss "personnel matters" 24-6-302(4)(f) C.R.S.

Director Teal moved that the Board exit the announced Executive Session at 7:14 p.m. Director Ballagh seconded the motion which passed unanimously.

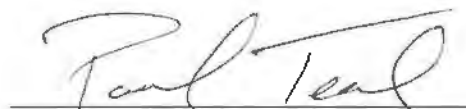
OTHER BUSINESS - The Board scheduled a Planning Meeting for Thursday, March 28, 2002 at 3:30 p.m.

By Board consensus, the Regular Meeting was adjourned at 7:20 p.m.

ATTEST:



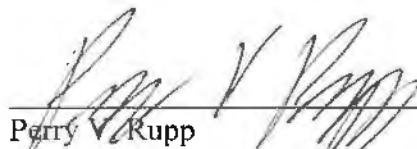
Martin Garber




Paul Teal



John L. Ballagh



Perry V. Rupp



Brian Woods

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

Held April 4, 2002

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, Dave Payne, Ruth Kubin and Lori Cosslett. Jean Bierwirth, Maxine Green and Matt Lohof from Red Mesa Consulting, Inc. were present as guests.

Chairman Garber called the meeting to order at 3:30 p.m.

Jean Bierwirth gave a brief update on the status of the Settling Pond remediation design. Denver Grouting is scheduled to 'proof-grout' the existing concrete slab from Monday, April 8, 2002 through Friday, April 12, 2002. The project is currently about one week behind the original remediation design schedule. Red Mesa Consulting personnel exited the meeting at 3:37 p.m.

MINUTES OF MARCH 7, 2002 - Director Teal moved to accept the minutes of March 7, 2002. Director Woods seconded the motion. The motion to accept the minutes with corrections passed unanimously.

MINUTES OF MARCH 28, 2002 - Director Ballagh moved to accept the minutes of March 28, 2002. Director Teal seconded the motion which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Teal moved to approve expenditures of \$167,191.15 as shown on the report. Director Ballagh seconded the motion which after discussion passed unanimously.

STAFF REPORTS - Ruth Kubin presented a Staff Report regarding results of the Customer Service Telephone Survey from January 1, 2002 through March 29, 2002. Customer Emergencies reached 100% customer satisfaction while Customer Leaks reached 96% satisfaction and Distribution Repairs at 95% satisfaction. All three categories have shown an increase in customer satisfaction since the 2001 fourth quarter survey.

Lori Cosslett presented a Staff Report titled *Courtesy Calls and Their Effect*. Lori Cosslett has been making courtesy calls to the customers on each week's pending "Shut-Off List". On average she has spent 2.75 hours per week calling an average of 50 customers offering them the District's various payment options in an effort to not have to have water service terminated for lack of timely payment. The total number of "Shut-Offs" in the first quarter of 2002 has been reduced 39% from the first quarter of 2001 as a direct result of this new effort within the District's Customer Service Program.

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

Water Treatment Plant Operator - Matt Sinclair has been hired as the District's new Water Treatment Plant Operator. Mr. Sinclair's first day will be Wednesday, April 3, 2002.

Minutes
April 4, 2002
Page 2

Election Update - The election is set for Tuesday, May 7, 2002. The ballot order for the three Board positions are: Larry S. Cholas; John L. Ballagh; Paul A. Teal; Daryl R. Hillyer; Martin Garber; and, Larry F. Morrow.

Raw Water Settling Pond Remedial Design and Construction - A Staff Report is included in the Board Packet summarizing project status to date.

2001-02 Gunnison Avenue & E Road - Staff received no claims from the final advertising for CWD Project 2001-02. A Staff Report is included in the Board Packet summarizing total costs expended on the project. Included in this month's payables is the final payment for Bogue Construction Inc. in the amount of \$10,184.62 for release of the Retainage held for Project 2001-02, E Road and Gunnison Avenue Upgrades.

DROUGHT RATE - Manager Tooker met with representatives of the City of Grand Junction, the Ute Water Conservancy District and the Town of Palisade to establish a Drought Committee. Manager Tooker presented the Drought Rate Staff Report. The Board had requested Staff to develop a "Drought Rate" for consideration at the April 2002 meeting. An earlier "Drought Rate" was proposed in August of 2001 that was not accepted by the Board. Director Ballagh moved to accept the presented 2002 Drought Rate. Director Teal seconded the motion. After discussion, Director Ballagh requested, with Director Teal concurrence, to change his original 2002 Drought Rate motion to one that defers Board action until Staff presents a Drought Rate Resolution for Board consideration. Director Teal seconded the revised motion which passed unanimously.

RESOLUTION FOR RETIREMENT - Director Ballagh moved to modify the Clifton Water District's Contribution to the Money Purchase Pension Trust. Director Woods seconded the motion which passed unanimously.

RESOLUTION AMENDING THE CLIFTON WATER DISTRICT'S CONTRIBUTION TO THE MONEY PURCHASE PENSION TRUST

WHEREAS the Clifton Water District in recognition of employees that are rendering valuable services; and

WHEREAS the Clifton Water District established a Money Purchase Pension Plan on September 22, 1992 for the benefit of the employees; and

WHEREAS the Clifton Water District wishes to increase the District's contribution on behalf of the employees; and

WHEREAS the Clifton Water District recognizes the Fundamental Organizational Value of Stability/Security and places value on employee retirement planning; and

WHEREAS the Clifton Water District encourages employees to seek additional and supplemental retirement plans in addition to the District's contributions; and

WHEREAS the Clifton Water District will increase the District's contribution to the Money Purchase Pension Plan from 5% to 6% of the qualified employees annual gross wages effective March 1, 2002.

NOW THEREFORE BE IT RESOLVED that the Clifton Water District hereby Amends The Clifton Water District Money Purchase Pension Trust Standard Option Agreement Dated September 22, 1992 and revise Section 18 of the Clifton Water District Personnel Manual establishing the District's contribution at approximately 6% of the annual gross pay of eligible employees and .

ADOPTED on this 4th day of April, A.D., 2002.

Director Woods made a motion to approve and authorize signature of the Agreement Amending the Clifton Water District Money Purchase Pension Trust. Director Teal seconded the motion which passed unanimously.

OFFICE DEDICATION - Staff completed installation of a dedication plaque for the new office building. It was consensus of the Board that the placement of the plaque was sufficient and no official ceremony need scheduled.

COMPENSATION FOR JUDGES - The Designated Election Official, Assistant Manager Reinertsen, has secured the services of three qualified Election Judges as well as one Student Election Judge for the May 7, 2002 District Election. By State Statute "Compensation for election judges shall be determined and paid by the governing body calling the election." Director Woods moved to have the compensation for the election judges be set at \$100 each for duties and \$50 for the student judge. Director Teal seconded the motion which passed unanimously.

FUNDING TRANSFERS FOR PIPELINE MAINTENANCE CREW - Manager Tooker conferred with legal counsel and determined that the District is within State Statutes to proceed with the establishment of the Pipeline Maintenance Crew. Assistant Manager Reinertsen presented a Staff Report that addressed the completed final cost evaluation requirements to equip and staff the proposed Pipeline Maintenance Crew. Director Ballagh made a motion to transfer \$107,000 from General Construction Line Upgrades (Non-Operating Expense) to Purchase Automotive (Non-Operating Expense) and \$113,000 from General Construction Line Upgrades (Non-Operating Expense) to Purchase Maintenance Equipment (Non-Operating Expense) for the establishment of the Pipeline Maintenance Crew. Director Teal seconded the motion which passed unanimously.

REPORT FROM 2002 COLORADO WATER CONVENTION - Chairman Garber attended the 2002 Colorado Water Convention in Denver on March 23, 2002. Chairman Garber reported to the Board on the Convention and provided hard-copy information for the Board and Staff.

EMPLOYEE FISHING DAY - Manager Tooker requested the Board consider permitting employees, Board members, and immediate family members to have an Employee and Board Fishing Day at the ponds to the west of the District office. It was the consensus of the Board to proceed with the plans for having an Employee and Board Fishing Day.

HIDDEN VALLEY WATER COMPANY - Manager Tooker addressed the Board concerning another customer, Mr. Baltzer of the Hidden Valley Water Company claiming to have had tried to pay Mr. Whiting the Multiple Unit Plant Investment Fee prior to the January 1, 2002 Plant Investment Fee increase. Because of Mr. Whiting's misunderstanding, payment was not made and Mr. Baltzer was requesting relief from the District. It was the Board's consensus that Mr. Baltzer's problems should be handled with Mr. Whiting and the District is not responsible for the misrepresentations made by Mr. Whiting.

INDIAN CREEK ESTATES - Manager Tooker informed the Board that he has started to receive low pressure complaints from District customers residing on Eagle Trail Court. He has suggested to the complainants that a meeting with affected residents be held in the near future to discuss options that may be available to them. Manager Tooker will keep the Board informed.

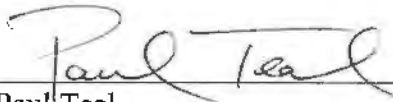
NEW BUSINESS - It was the consensus of the Board to hold a Planning Meeting on April 29 or 30, 2002. Staff will schedule the meeting and inform the Board.

