

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

Held JANUARY 13, 1993

Present were Chairman Ballagh, Vice Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. Superintendent Schuster and Chief Operator Blount were also present. Guests present were: Dick Butterbaugh, Phil Bertrand and Ed Currier representing the Grand Valley Irrigation Co. (GVICo); Attorney Linda White; Herman Beard, Larry Fuller, Joe Lachner and Mel Rettig representing Orchard Mesa Irrigation District (OMID); Reford Theobald, Bill McCurry, Bill Bessinger, Greg Trainor, Attorney Wayne Schroeder and Consultant Jeris Danielson representing the City of Grand Junction;

Director Ballagh called the meeting to order at 7:30 p.m. and had everyone introduce themselves.

DENVER WATER EXCHANGES: Greg Trainor stated the purpose of the meeting was to get unanimity among the water users in the Valley concerning Denver's attempt in water court (91 CW 252) to exchange Wolford Mountain Reservoir water for Green Mountain Reservoir water. Ed Currier stated that GVICo representatives were present only to listen. GVICo would make no commitment to endorse any consensus reached at this meeting. The discussion centered around a five-page "overview" prepared by Attorney Schroeder. The main concern was the lack of data that would assure Grand Valley water users that water flows and water quality historically available from the Colorado River would not be diminished due to the proposed water exchanges. Capital improvements that would reduce the amount of salinity in the water for domestic use would not benefit the irrigators. Dr. Danielson stated that he had never been involved in such a large project with so little engineering. It was generally agreed that all entities present should send the Colorado River Water Conservation District (CRWCD) a letter stating the concerns that water flows and water quality historically available from the Colorado River would not be diminished due to the proposed water exchanges. After 70 minutes of discussion, the guests dispersed in an amiable mood.

Schuster read aloud a draft of a letter from Attorney White to the CRWCD and Denver Water. Director Ela moved to adopt Linda White's letter, or a modification of same acceptable to OMID, GVICo and the City, as Clifton's part of a unified position in requesting the CRWCD to respect a request for water flows and water quality historically available from the Colorado River to not be diminished. The motion was seconded by Director Garber. Director Lewis asked that two letters be sent, one letter would be a toned down version of Linda White's letter, the other a letter signed by water users in the Grand Valley. He continued, suggesting that Attorney White's letter hit four points. These four points being: 1. historic water flows and water quality; 2. a provision for monitoring water quality; 3. question why taxpayers are being asked to rely on CRWCD data when CRWCD does not seem confident of it; and, 4. why should we finance a project that may cause harm to Western Slope water users. Director Ela incorporated Director Lewis' ideas into his motion with the concurrence of the second and the motion passed unanimously.

EMPLOYEES' BENEFITS: During the previous discussion, Clifton Water District employees Tooker, Larsen, Sheley, Robinson, Lehmann and Shawler assembled. Director Ballagh turned the meeting over to the spokesman for the group, Dale Tooker. Tooker explained a memo the group had prepared outlining alternative ways to reduce the District's financial participation in the health insurance

benefits without reducing the employees' net take-home pay. The discussion was beneficial to both the Directors and the group of employees. The contents of the memo were taken under advisement by the Directors with the understanding that any decision in reducing the District's financial participation in the health insurance program would not be unilateral. It was generally agreed that some decision concerning health insurance would be made by April so as to allow the District to renew a contract with Rocky Mountain HMO.

PERSONNEL MANUAL: The changes to the Personnel Manual were discussed at great lengths. More changes, deletions and insertions to the manual were suggested by the Directors in a two hour discussion. Schuster told the Directors the finished product should be ready for review at the February meeting.

ADMINISTRATIVE ASSISTANT: Schuster told the Directors that the District had received 65 responses to an ad placed in The Daily Sentinel for an Administrative Assistant. Eight of the applicants were personally interviewed. Cynthia Day was selected for the position as a result of the interviews. Schuster asked the Directors to transfer \$21,200 from the contingency fund to the wage and benefit fund so he could hire Ms. Day. Director Ela moved to table the matter until the January 20th meeting. The motion was seconded by Director Garber and passed unanimously.