The meeting was adjourned at 6:02 p.m.

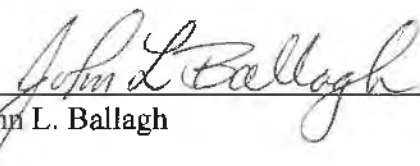
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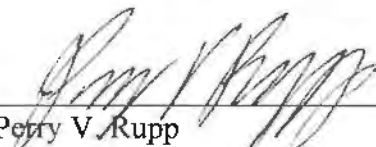
Martin Garber



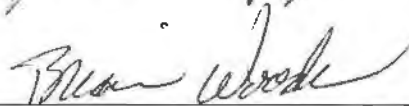
Paul Teal



John L. Ballagh



Perry V. Rupp



Brian Woods

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

Held April 30, 2002

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, Dave Payne and Lori Cosslett. Treasurer Woods had an excused absence.

Eric Kuhn and Ray Tenney with the Colorado River Water Conservation District were present as guests.

Chairman Garber called the meeting to order at 3:30 p.m.

Ray Tenney gave a slide show presentation on the Independent Research Program on the Colorado River. The River District was soliciting support from the Clifton Water District to continue this project. The research project consists of biological and sedimentation of the Colorado River. The data is evaluated to determine the health of the stream in sustaining the endangered species of the river.

Manager Tooker suggested that the District offer personnel and laboratory services to help maintain the River District's sampler as an in-kind donation to the River District to help defray the costs. Eric Kuhn and Ray Tenney were both receptive to this idea. It was the consensus of the Board to have the River District prepare a job evaluation for District staff to evaluate.

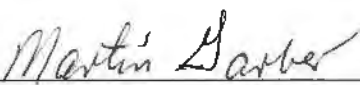
Eric Kuhn presented a brief overview of the general drought conditions throughout the state. Mr. Kuhn stated the southern portion of the state is currently in drought conditions with no relief in sight. The Colorado River drainage is in marginal condition and the north portion of the state is in good condition. Mr. Kuhn also stated that the water demands in the Grand Valley should be met with no problems because of the water storage projects of Green Mountain and Wolford Mountain Reservoir.

Mr. Kuhn also briefed the Board on the potential litigation with the Northern Colorado Water Conservation District and the operation of the Colorado Big Thompson Project.


Staff presented an article from Geotechnical, Report April 2002 by Gregory N. Richardson, Ph.D., P.E. The article described the design failure of the Raw Water Settling Pond.

By consensus the Board adjourned at 5:48 p.m.

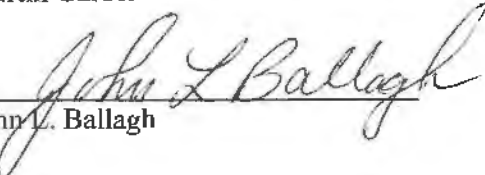
ATTEST:



Martin Garber



Paul Teal



John L. Ballagh



Perry V. Rupp

Excused

Brian Woods

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

Held May 2, 2002

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal and Treasurer Woods. Assistant Secretary Rupp had an excused absence. Staff present were Dale Tooker, David Reinertsen, Dave Payne, Ruth Kubin and Lori Cosslett. Jean Bierwirth and Maxine Green with Red Mesa Consulting, Inc., Jamie Hamilton with Home Loan Insurance and Mike Nelson with Chadwick, Steinkirchner & Davis were present as guests.

Chairman Garber called the meeting to order at 3:30 p.m.

At 3:30 p.m. Jean Bierwirth with Red Mesa Consulting gave a brief update on the status of the Settling Pond. Ms. Bierwirth reported that the design has been sent to the State Engineer and Dr. Richardson for their approval in hopes of beginning construction by mid June.

At 3:50 p.m. Mike Nelson with Chadwick, Steinkirchner & Davis presented the Draft 2001 Audit. Director Ballagh made a motion to accept the 2001 Audit with corrections. Director Teal seconded the motion which passed unanimously.

At 4:17 p.m. Jamie Hamilton with Home Loan Insurance presented the Board with the 2002 Insurance Policy and premiums. Mr. Hamilton reported that the Special District market is experiencing an average increase of 25%. Manager Tooker stated that the District's Insurance premiums increased from \$19,700 to \$25,000 and a transfer of funds from contingency to the insurance line item would need to be made before the premium is paid.

MINUTES OF APRIL 4, 2002 - Director Ballagh moved to accept the minutes of April 4, 2002. Director Woods seconded the motion. The motion to accept the minutes with corrections passed unanimously.

MINUTES OF APRIL 30, 2002 - Director Teal moved to accept the minutes of April 30, 2002. Director Woods seconded the motion. The motion to accept the minutes with corrections passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Teal moved to approve expenditures of \$152,930.11 as shown on the report. Director Ballagh seconded the motion which passed unanimously.

STAFF REPORTS - Plant Superintendent Payne gave a brief Staff Report concerning the Charles A. Strain Water Treatment Plant Water Quality Goals for 2001. The report summarized the advances made by the Water Treatment Plant and the Nanofiltration Facility. No changes were made in the Charles A. Strain Water Treatment Plant Water Quality goals.

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

Colorado Water Convention - Included in the Board Packet is a letter of appreciation from the Steering Committee of the 2002 Colorado Water Convention and a copy of the Convention report.

Church of the Nativity Agreement Dated April 30, 2001 - The conditions set forth in the Agreement with the Church of the Nativity (Terry's) at 3273 F Road have been met. Final payment for the Multiple Unit Plant Investment Fee has been paid in full.

Pipeline Maintenance Crew and Customer Service Representative Positions - Staff has advertised for a Customer Service Representative position and the three Pipeline Maintenance Crew positions. Staff has been conducting interviews for the positions and will be making selections in May.

Equipment Purchases for Pipeline Maintenance Crew- Staff has completed the procedures to secure bids for the equipment purchases necessary to equip the crew. Orders have been placed for the different pieces of equipment with deliveries scheduled between May and July.

South Sand Filter Sand Replacement - CASWTP staff successfully removed and replaced the sand in the south filter. The need to replace the sand was identified by the goal analysis of 2000 and was a budgeted expense. The replacement of the sand has improved the performance of the South Sand Filter. A Staff Report will be presented to the Board after a significant amount of operational data is collected.

DROUGHT RATE RESOLUTION - Director Ballagh moved to adopt the Resolution to Establish an Emergency Drought Rate. Director Teal seconded the motion which passed unanimously.

RESOLUTION TO ESTABLISH AN EMERGENCY DROUGHT RATE

WHEREAS the District wishes to establish an emergency Drought Rate to conserve sources in a drought situation and;

WHEREAS the District researched effective water conservation pricing programs identifying that increasing block rate structures are used effectively to conserve resources during recognizable water supply problems and;

WHEREAS the Drought Rate is not established using traditional Cost of Service Analysis and;

WHEREAS the Drought Rate uses an increasing pricing block structure elevating the charge for water above the cost to produce the water and;

WHEREAS the primary objectives of the Drought Rate are to reduce the overall consumption of treated water and reduce the peak use and treatment of raw water and;

WHEREAS the District's Drought Rate shall encourage customers to maintain usage in the minimum monthly billing block of 3,000 gallons per month and encourage all other water users to lower their consumption to the next lower pricing block and;

WHEREAS the District's Drought Rate shall not penalize minimum water usage customers that are already conserving and;

WHEREAS the District's Drought Rate shall be evaluated annually and adjusted according to the prevailing conditions;

NOW THEREFORE BE IT RESOLVED that the Clifton Water District Board of Directors establish the Emergency Drought Rate (Exhibit A, attached to and a part of this Resolution) effective May 2, 2002.

Director Ballagh moved to grant a rate holiday pertaining to the Drought Rate. Director Woods seconded the motion which passed unanimously. The Board discussed the conditions to impose the Drought Rate. It was the consensus of the Board that the Emergency Drought Rate was not needed at this time however, the Board will reevaluate drought conditions as necessary.

GRAND JUNCTION RURAL FIRE DISTRICT TAXATION REQUEST - A letter from the Grand Junction Rural Fire District requesting support from the Clifton Water District was presented to the Board. The information was taken under advisement.

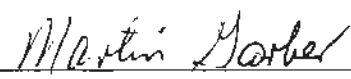
DISTRICT INSURANCE - Staff was requesting the Board to make a transfer to cover insurance premiums that were presented by Jamie Hamilton earlier in the meeting. Director Teal made a motion to transfer \$2,400 from contingency to the line item for the Water Treatment Plant for the insurance premium. Director Ballagh seconded the motion which passed unanimously.

BUDGET TRANSFER, ATTORNEYS FEES - Staff requested a budget transfer of \$20,000 from Contingency to Attorneys Fees Budget Line Item for the ongoing litigation efforts against Westwater Engineering. Director Ballagh moved to transfer \$100,000 from Contingency to Attorneys Fees Budget Line Item for the litigation against Westwater Engineering. Director Woods seconded the motion which passed unanimously.

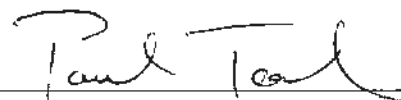
LINE UPGRADE, BEAN RANCH ROAD - Manager Tooker presented a proposal to the Board to authorize a line upgrade on Bean Ranch Road. The District would utilize our own crew and the approximate cost for the project would be \$20,000 to \$25,000. It is the consensus of the Board to proceed with the Manager's proposal. The Board recognized funds are budgeted for this project.

The meeting was adjourned at 6:18.

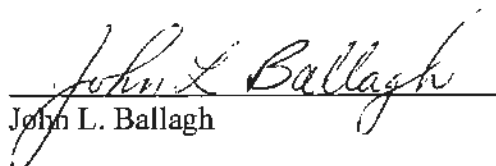
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Martin Garber



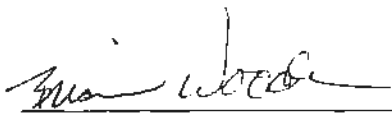
Paul Teal



John L. Ballagh

Excused

Perry V. Rupp



Brian Woods

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

Held June 6, 2002

Present were Chairman Garber, Vice-Chairman Ballagh, Secretary Teal, Treasurer Woods and Assistant Secretary Rupp. Staff present were Dale Tooker, David Reinertsen, Dave Payne, Ruth Kubin and Lori Cosslett. Jean Bierwirth and Maxine Green with Red Mesa Consulting, Inc., were present as consultants.

Chairman Garber called the meeting to order at 3:31 p.m.

MINUTES OF MAY 2, 2002 - Director Ballagh moved to accept the minutes of May 2, 2002. Director Woods seconded the motion. The motion to accept the minutes with corrections passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Teal moved to approve expenditures of \$189,296.52 as shown on the report. Director Woods seconded the motion which passed unanimously.

EXECUTIVE SESSION - At 3:52 p.m., Director Ballagh made a motion to enter into Executive Session to discuss "Conferences with an attorney for the district for the purpose of receiving legal advice on specific legal questions" 24-6-402(4)(b) C.R.S. Director Teal seconded the motion which passed unanimously. Chairman Garber then announced that the Board was now in Executive Session to discuss "Conferences with an attorney for the district for the purpose of receiving legal advice on specific legal questions" 24-6-402(4)(b) C.R.S.

Director Teal moved that the Board exit the announced Executive Session at 4:04 p.m. Director Woods seconded the motion which passed unanimously.

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

Manager Tooker's Human Resources Management Class- Manager Tooker has completed the course of Human Resources Management through the University of Colorado Graduate School of Public Affairs. Manager Tooker received a grade of A-. The Board had stated that they wanted Manager Tooker to receive a C or better. Manager Tooker has prepared a notebook containing reference material and the thesis papers he wrote for the class. The notebook is available as a reference resource.

Colorado Water Congress – The following information is included in the Board Packet from the Colorado Water Congress: 1) CWC Benefits to Members, 2) Water Intelligence Report, 3) The Colorado Water Rights Newspaper. Staff will provide additional information received from CWC to the Board in a timely manner. Membership in the CWC is in addition to, and different than, membership in the Colorado Water Congress Colorado River Project, which we have been a participant and a member for the past three years.

Minutes

June 6, 2002

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2001 Audit – At the April 4, 2002 meeting the Board approved the 2001 Audit. The final 2001 Audit copy is included with the Board Packet and the audit has been submitted to the appropriate agencies.

River Trip/Swift Water Training – Laboratory Supervisor, Brian Sheley has organized a float trip on the Colorado River from Palisade to Clifton on Saturday, July 13, 2002. The raft trip is intended to provide an activity for staff participation and also function as a safety training exercise. Joining District Staff on the trip will be, Mesa County Sheriff Deputy, Gary Foss providing a refresher course on swift water rescue. Anyone wishing to attend, please contact Brian at 434-7624 by June 28, 2002.

Meter Reading Times - Included in the Board Packet is a graph showing the progress of the District's meter reading and meter replacement program from 1995 to 2002. The graph demonstrates the effectiveness of completing the meter conversion program to touch reads. In addition, the graph also shows a reduction in meter reading time observed in Group A (Whitewater) from 2001 to 2002. This reduction is a direct result of installing 200 radio reads in the Whitewater area. A full report of the radio read test program will be presented to the Board at a later date.

Presentation at RMS AWWA Conference September 18, 2002 - Lori Cosslett has been selected to give a presentation entitled "Low Cost, Effective Customer Service Programs That Work" at the annual Rocky Mountain Section American Water Works Association (RMS AWWA) annual conference being held in Steamboat Springs, September 15 –18.

New District Employees - The District has hired two new employees. Joan Larsen has been hired as a part-time Customer Service Representative. Ms. Larsen was a previous employee of the District and brings valuable experience to the front office. Neal Englehart has been hired as the Backhoe Operator of the Pipeline Maintenance Crew.

At 4:30 p.m. Jean Bierwirth with Red Mesa Consulting gave a brief update on the status of the Settling Pond. Ms. Bierwirth reported that our design has been approved by the State Engineer.

INDIAN CREEK ESTATES - Manager Tooker gave a report briefing the Board on the Indian Creek Estates Public Meeting held on May 20, 2002.

BUDGET TRANSFER FOR RAW WATER RETENTION POND REHABILITATION PROJECT 2002-01 - Red Mesa Consulting provided Staff with a construction estimate of \$441,000 to complete the pond project. Staff requested an additional 10% contingency. Director Woods made a motion to transfer \$480,000 from contingency to New Construction for the completion of the Raw Water Settling Pond Rehabilitation Project 2002-01. Director Ballagh seconded the motion which passed unanimously.

APPROVAL OF ADVERTISEMENT FOR RAW WATER RETENTION POND

REHABILITATION PROJECT 99-02 - Staff requested Board authorization to proceed with advertising of the Bid for Project 2002-01. Director Ballagh moved to advertise for the Raw Water Retention Pond Rehabilitation Project 2002-01. Director Teal seconded the motion which passed unanimously.

At 4:55 p.m. Director Elect Larry F. Morrow entered the meeting.

OATH OF NEW DIRECTORS - Designated Election Official David Reinertsen administered the Oath of Office to John L. Ballagh, Paul Teal and Larry F. Morrow for Directors of the Board of the Clifton Water District for terms of four years each. Directors Ballagh, Teal and Morrow signed the appropriate "Oath of Office" forms for submittal to the proper government agencies.

REORGANIZATION OF THE BOARD - Director Woods made a motion to nominate John L. Ballagh as Chairman, Perry V. Rupp as Vice-Chairman, Paul Teal as Secretary, Larry F. Morrow as Treasurer, and Brian Woods as Assistant Secretary. Director Teal seconded the motion which passed unanimously.

SIGNATURE CARDS - Signature cards for the District's financial accounts were signed by the outgoing and incoming Directors.

HUBBARD REQUEST - A Staff Report was presented to the Board concerning Lyman & JaNella Hubbard requesting that the District consider providing fire protection for their proposed gas station and convenience store located at Willow Bend Road and Highway 50 in Whitewater. Staff reviewed the District's Statement of Purpose and the InterGovernmental Agreement with Mesa County. It was the consensus of the Board that the Hubbard request to provide the fire protection to the development is not in compliance with current District policies, the Statement of Purpose and the InterGovernmental Agreement. The Board instructed Manager Tooker to send a letter to Mesa County and Mr. & Mrs. Hubbard identifying the District's position.

AWWA PARTICIPATION - The Board received a report identifying the costs and time associated with Manager Tooker's participation in the American Water Works Association for the 2001 calendar year. The total cost of participation for 2001 was \$234.57 and the time involvement was 30 hours (1% of the annual works hours). Manager Tooker requested Board approval to accept the appointment of the 2004 RMS AWWA Annual Conference Coordinator. Director Woods made a motion to have Manager Tooker be the 2004 RMS AWWA Annual Conference Coordinator in September 2004 with a limit of \$1,000 on travel expenses and a complete report at the end. Director Teal seconded the motion which passed unanimously.

RESCHEDULE JULY 4, 2002 BOARD MEETING - The regularly scheduled Board meeting for July is in conflict with the July 4th holiday. Director Woods made a motion to change the July 4, 2002 meeting to July 11, 2002. Director Teal seconded the motion which passed unanimously.

BOARD MEETING START TIME CHANGE - Director Morrow made a motion to change the start time of the Board meetings to 5:00 p.m., with a three hour limit. Director Teal seconded the motion which passed 4 - 1.

OUT-OF-DISTRICT SERVICE REQUEST FOR 1111 REEDER MESA ROAD - Assistant Manager Reinertsen presented a Staff Report concerning an Out-of-District service request from Barbara Hinton. Director Teal moved to grant the inclusion of parcel 2967-131-00-010 (presently addressed as 1111 Reeder Mesa Road) presently owned by Barbara A. Hinton, into the District's Out-of-District service area contingent upon Ms. Hinton granting a multipurpose utility easement east to west along the south property line for future District use. Director Morrow seconded the motion which passed unanimously.