MESA COUNTY'S INTERGOVERNMENTAL COOPERATION: Schuster told the Directors that Mesa County Commissioner Spehar was forming a committee to study intergovernmental cooperation in an effort to lessen the impacts of the TABOR amendment. Director Ela stated that if the formation of the committee were an effort for unification of the three major water systems he would approve of it. If it were a public relations move, he didn't think Clifton would be interested. Schuster said it was a public relations effort. Director Ela moved to not participate in Mesa County's proposed Intergovernmental Committee. The motion was seconded by Director Lewis and passed unanimously.

WAIVER OF SHUT-OFF FEE: A representative of S D & B Investment asked for a waiver of the \$20.00 shut-off fee for 580 Plainview (account #13-653-032) as he was out of town and the shut-off notice arrived via first class mail in an envelope and its contents were not known. Schuster told him the \$20.00 shut-off fee had to be paid along with the entire balance of the water bill before water service would be restored. Director Ela moved to approve Schuster's action. The motion was seconded by Director Lewis and passed unanimously.

EXECUTIVE SESSION: At 11:18 p.m. Director Lewis moved to go into executive session to discuss Schuster. The motion was seconded by Director Garber and passed unanimously.

Meeting adjourned after midnight

ATTEST:

George E. Wheeler
Secretary

Martin Garber

John L. Ballagh

Jim M. Ela

[Signature]

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

Held JANUARY 20, 1993

Present were Chairman Ballagh, Vice Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. Superintendent Schuster and Chief Operator Blount were also present. Office Manager Weaver was present to record the results of the bids. Guests present were: Mr. & Mrs. Louis Puckett, Myrna Roy & friend, Lee McCartney and Kathy Locke from south of Whitewater; Contractors Ben & Curtis Dowd, Preston Meese and Mrs. Cunningham; and, ham radio operator Richard Blanchette.

Due to the large crowd and numerous agenda items, Director Ballagh called the meeting to order at 7:25 p.m.

PLANT #1 AS ANTENNA SITE: Richard Blanchette introduced himself as a ham radio operator representing The American Radio Relay League, Inc. and a subsidiary called The Amateur Radio Emergency Service (ARES). The ARES wants to use the site of Plant #1 as a location for a radio antenna. This radio antenna would be used by ham radio operators to send their signal to various places in the Valley for emergency purposes.

At 7:30 p.m. sharp, Director Ballagh closed the time for accepting bids for Clifton 93-01 Project that had been advertised in the Daily Sentinel and numerous other construction publications.

Continuing on with the antenna discussion, Director Ela moved to allow the ARES to construct an antenna at the site of Plant #1 under the same conditions that the other two antennas were given for their antenna installation with an additional warning that the life of the building for Plant #1 was limited in duration. The motion was seconded by Director Garber and passed unanimously.

CLIFTON'S 93-01 PROJECT BIDS AND PICKUP BIDS: Ten bids had been submitted for Clifton's 93-01 Project. These bids were opened and read aloud. Ben Dowd Excavating of Clifton, \$56,604.40; Reed Constructors, Inc. of Palisade, \$81,913.00; Kurtz Brothers Construction of Rocky Ford, \$82,650.00; M. A. Concrete of Grand Junction, \$94,051; T. Lowell Construction of Castle Rock, \$98,850.00; Lyle States Construction of Grand Junction, \$120,556.00; Precision Excavators of Hayden, \$131,717.77; R. W. Jones Construction of Fruita, \$152,675.00, Colorado West Leasing of Grand Junction, \$198,893.20; and Mountain Region Corp of Grand Junction, \$231,885.00. All bids were accompanied by a 5% bid bond.

Bids for the materials for the projects were submitted by: Dana Kepner of Denver, \$25,182.99; Grand Junction Pipe & Supply of Grand Junction, \$25,178.09; and, Water works Sales Co. of Grand Junction, \$25,909.00.

Bids for a 1993 1/2 ton pickup were as follows: Western Slope Auto Co (Ford), \$10,995.00; Jim Fuoco Motor Co.(GMC), \$11,315.00; Steve Wesphal Chevrolet, Inc. (Chevy), \$12,754.56; and Western Slope Chrysler, et al (Dodge), \$12,773.00.

INCLUSION IN DISTRICT: Director Ela moved to accept the petitions presented to include 22 parcels in the District and to advertise for a public hearing to be held February 17, 1993. The motion was seconded by Director Lewis. Director Garber was concerned that the cost of providing water to all

these parcels would require a subsidy from the rest of the District. Realizing that the motion included the "November Group" as well as the "December Group" for inclusion. The motion failed unanimously.