DOUBLE TREE RANCH DEVELOPMENT - Manager Tooker briefed the Board on an upcoming request from the Double Tree Ranch Development (south of Indian Creek Estates) for possible water service. The Board was presented letters from the City of Grand Junction sent to the developer identifying service and flood plain issues. It was the consensus of the Board that until an official request is made no action is necessary.

NEW BUSINESS - Director Teal made the motion to approve a Resolution recognizing Martin Garber for his dedicated service to the Clifton Water District. Director Woods seconded the motion which passed unanimously.

RESOLUTION IN HONOR OF MARTIN GARBER

WHEREAS Martin Garber has served on the Clifton Water District Board of Directors from May 7, 1986 to June 6, 2002; and

WHEREAS Martin Garber's efforts are recognized by the District's customers and Board of Directors; and

WHEREAS Martin Garber's ideals and principals were incorporated into various Water District Policies and decisions; and

WHEREAS Martin Garber has been instrumental in the direction and advancement of the District;


NOW THEREFORE BE IT RESOLVED that the Clifton Water District and Board of Directors express their appreciation for Martin Garber's efforts.

BE IT FURTHER RESOLVED that this resolution be presented to Martin Garber as an expression of appreciation for his dedication to the Clifton Water District.


It was the consensus of the Board that Martin Garber be invited to the "Fishing Day" and presented a plaque in his honor.

The meeting was adjourned at 6:20 p.m.

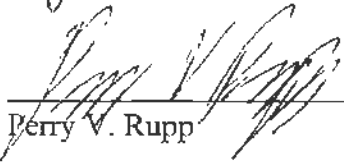
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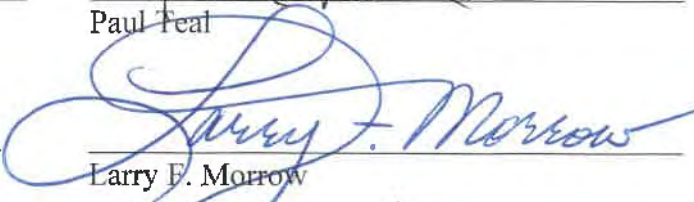
John L. Ballagh



Paul Teal



Perry V. Rupp



Larry E. Morrow



Brian Woods

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

Held July 11, 2002

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal, Assistant Secretary Woods. Treasurer Morrow had an excused absence. Staff present were Dale Tooker, David Reinertsen, Dave Payne, Ruth Kubin and Lori Cosslett. Jean Bierwirth and Curt Sealy with Red Mesa Consulting, Inc.(Red Mesa), were present as design consultants, and Red Hazen with Nielsons Skanska, Inc.

Chairman Ballagh called the meeting to order at 5:02 p.m.

MINUTES OF JUNE 6, 2002 - Director Teal moved to accept the minutes of June 6, 2002. Director Woods seconded the motion. The motion to accept the minutes with corrections passed unanimously.

At 5:06 p.m. Jean Bierwirth gave a brief update on the status of the District's Raw Water Retention Pond. Ms. Bierwirth presented a Project 99-02 Bid Documents Review and Recommendation Report to staff and the Board. Red Mesa completed their review of the bids submitted by Ashley Construction Co., Mountain Region Corporation, Nielsons Skanska, Inc. and Schmueser & Associates. Interviews were conducted with Ashley Construction Co. and Nielsons Skanska, Inc. personnel. Based on the evaluation of the bid documents and the interviews, Red Mesa recommended selecting Nielsons Skanska, Inc. as the construction contractor for the District's Raw Water Retention Pond Rehabilitation Project 99-02. Prior to Award of Bid, Staff requested the Board transfer sufficient funds from Contingency to adequately fund the project. Director Teal moved to transfer \$120,000 from Contingency to New Construction for the completion of the Raw Water Settling Pond Rehabilitation Project 99-02. Director Woods seconded the motion which passed unanimously. Director Woods then moved to accept Red Mesa's recommendation to award the Raw Water Retention Pond Rehabilitation Project 99-02 to Nielsons Skanska, Inc. for \$569,580.00. Director Woods noted that the bidding procedure followed District policies. Director Teal seconded the motion which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Teal moved to approve expenditures of \$188,188.94 plus \$92,950.40 for a total of \$281,139.34 as shown on the report. Director Rupp seconded the motion which passed unanimously.

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

Finished Water Storage Tank Design Burns & McDonnell - Burns & McDonnell is approximately 30% complete with the design. Staff expects a complete design will be delivered to the District prior to August 7, 2002. Once the design is completed it will be presented to the Board.

New District Employees - The District has two new Distribution Maintenance Technicians for the Pipeline Maintenance Crew. The two new employees are Brady Sartain and Lonnic Masden.

Minutes

Page 2

July 11, 2002

Indian Creek Estates - The District's Pipeline Maintenance Crew has been installing a new 6" water line from Red Tail Court to Eagle Trail Court. The 6" water line replaces the existing 3" and 2" lines serving the area. A portion of the line was placed in service on July 1st and resulted in an immediate improvement in the water pressure. District crews will continue on the improvements in the area and Staff will seek input from the residents of Indian Creek Estates concerning the improvement in the water system and will report the findings to the Board.

2001 Water Quality Report - The Clifton Water District 2001 Water Quality Report was distributed to all customers during the last week of June 2002 in compliance with the regulation.

Double Tree Ranch Development - Manager Tooker met with Danny Mead, real-estate agent and developer involved with the Double Tree Ranch Development. Mr. Mead was inquiring about the possibilities of the District providing potable water to the area. The Double Tree Ranch Development is south of Indian Creek Estates. Manager Tooker identified to Mr. Mead that area is outside of the current Clifton Water District Service Area and the District's current policies do not allow the area to be served by the District. Furthermore, Mr. Mead was informed that a substantial amount of infrastructure improvements would have to be made at the developer's cost to even consider the request. Future development with this case will be reported to the Board.

Colorado Water Workshop, Gunnison, CO July 31 through August 2, 2002 - Manager Tooker will be attending the Colorado Water Workshop in Gunnison from July 31 through August 2, 2002. The workshop brochure is included in the Board Packet.

Drought Workgroup - Manager Tooker has continued to meet with representatives from the City of Grand Junction, Ute Water Conservancy District and the Town of Palisade concerning drought issues in the Grand Valley. The group is preparing a joint press release and an insert for the Daily Sentinel to describe the drought conditions in the Grand Valley. A follow up meeting with the irrigation companies is planned to involve them in the discussions and future plans.

10" WATER MAIN PIPELINE PROJECT 2002-02 - A Staff Report was presented to the Board. The District has contracted with GR Williams Engineering, Inc. to provide design services for Phase I and construction oversight support for that portion of the line crossing the river on the highway bridge and main line installation from the river crossing to C Road. This portion of the Phase I will be performed as a construction bid project. The remaining main line portions of Phase I will be installed by the District's Pipeline Maintenance Crew. The design is in final review by the District and other affected entities. The Final Design and Bid Documents will be complete by July 26, 2002. Construction of the portion to be performed by the District's crew is scheduled for the August through October time period and the contracted portion is planned to be performed in the October to November time period. A cooperative arrangement has been reached with Ute Water to install a new 8" main line at the same time the District installs the new 10" line from C ½ to C Roads. Ute Water will provide the materials needed for their line and will pay for a portion of the installation cost for that section of the District's project. A request for bid advertising the contracted portion of the project will be addressed at a future Board Meeting.

HUBBARD REQUEST - Staff presented a letter that was sent to Mesa County identifying the District's position with the Hubbard request for fire protection at a planned gas station and convenience store located at Highway 50 and Willow Bend Road, Whitewater, Colorado. After discussion, it was the Board's consensus to provide domestic water for this project only and not include fire protection as requested by Mr. Hubbard.

MESA COUNTY CONDITIONAL USE PERMIT REQUIREMENTS - Staff has discussed the two District Capital Improvement Projects planned for 2002 (New finished water storage tank and the new chlorine handling facility) with Mesa County Administration and the County Planning Department. According to the 2000 Mesa County Land Development Code, the District is required to apply for Conditional Use Permits to construct these identified capital construction projects. At issue, is the timing of completing the projects and complying with procedures of the County's Conditional Use Permit process. Staff feels that the District can comply with Conditional Use Permit Requirements and still get the projects completed as scheduled. The Board directed Staff to evaluate the State Statutes that allow a governmental entity to provide a 30-day notice before starting construction with or without formal approval by the local governing body.

CHLORINE FACILITY DESIGNER - Staff completed the evaluation of the submitted Request for Proposals for the Design/Build services for the New Chlorine Handling Facility. Proposals were received from Burns & McDonnell, Camp Dresser McKee, Inc, Sear-Brown and FCI Constructors, Inc. Staff recommended that the engineering firm of Burns & McDonnell provide the required support for the Design/Build effort of the New Chlorine Handling Facility Project, CWD Project 2002-03. Director Woods moved to accept Staff's recommendation and to authorize Staff to negotiate a contract with Burns & McDonnell to provide the required engineering services for the New Chlorine Handling Facility. Director Teal seconded the motion which passed unanimously.