Director Garber moved to accept the petitions presented by the November Group to include 7 parcels in the District and to advertise for a public hearing to be held February 17, 1993. The motion was seconded by Director Ela and passed unanimously.

Director Garber moved to accept the petitions presented by the December Group to include 15 parcels in the District and to advertise for a public hearing to be held February 17, 1993. The motion was seconded by Director Wheeler. Director Ballagh stated that the Chair would argue in favor of this motion because it was his feeling the improvements required to provide water to the Meserve Fruit Tracts would also improve water for fire protection and upgrade water lines in the original Whitewater inclusion. He could not see anything in the future that would give the District a reason to do these improvements. Thirty-three percent (33%) of the cost of providing water to the Meserve Fruit Tracts would be spent in upgrading Whitewater's system. Another 33% would be spent providing water for the 7 parcels in the November Group and he thought the project and inclusion could be justified. After discussing the Chair's concerns the motion passed unanimously.

Myrna Roy addressed the Board concerning her forty-acre parcel in the Kannah Creek Ranches subdivision further south of Whitewater. The Directors told her there was too much expense for the revenues involved to run water that far south. However, the Board did not close the door on her request. They said they would remain open if she found alternative ways to get water to her place.

MINUTES: Director Lewis moved to approve the minutes of the December 16, 1992 meeting. The motion was seconded by Director Wheeler. Director Garber said he wanted a more definite separation between the November Group and the December Group under the paragraph called, "Inclusion". The minutes of the December 16, 1992 meeting were approved with Director Garber's correction.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Wheeler moved to approve the financial report and pay the \$41,569.62 on the accounts payable as shown on the report, \$549.91 as shown on the new payables report and the \$211,500 transfer of funds. The motion was seconded by Director Ela and passed unanimously after a short discussion.

EXECUTIVE SESSION: At 9:00 p.m. Director Ela stated that he had to be excused so he could drive to Denver but first wanted to cover some other business. Director Ela moved to go into executive session to discuss Schuster. The motion was seconded by Director Lewis and passed unanimously. The executive session concluded at 10:00 p.m. Director Ela was excused from attending the balance of the meeting.

ACCEPT BIDS: The Directors instructed Schuster to make the awards on the three bids opened earlier that evening in the best interest of the District.

DENVER WATER EXCHANGES: Schuster had presented some calculations in the form of a memo to the Directors showing that there would be a net daily reduction of 42 tons of dissolved solids in the Colorado River if a desalinization

plant was constructed that would remove 65,000 tons of salt from the river and with 15,000 acre feet of water being released from Wolford Mountain Reservoir in accordance with the following table.

Plus daily salt loads = 170 tons of dissolved solids from Wolford Mt. Res.
Minus daily salt loads = 34 tons of dissolved solids from Green Mt. Res.
Minus daily salt loads = 178 tons of dissolved solids by desalting plant.
Net daily salt load reduction = 42 tons of dissolved solids per day.

It was the consensus of the Directors that a desalinization plant that reduces the total dissolved solids by 65,000 tons per year was about the only acceptable solution to the irrigators and other water users in the Grand Valley for the proposed Denver Water Exchanges.

ROCK STRUCTURE: Schuster reported that the Corps of Engineers had delivered a letter to the District from the U.S. Fish & Wildlife which asked for consideration of several alternatives to the District's 404 permit application since the District was not going to leave the structure in place. Schuster said he would respond to the Fish & Wildlife's request.

COMPUTER SOFTWARE: Schuster told the Directors that the Caselle software had been returned to Caselle and that the Cybernetics' software was 95% complete. Two billings had already been made on the Cybernetics' software and once a full month of billing was complete, the DEC hardware and the Kimbrough software could be retired. Schuster reported that at one time three sets of software were in use, requiring an inordinate amount of the office personnel's time. Schuster reported that the only benefit received from Caselle was the transfer of data from the DEC system to the DOS system, a \$7,000 value.

#1 GROUP: A group of professionals from Denver had formed "The #1 Group" and had asked for Clifton's participation to the tune of \$500 per year. The group was to keep government entities informed of the ramifications to the recently passed TABOR Amendment. Schuster advised against spending the money and the Board concurred.