1996 WATER REVENUE BOND EARLY PAYOFF - Manager Tooker presented the results of his evaluation of the economics of paying off the District's 1996 Water Revenue Bonds with funds from Capital Reserve Accounts. The evaluation included the Bond Documents, payment schedule, and the District's portfolio history. Based on Manager Tooker's evaluation, it is not economically warranted to pay off or pay down the principle at this time. After discussion, no action was initiated or taken.

RESCHEDULE AUGUST MEETING - Staff requested rescheduling the August Board meeting from August 1, 2002 to August 8, 2002 because Manager Tooker will be attending the 2002 Colorado Water Workshop in Gunnison during the same period of time. Director Teal moved to change the Regular August Board Meeting from August 1, 2002 to August 8, 2002 at the regularly scheduled time. Director Woods seconded the motion which passed unanimously.

MAIL DELIVERY - Staff proposed to have all mail delivered to 510 34 Road and no longer use P.O. Box 100. Staff identified that Saturday delivery would be held for delivery on the next business day. The process to complete changing the District's mail delivery from the P.O. Box is

estimated to take approximately one year. Director Woods moved to have the District's mail delivered five days a week to 510 34 Road. Director Teal seconded the motion. After discussion, the motion passed 4 - 1.

2003 BUDGET COMMITTEE - The Board selected a Budget Committee to begin working with Staff to prepare the 2003 Budget. The committee will consist of Directors Rupp, Teal, and Morrow, Manager Tooker, and Assistant Manager Reinertsen.

DROUGHT WORKGROUP UPDATE - Manager Tooker reported that the Drought Workgroup (Clifton Water District, Ute Water Conservancy District, City of Grand Junction, Town of Palisade, and the valley's irrigation companies) are preparing an informational drought brochure for insertion in the Daily Sentinel newspaper on either July 28, 2002 or August 4, 2002.

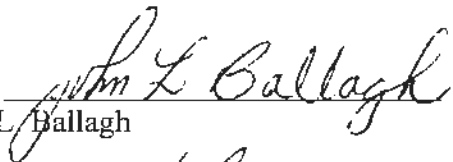
TRANSFER OF FUNDS FOR OVERTIME FOR 2002 - Manager Tooker presented a Staff Report requesting the Board transfer \$8,000 from Contingency to Labor, Overtime. Staff has experienced an increase in workload requiring greater than planned overtime expenditures from January through June 2002. Director Woods moved to transfer \$8,000 from Contingency to the Labor, Overtime budget line item. Director Teal seconded the motion which passed unanimously.

EMPLOYEE FISHING DAY - The employee fishing day is tentatively scheduled for August 10, 2002.

WATERMARK OF EXCELLENCE AWARD LUNCHEON - The Watermark of Excellence Award Luncheon for the 1st half of 2002 will be held at 12 noon on Wednesday, July 17, 2002 at the District's Main Office.

The meeting was adjourned at 6:20 p.m.

ATTEST:

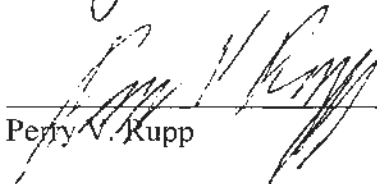


John L. Ballagh



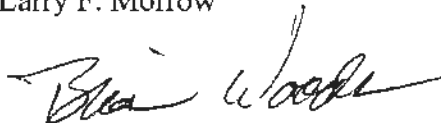
Paul Teal

- Excused -



Perry V. Rupp

Larry F. Morrow



Brian Woods

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

Held August 8, 2002

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal, Treasurer Morrow, Assistant Secretary Woods. Staff present were Dale Tooker, David Reinertsen, Ruth Kubin and Lori Cosslett.

Chairman Ballagh called the meeting to order at 5:02 p.m.

MINUTES OF JULY 11, 2002 - Director Teal moved to accept the minutes of June 6, 2002. Director Rupp seconded the motion. The motion to accept the minutes with corrections passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Teal moved to approve expenditures of \$98,695.83 plus \$14,082.93 for a total of \$112,778.76 as shown on the report. Director Woods seconded the motion which passed unanimously.

STAFF REPORTS - Ruth Kubin presented a Staff Report regarding the Customer Service Program for the second quarter. Manager Tooker presented the Monthly Effluent Water Production Report through July 2002.

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

Special Districts Association (SDA) Annual Conference – The SDA Annual Conference will be held in Keystone, Colorado September 25-27. Board members planning on attending must make hotel reservations by August 9, 2002. A hotel registration form has been included in the Board Packet.

Project 99-02 Raw Water Settling Pond Rehabilitation – Nielsons/Skanska began the rehabilitation construction of the Raw Water Settling Pond on Monday, July 22, 2002. Staff will prepare monthly updates for the Board on this project.

Drought Workgroup – As reported earlier District staff has been meeting weekly with representatives from Ute Water, City of Grand Junction, Town of Palisade, Grand Valley Water Users Association, Grand Valley Irrigation Company and Palisade Irrigation District to discuss drought issues. An information paper was prepared by the Workgroup that will be distributed as a supplement to the Sunday, August 4, 2002 Daily Sentinel. A joint press conference is also scheduled with the participants of the Drought Workgroup on Friday August 2, 2002 to present the drought and water conservation issues to the community.

PROJECT 2002-02 10" WATER MAIN PROJECT - Assistant Manager Reinertsen presented a Staff Report concerning Project 2002-02 (*file 08-08-02*). Director Woods moved to release the retainage for the completed design work to date on the 10" Water Main Project 2002-02. Director Teal seconded the motion which passed unanimously.

FINISHED WATER STORAGE TANK DESIGN - Staff did not receive any updated information concerning the project. There was no Board action.

HUBBARD REQUEST (WHITEWATER FIRE FLOWS) - Manager Tooker relayed information that the Hubbard Development had obtained Mesa County approval. No proposal was presented to the Board. No action was taken.

1996 WATER REVENUE BOND REPAYMENT - Manager Tooker presented a Staff Report (*file 08-08-02 and Staff Reports 2002*) concerning the early payoff of the 1996 Water Revenue Bond. Terms and conditions of the Bond prevent early redemption before December 1, 2006. No action was taken.

DROUGHT AND CONDITIONS OF THE COLORADO RIVER - Manager Tooker presented a memorandum dated August 2, 2002 (*file 08-08-02 and Memos Board 2002*) concerning recent water developments. No action was taken.

COLORADO WATER WORKSHOP REPORT - Manager Tooker gave a brief verbal report concerning the recent Colorado Water Workshop held in Gunnison, Colorado. No action was taken.

MANAGER'S EVALUATION (SEPTEMBER) - Chairman Ballagh informed the Board members that Manager Tooker's evaluation is scheduled for September and he will prepare the evaluation forms and have them distributed to the Board members. The Board requested Manager Tooker to prepare a twelve month summary. No action was taken.

SDA ELECTION - Chairman Ballagh expressed that he would be honored and would accept a Board nomination to serve on the Special District Association Board. Director Teal moved to nominate John Ballagh to serve on the Special District Association Board. Director Morrow seconded the motion which passed unanimously.

LICENSE AGREEMENT EXCEL - Assistant Manager Reinertsen presented a License Agreement from Excel Energy (*file 08-08-02 and Agreements*) pertaining to the use of Excel's Right-of-Way for the installation of the water line for Project 2002-02. Director Rupp moved to approve and sign the License Agreement. Director Teal seconded the motion which passed unanimously.

SECURITY EVALUATION - Assistant Manager Reinertsen presented a verbal overview of the Security Evaluation performed by Asecure American Corporation (*file District Security*). No action was taken.


WAGE AND BENEFITS - Director Teal expressed his concerns over current water rates and the net decrease year to date identified on the June 2002 Statement of Cash Flow and if this was adequate to cover future expenses. Manager Tooker explained that the overall net decrease year to date is associated with non-operating expenses that are funded by Plant Investment Fees and the current water rates are sufficient to fund the Districts operation. No action was taken.

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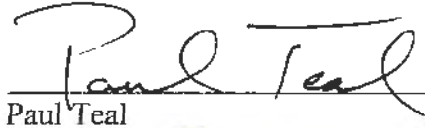
MINUTES - Director Ballagh reported to the Board that he had met with staff and discussed making changes to the format of the minutes. An example of simplified minutes was presented the Board (*file 08-08-02*) and an explanation of the new filing system was presented. The consensus of the Board was to proceed with the simplified minutes. No action was taken.

The meeting was adjourned at 7:37 p.m.

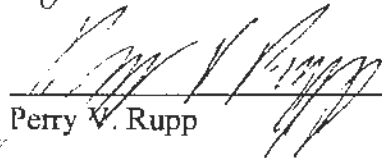
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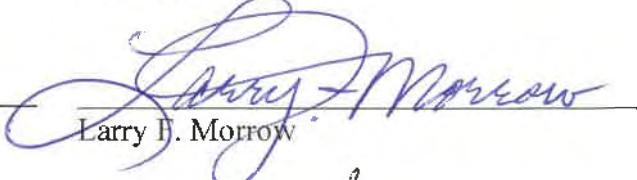
John L. Ballagh



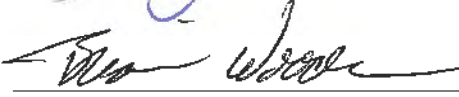
Paul Teal



Perry V. Rupp



Larry F. Morrow



Brian Woods

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

Held August 8, 2002

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Chairman Ballagh called the meeting to order at 5:02 p.m.

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Minutes
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August 8, 2002

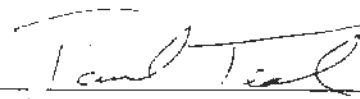
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ATTEST:



John L. Ballagh

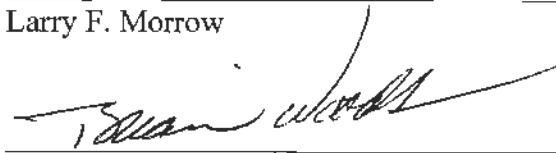


Paul Teal



Perry W. Rupp

Larry F. Morrow



Brian Woods

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

Held September 5, 2002

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal, Treasurer Morrow, Assistant Secretary Woods. Staff present were Dale Tooker, David Reinertsen, Dave Payne, Ruth Kubin and Lori Cosslett.

Director Rupp called the meeting to order at 5:00 p.m.

At 5:00 p.m. Jean Bierwirth with Red Mesa Consulting, Inc. led the Board and Staff on a tour of the Settling Pond Construction Project. Ms. Bierwirth provided a status update and answered questions regarding progress of the project.

MINUTES OF AUGUST 8, 2002 - Director Teal moved to accept the minutes of August 8, 2002. Director Morrow seconded the motion. The motion to accept the minutes with corrections passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Teal moved to approve expenditures of \$313,289.26 plus \$22,767.02 for a total of \$336,056.28 as shown on the report. Director Rupp seconded the motion which passed unanimously.

MANAGER'S REPORT - The Manager's Report now includes Analysis of Costs for Project 2002-01 and Project 2002-02.

STAFF REPORTS - Presented at the Board meeting was the Monthly Effluent Water Production Report through August 2002 was presented.

EXPRESS AGENDA - The Directors reviewed the Express Agenda items. The following item were accepted as presented:

Mailing Address Changes - Staff made the appropriate changes in the mailing address. The District's mailing address is now officially 510 34 Road. Post Office Box 100 has been closed and the mail delivery is going very smoothly.

CURRENT WATER CONDITIONS - Manager Tooker provided a brief summary of the District's current position with water supply and water rights. The Board was presented with a correspondence from Dufford, Waldeck and the Colorado River Water District (*file 09-09-02 and Water Issues 2002*). There was no Board action.

DESIGNATE THE MANAGER TO PREPARE THE 2003 BUDGET - Director Teal moved to designate Manager Tooker to prepare the 2003 Budget. Director Morrow seconded the motion which passed unanimously.

Minutes

Page 2

September 5, 2002

WIRE TRANSFER AUTHORIZATION TO PALISADES NATIONAL BANK - A Funds and Wire Transfer Authorization was presented to the Board for approval authorizing Manager Tooker and Office Supervisor Kubin to make funds and wire transfers with Palisades National Bank. Director Woods moved to sign the Wire Transfer Authorization to Palisades National Bank. Director Teal seconded the motion. It was Board consensus to table this item until the October 2002 meeting.

EAGLE TRAIL COURT CUSTOMER FEEDBACK - Manager Tooker addressed the responses from the Eagle Trail Court residents received from a questionnaire sent to them after the line upgrade was completed (*file 09-09-02 and Eagle Trail-Court Indian Creek Estates*). No Board action was taken.

PLANT INVESTMENT FEE CREDIT POLICY - Staff has received a number of requests for credit while moving or relocating a service connection. Director Woods moved to adopt Policy #411, Plant Investment Fee Credit Policy. Director Teal seconded the motion. It was Board consensus to table the motion until the October 2002 meeting.

OUT-OF-DISTRICT SERVICE REQUEST - A Staff Report was included in the Board Packet recommending Board approval of the Out-of-District Service Request in accordance with District Policy. Director Teal moved to grant the inclusion of 2967-132-00-937 (current address 351 Reeder Mesa Road, SW 1/4 and W 1/2 of the SE 1/4 of NW 1/4 of the NW 1/4 of the Section 13, T2S, R1E, of the Ute Principal Meridian) presently owned by Darren Davidson, into the District's Out-of-District service area, and if the planned subdivision is not constructed within twelve months, Mr. Davidson shall secure the necessary easements to provide water service to this parcel through a dedicated utility easement to Reeder Mesa Road. Director Rupp seconded the motion which passed unanimously.

2003 BUDGET COMMITTEE - Discussion only, no Board action was taken.

NEW CONSTRUCTION MAIN LINE UPGRADE - Assistant Manager Reinertsen presented a Staff Report (*file 09-09-02 and Staff Reports*) to the Board regarding funding status through August 31, 2002 for Main Line Upgrades. Director Morrow moved to transfer \$167,590 from Contingency to the Main Line Upgrade Line Item to complete the remaining construction projects in FY 2002. Director Woods seconded the motion which passed unanimously.

EXECUTIVE SESSION - At 6:55 p.m., Director Woods moved to enter into Executive Session to discuss "the purchase, acquisition, lease, transfer or sale of any property interest" 24-6-402-(4)(a) C.R.S. Director Teal seconded the motion which passed unanimously. Also discussed in Executive Session were "matters required to be kept confidential by State or Federal law, rules or regulations" 24-6-402(3)(c) C.R.S. and "personnel matters" 24-6-402(4)(f) C.R.S.


Director Teal moved that the Board exit the announced Executive Session at 7:35 p.m. Director Woods seconded the motion which passed unanimously.

GRACE HOMES - Director Teal moved to enter into negotiations with Grace Homes Real Estate and Construction, Inc. for the purchase of the District's Orchard Mesa property with the Clifton Water District being designated as the water provider. Director Woods seconded the motion which passed unanimously.

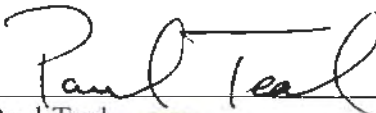
EXECUTIVE SESSION - At 7:55 p.m. Director Teal moved to again enter into Executive Session to discuss "personnel matters" 24-6-402 (4)(f) C.R.S. Director Woods seconded the motion which passed unanimously.

At 9:02 p.m., Director Teal moved to exit Executive Session. Director Woods seconded the motion which passed unanimously. The meeting was adjourned at 9:02 p.m. by Board consensus.

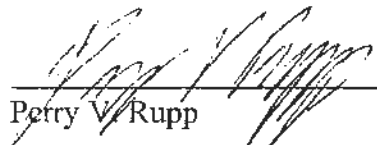
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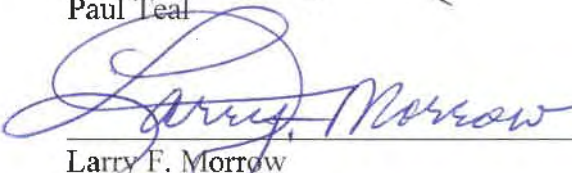
John L. Ballagh



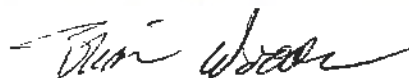
Paul Teal



Perry V. Rupp



Larry F. Morrow



Brian Woods

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

Special Meeting held September 23, 2002

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal, Treasurer Morrow, Assistant Secretary Woods. Staff present were Dale Tooker and Lori Cosslett.

Chairman Ballagh called the meeting to order at 5:00 p.m.

30 ROAD PROJECT UPDATE - Manager Tooker gave update on conditions of 30 Road Project and the fuel contaminated soils near the District's pipeline. There was no Board action.


POLICY OF PROHIBITING DONATIONS TO NON PROFIT ORGANIZATIONS - It was Board consensus to create a policy regarding donations to non profit organizations.

EXECUTIVE SESSION - At 5:44 p.m., Director Teal moved to enter into Executive Session to discuss "personnel matters" 24-6-402(4)(f) C.R.S. Director Morrow seconded the motion which passed unanimously.

At 6:06 p.m., Director Teal moved to exit Executive Session. Director Woods seconded the motion which passed unanimously.

The meeting was adjourned at 6:08 p.m.

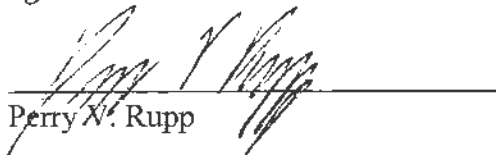
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John L. Ballagh



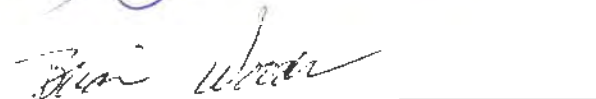
Paul Teal



Perry N. Rupp



Larry F. Morrow



Brian Woods

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

Held October 3, 2002

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal, Treasurer Morrow and Assistant Secretary Woods. Staff present were Dale Tooker, David Reinertsen, Dave Payne, Ruth Kubin and Lori Cosslett.