USBR CONTRACTS: Director Garber moved to sign the revised USBR contracts. The motion was seconded by Director Lewis and passed unanimously.

ADMINISTRATIVE ASSISTANT: Schuster's request to transfer \$21,200 from the contingency fund to the wage and benefit fund so he could hire Cynthia Day as an administrative assistant was tabled until the February, 1993, meeting.

SCHUSTER: Director Lewis moved to approve a 3% raise for Schuster retroactive to September 1, 1992. The motion was seconded by Director Wheeler and passed unanimously.

OUTSIDE EMPLOYMENT: Director Lewis moved for the Directors to adopt a policy regarding: District employees' having other employment; the use of District property by District personnel for non-district purposes; for Schuster to advise the employees in a memo that such a policy was being formulated; that employees discuss outside employment with the Board before accepting same until such time as the policy is adopted, especially if the outside employment requires the same skills required in performing District work. The motion was seconded by Director Wheeler and passed unanimously. Schuster was instructed to work with Attorney Bechtel in formulating a policy to be

adopted by the Board. Schuster was also instructed to work with Attorney Bechtel for formulating a procedure for employees to report what they feel may be improper actions or use of District equipment by other employees.

BOMB THREAT: Schuster reported that there was a hand written note in the outside "drop box" when he picked up its contents on January 4, 1993 giving notice that there was a bomb on the roof. The note was poorly written and the words poorly spelled. He reported the incident to 911.

AVAILABILITY OF SERVICE CHARGE: Director Wheeler moved to set the availability of Service Charge at 36.51% of the average 1992 water bill (average 1992 water bill = \$16.43; 36.51% is \$6.00). The motion was seconded by Director Garber and passed unanimously.

MISCELLANEOUS: Schuster told the Board that account #13-814-000 (581 Stanford Way) was accumulating a water bill thinking they are not paying "late charges" and may get their water shut off if they don't pay. He told the Directors that he had sent them a warning letter in November to no avail. He was instructed to send them a copy of the Sherrick Harmon court case transcript. It was agreed that the March 24th public meeting to be "bond burning" meeting as well as informational. Larry Robinson's certification as a particulate analysis person should be sent to the Editor of Briefcase. Schuster is to get a plaque for Larry showing the District's appreciation for his accomplishment. We are to build a file of good black & white photos to furnish the Daily Sentinel. Check to see if traveling bridge pumps can be rebuilt before spending money on new pumps.

The meeting adjourned at 11:03 p.m.

ATTEST:

George E. Wheeler
Secretary

Martin Garber

John L. Ballagh

W. M. Ga

D. Lewis

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

Held February 3, 1993

Present were Chairman Ballagh, Vice Chairman Ela, Treasurer Garber, Director Lewis and Superintendent Schuster. Guests present representing a committee from the Colorado River Water Conservation District were: Chairman Wes Signs, Routt County; Paul Ohri, Grand County; Greg Hoskin, Mesa County; Lee Spann, Gunnison County; Jean Cole, Garfield County; and C. A. (Art) Cannon, Delta County.

Director Ballagh called the meeting to order at 7:30 p.m. and gave the floor to Wes Signs.

COLORADO RIVER WATER CONSERVATION DISTRICT: Wes Signs gave the history of the CRWCD's 20-year attempt to construct the Wolford Mountain Reservoir. He started with the explanation of the \$10 million paid to the CRWCD by the Northern Colorado Water Conservation District in lieu of compensatory storage as required by the Conservation Act for the Windy Gap Reservoir transmountain diversion, continuing through problems with the proposed Rock Creek Reservoir to the present 25 year lease Denver Water has with the CRWCD for water exchanges from Wolford Mountain Reservoir. Director Wheeler entered the meeting at 8:30 p.m. The discussion lasted for 2½ hours with Clifton's Directors insisting on mitigation for the increased salinity in the Colorado River as a result of the water exchanges and CRWCD's Directors saying they would take our concerns back to the CRWCD's Board and staff.

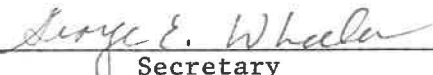
RELIEF MAP: Director Garber requested that a relief map of Colorado be posted in the Board room so reservoirs, creeks and streams could be located to give a clearer vision of what was happening where.