Director Ballagh called the meeting to order at 5:00 p.m.

At 5:00 p.m. Jean Bierwirth with Red Mesa Consulting, Inc. provided a status update and answered questions regarding progress of the project.

At 5:15 p.m. Brian Cherveney, Dave Gossott and Terri Gossott with the Lands End Fire Protection District were present requesting a donation of a ¾" tap for the District's new fire station. The Board reviewed a Staff Report (*file 10-3-02 and Staff Reports*) presented. Director Woods moved for the Clifton Water District to provide and to own a tap at 340955 Siminoe Road, Whitewater, CO, and to allow the Lands End Fire Protection District use of the tap, with a review the situation every three years. Director Teal seconded the motion which passed unanimously.

MINUTES OF SEPTEMBER 5, 2002 – Director Teal moved to accept the minutes of September 5, 2002. Director Morrow seconded the motion which passed unanimously.

MINUTES OF SEPTEMBER 23, 2002 SPECIAL MEETING – Director Teal moved to accept the minutes of the September 23, 2002 Special Meeting. Director Rupp seconded the motion. The motion to accept the minutes with corrections passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE – Director Teal moved to approve expenditure of \$290,683.58 plus \$49,305.77 for a total of \$301,535.36. Director Rupp seconded the motion which passed unanimously.

STAFF REPORTS – Staff presented the Monthly Effluent Water Production Report through September 2002 (*file 10-3-02*).

Lori Cosslett made a Power Point presentation of Low Cost Effective Customer Service Programs That Work.

Manager Tooker updated the Board on the recent 10" Water Main break at the Colorado River.

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

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Page 2
October 3, 2002

Tom Shawler, Colorado Distribution Operator Award – Tom Shawler has received the Colorado Distribution System Operator Award for the state of Colorado. The award is presented by the Rocky Mountain Section of the American Water Works Association, and was presented this September at the Annual Conference in Steamboat Springs, Colorado. Tom was selected from nominations received from throughout the entire state of Colorado. The award is quite an honor and the Clifton Water District is extremely proud of Tom and his dedicated work for the customers of the Clifton Water District over the past twenty one years.

Eagle Trail Court Customer Feedback – Staff continues to receive extremely positive feed back from the residents of Eagle Trail Court. Included in the Board packet were a number of questionnaires that had been returned since the last Board meeting.

Drought Workgroup – Manager Tooker met with representatives from the City of Grand Junction and Ute Water District at the Annual Conference of the Rocky Mountain Section AWWA in Steamboat Springs, Colorado. The entities discussed the need to continue to meet and formulate an official drought management plan before the end of 2002. The plan will then be presented to each Board or Council, so that if necessary in 2003, a unified Drought Management Plan could be implemented by each utility. Manager Tooker will continue to work with the group and will present a Master Drought Management Plan at a later date.

Raw Water Settling Pond Project – The Project is progressing toward final completion. The majority of the liner and sub-liners have been installed and the concrete floor is being installed. The testing and filling of the Settling Pond is scheduled for the second or third week in October.

30 Road Project – As reported at the last Board meeting, Staff worked with the contractor and Mesa County to protect the District's water lines as they intersected the contaminated soils area. Manager Tooker received specification guidance from Burns & McDonnell concerning the installation of a pipeline through a fuel contaminated area. All conditions of the District's specifications have been met and the installation of the pipeline has been completed.

Smart Growth Workshop - Manager Tooker was asked to speak at a Smart Growth Workshop on August 23, 2002 to present the District's perspective of the Intergovernmental Agreement that we have with Mesa County. A thank you note was included in the Board packet.

FUND AND WIRE TRANSFER AGREEMENT WITH PALISADES NATIONAL BANK – A corrected Funds and Wire Transfer Agreement with Palisades National Bank (*file 10-03-02 and Agreement file with Palisades National Bank*) was presented to the Board. Director Woods moved to accept the Fund Transfer and Wire Transfer Authorization to Palisades National Bank as presented by staff. Director Teal seconded the motion which passed unanimously.

PLANT INVESTMENT FEE CREDIT POLICY – A revised Policy #410 (*file 10-03-02*) was presented to the Board addressing Plant Investment Fee Credit for moving or relocating a service connection. Director Teal moved to approve the revision of Policy #410 to include the Plant Investment Fee Refund Conditions. Director Morrow seconded the motion which passed unanimously.

AUTHORIZE BIDS FOR FINISHED WATER STORAGE TANK PROJECT 2002-01 – Preliminary Design (*Project 2002-01 file*) for the new water storage tank has been received by staff. Director Rupp moved to authorize Staff to advertise for bids for Project 2002-01 once Final Design has been received. Director Morrow seconded the motion which passed unanimously.

MANAGER'S EVALUATION AND COMPENSATION – Director Woods moved to give Manager Tooker a one time bonus of \$1,500 and a \$3,500 annual salary increase retroactive to September 1, 2002. Director Teal seconded the motion which passed unanimously.

TRANSFER FUNDS TO BANK CHARGES – Staff requested a \$400 Budget Transfer to fund an increase in Bank Charges as a result of the success of the Customer Service Program and Credit Card payments. Director Woods moved to transfer \$400 from Contingency to Bank Charges to cover the increase. Director Rupp seconded the motion which passed unanimously.

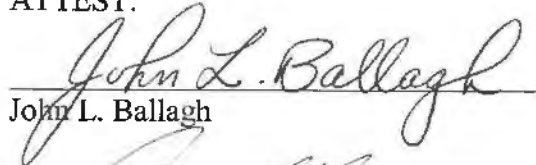
GRAND JUNCTION PIPE & SUPPLY GRAVEL PIT RECLAMATION – Information and discussion only, no Board action was taken.

GOODFELLOW OUT-OF-DISTRICT SERVICE REQUEST – A Staff Report (*file 10-03-02 and Staff Report file*) was presented to the Board requesting direction for providing potable water service to parcel 2969-173-00-058 on Reader Mesa Road that is greater than the 4,800 foot service boundary limit. The Board gave their consensus to move forward and contact Mesa County citing that this proposal fits within the overall plan to provide potable water to In-District customers located in the 'Whiskey Flats' area and will assist the District in providing a "looped system" in the area.

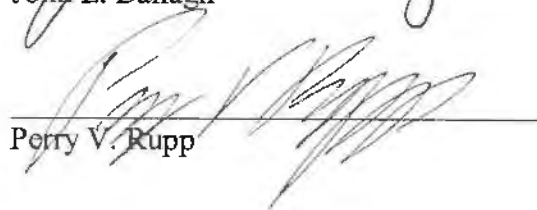
Minutes
Page 4
October 3, 2002

The meeting was adjourned at 7:18 p.m.

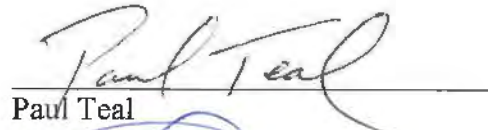
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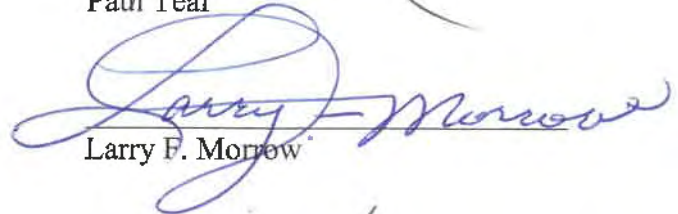
John L. Ballagh



Perry V. Rupp



Paul Teal



Larry F. Morrow



Brian Woods

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

Held November 7, 2002

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal, and Assistant Secretary Woods. Treasurer Morrow had an excused absence. Staff present were Dale Tooker, David Reinertsen, David Payne, and Ruth Kubin.

Chairman Ballagh called the meeting to order at 5:00 p.m. Jean Bierwirth of Red Mesa Consulting, Inc. provided a status report of the Settling Pond Project and led the Board and Staff on a tour of the completed project.

MINUTES OF OCTOBER 3, 2002 - Director Teal moved to accept the minutes of the October 3, 2002 Board Meeting. Director Woods seconded the motion which passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Teal moved to approve expenditures of \$340,898.86 plus \$45,321.98 for a total of \$386,220.84. Director Woods seconded the motion which passed unanimously.

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

Manager Tooker Nominated as Executive of the Year - Enclosed in the Board packet is a letter received by Manager Tooker from the International Association of Administrative Professionals.

Annual Parade of Lights - The District is planning to participate in the Annual Parade of Lights this year which will be held on Saturday, December 7, 2002. Everyone is encouraged to participate. This year's parade theme is "Cowboy Christmas." Anyone interested in participating in the parade should contact Lori Cosslett or Mark Dalley.

District Holiday Celebration - The District's annual Holiday Celebration is scheduled for Friday, December 13, 2002 at the Far East Restaurant. Those planning on attending the Celebration should contact Ruth Kubin no later than December 6, 2002.

Annual Turkey Tradition - Unless otherwise directed by the Board, staff will proceed with the annual turkey tradition providing a turkey or ham to all employees and Board members for either Thanksgiving or Christmas.

New Billing Sample - In an effort to keep our customers aware and informed concerning the implementation of the new billing system, staff has sent out a sample bill to all customers with an explanation of how to read the water bill. The new bill will begin with the first group in November.

2003 PROPOSED BUDGET - Manager Tooker and the Budget Committee presented the Proposed 2003 Budget (*file 11-07-02*). Director Teal moved to change the December Board Meeting to Wednesday, December 4th at 5:00 p.m. Director Rupp seconded the motion which passed unanimously. Director Teal then moved to authorize publication of the Notice of Budget and set the Budget Hearing for the next regular Board Meeting, December 4th, 2002. Director Rupp seconded the motion which passed unanimously.

RAW WATER SETTLING POND PROJECT - Staff presented project completion activity status report. After completion of the required leak testing, the pond was placed in operation and will continue operation until the water in the canal is no longer available. Director Woods moved to advertise for Final Payment to Nielsons Skanska, Inc. for the raw Water Settling Pond Project. Director Teal seconded the motion which passed unanimously.

NEW WHITEWATER TRANSMISSION LINE - COLORADO RIVER CROSSING PROJECT, PROJECT 2002-02 - Director Teal moved to authorize Staff to advertise for bids for the construction of Project 2002-02, New Whitewater Transmission Line, Colorado River Crossing, to commence in January 2003. Director Woods seconded the motion which passed unanimously.

SPECIAL DISTRICT'S ASSOCIATION 2002 ANNUAL CONFERENCE DEBRIEFING - Directors Teal and Ballagh and Staff member Reinertsen presented information collected from the Keystone, CO conference held in September 2002. Information and discussion only, no Board action was taken (*file 11-07-02*).

CUSTOMER SURVEY - Information and discussion only, no Board action was taken (*file 11-07-02*).

TRANSFER OF FUNDS FOR OVERTIME LABOR, 2002 - Manager Tooker presented a request for a 2002 Budget transfer for additional overtime labor funds. Director Teal moved to transfer \$12,000 from Contingency to Labor, Overtime budget line item. Director Woods seconded the motion which passed unanimously.

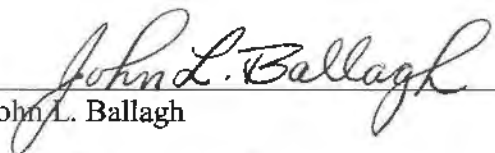
EXECUTIVE SESSION - At 6:45 p.m., Director Teal moved to enter into Executive Session to discuss "the purchase, acquisition, lease, transfer or sale of any property interest" 24-6-402(4)(a), C.R.S. Director Woods seconded the motion which passed unanimously. At 7:06 p.m., the Board exited the announced Executive Session.

DISTRICT CHECK SIGNING PROCEDURES - Information and discussion only, no Board action was taken.


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November 7, 2002
Page 3

At 7:35 p.m., the meeting was adjourned by Board consensus.

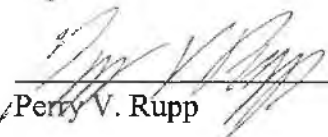
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John L. Ballagh



Paul Teal



Perry V. Rupp

Excused

Larry F. Morrow



Brian Woods

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

Held December 4, 2002

Present were Chairman Ballagh, Vice-Chairman Rupp, Secretary Teal, Treasurer Morrow and Assistant Secretary Woods. Staff present were Dale Tooker, David Reinertsen, Ruth Kubin and Lori Cosslett. Mr. Dave Merritt was present as a guest.

Chairman Ballagh opened the Public Hearing on Proposed 2003 Budget to order at 5:00 p.m. noting that the time and place for said hearing was published in accordance with C.R.S. 29-1-106 et. seq. (Notice of said budget hearing has been published in The Daily Sentinel in accordance with C.R.S. 29-1-106(3)(a). Hearing no questions or comments regarding the Public Hearing on the Proposed 2003 Budget, Director Ballagh declared the public meeting closed.

Chairman Ballagh called the Regular meeting to order at 5:02 p.m.

MINUTES OF NOVEMBER 7, 2002 - Director Woods moved to accept the minutes of the November 7, 2002 Board Meeting. Director Rupp seconded the motion which passed unanimously.

At 5:10 p.m. Dave Merritt with the Colorado River Water Conservation District gave a presentation on the Shoshone Power Plant, trading a call on the Colorado River to enable storage upstream.

FINANCIAL REPORT AND ACCOUNTS PAYABLE - Director Teal moved to approve expenditures of \$171,364.13 plus \$78,509.05 on the supplemental statement for a total of \$249,873.18. Director Rupp seconded the motion which passed unanimously.

STAFF REPORTS - Assistant Manager Reinertsen presented a Staff Report (*file 12-4-02 and Staff Reports*) on the Customer Service Survey Results for Construction Projects.

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

Colorado's Big Straw - The "Big Straw" is a proposal to divert and pump portions of the Colorado River from the Colorado-Utah state line 200 miles back to the Continental Divide and Colorado's Front Range for water supply purposes. An information meeting is set for Tuesday, December 10, 2002 from 6 - 9 p.m. at the City Hall Auditorium.

Goodfellow Property/Mesa County IGA - Staff received correspondence from Mesa County accepting the District's proposal to amend the InterGovernmental Agreement (IGA) to include the Goodfellow Development above the 4800 foot contour.

2002-01 Middle Storage Tank Project - Staff received Final Design and Specifications for the Middle Storage Tank Project. Burns & McDonnell advertised and performed prequalification and the Bid Opening is scheduled for December 20, 2002 with a mandatory site tour. Staff will have contract award recommendations prepared for the January meeting.

2003 PROPOSED BUDGET - Director Teal moved to approve the Proposed 2003 Budget (*file 12-7-02 and the Budget file*). Director Morrow seconded the motion which passed unanimously. Director Teal moved to adopt the Budget Resolution. Director Woods seconded the motion which passed unanimously. It was Board consensus to accept the Budget Message as prepared by staff.

RADIO READ METER REPLACEMENT PROGRAM - Manager Tooker presented a Staff Report (*file 12-7-02 and Staff Reports*) on the Radio Read Meter Replacement Program Justification. It was the consensus of the Board to proceed with the Radio Read Replacement Program for 2003 as presented in the Staff Report. Future Radio Read Replacements will be presented to the Board prior to implementation.

SHOSHONE CALL PROPOSAL - The Board agreed to support the proposal of storage in lieu of the Shoshone call water with the following conditions:

1. The Agreement does not set a precedence.
2. Increased operating costs to the Clifton Water District and other monetary damages can be received from East Slope entities.
3. Support from other entities for Clifton Water District concerning the diversion and pumping activities as they relate to the endangered species and the Fish and Wildlife Service.

METER READING TIMES - Director Teal requested Board discussion on the meter reading cycles and the possibility of adjusting the cycles so that a more uniform billing can be obtained. Discussion only, no Board action was taken.

GRAND VALLEY IRRIGATION COMPANY ANNUAL MEETING - Director Woods moved to sign the Proxy (*file 12-7-02*) instead of sending someone to the Grand Valley Irrigation Company Annual Meeting. Director Teal seconded the motion which passed unanimously.

2003 AUDIT ENGAGEMENT LETTER - Director Woods made a motion to have Director Morrow, Treasurer sign the Engagement letter (*file 12-7-02 and Chadwick Steinkirchner file*) from Chadwick, Steinkirchner, Davis & Co. P.C. to perform the District's 2002 Audit. Director Teal seconded the motion which passed unanimously.


JANUARY BOARD MEETING - No action was taken to change the January Board meeting.

EXECUTIVE SESSION - At 7:50 p.m. Director Morrow moved to enter into Executive Session to discuss "the purchase, acquisition, lease, transfer or sale of any property interest" 24-6-402(4)(a). Director Woods seconded the motion which passed unanimously.

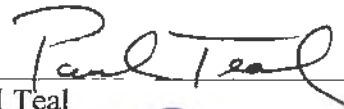
At 7:52 p.m. Director Teal moved to exit Executive Session. Director Woods seconded the motion which passed unanimously.

The meeting was adjourned at 7:55 p.m.

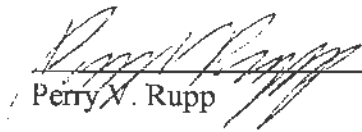
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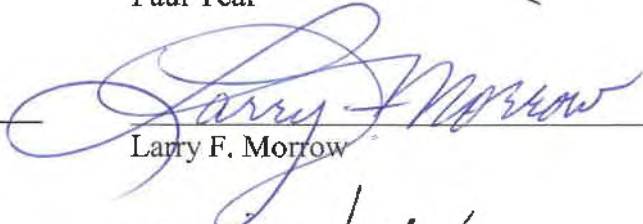
John L. Ballagh



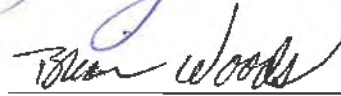
Paul Teal



Perry X. Rupp



Larry F. Morrow



Brian Woods