MOON LIGHTING: Schuster distributed copies of a memo from Dale Tooker and Larry Robinson stating they had started a Laboratory business to perform particulate analysis for other water utilities. After some discussion the Directors approved of the moon lighting as long as it did not interfere with their performance at Clifton and as long as Clifton was not involved in way, shape or form.

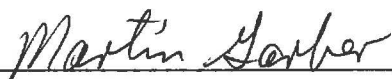
DISCUSSIONS: Various discussion involving unification, the new steel doors and wrought iron bars on the windows and an agenda item for the regular February meeting followed with no action being taken on anything.

The meeting adjourned at 10:30 p.m.

ATTEST:


Secretary









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

Held FEBRUARY 17, 1993

Present were Chairman Ballagh, Vice Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. Superintendent Schuster and Chief Operator Blount were also present. Guests present were: Mr. & Mrs. Louis Puckett, Mr. & Mrs. Ed Buechle, Mr. & Mrs. Lee McCartney, Cindy Seriani, Mr. & Mrs. Richard Anderton, Mike Haldeman, Mary Lou Kelly, Mr. Blair & son, Mr. Bill Scales & son, Mark Mayo and William Vossler.

Director Ballagh open the public hearing for inclusion of 21 parcels within the District boundaries at 7:30 p.m.

PUBLIC HEARING: Schuster read aloud the names of the owners of the parcels to be included in the District. Director Ballagh asked if anyone present objected to the inclusion. There was no response. Director Ballagh asked if anyone present was in favor of the inclusion. An affirmative response was heard from those present. Director Garber moved to adopt an order including the 21 parcels as advertised in the public notice to be included in the District. The motion was seconded by Director Ela and passed unanimously.

Director Ballagh then closed the public hearing and called the regular meeting to order.

GUEST - WILLIAM VOSSLER: William Vossler (685 33 Road, Account #12-618-000) was present to request a refund. Mr. Vossler moved into 685 33 Road 27 months ago. When he moved, in there were three trailers on the property that he had to be removed due to the VA loan requirements. The District had been charging the account for one main unit (\$6.00 for 3,000 gallons) and three additional units $3 \times \$6.00 = \18.00 or \$24.00 per month for 12,000 gallons. From the time Mr. Vossler bought the property until recently he thought the minimum water charge was \$24.00 per month. After he discovered he was being charged for the three additional units that had been removed from the property, he asked for a \$486.00 refund (27 months @ \$18.00 per month). Schuster looked at the meter reading book and related that his water use was between 1,000 to 3,000 gallons per month for the past 26 months. Director Garber moved to refund Mr. Vossler the \$486.00. The motion was seconded by Director Lewis. Schuster explained that there was a \$10.00 charge involved for reducing the numbers of units being charged. Director Ela moved to amend the motion to refund \$476.00. The amended motion was seconded by Director Lewis and passed unanimously. The motion as amended also passed unanimously.

GUEST - MR. & MRS. ANDERTON: The Andertons wanted an explanation of charges for payment of the Plant Investment Fee (aka Tap fee) as allowed at the December 16, 1992 meeting. They received the explanation.

GUEST - MARK MAYO: Mark Mayo was present to request an out-of-district tap at an in-district cost. Mr. Mayo's property was one of the 21 parcels that was being included in the District and he did not want to wait for the court order including his property before purchasing the tap. Director Ela moved to allow Mr. Mayo to purchase the out-of-district tap for \$2,250 with \$1,500 being paid before installation of the tap and the balance being paid within 60 days. Should the court order allowing the property to be included be finalized before the 60 day period had expired, the balance of \$750.00 would be reduced to zero. The motion was seconded by Director Wheeler and passed unanimously.

GUEST - MR. BLAIR & SON: Mr. Blair lives about 2 1/2 miles southeast of some of the parcels that are being included in the District and he wanted to know availability of domestic water service by the District to him and about six of his neighbors. Schuster said the elevation for water to be provided by gravity was at 4800 feet above sea level and Mr. Blair's place is 4852 feet above sea level. Schuster was instructed to visit the area and determine the feasibility of serving Mr. Blair and his six neighbors.

MINUTES: Director Lewis wanted to delete the first full sentence on the second page of the January 13, 1993 minutes as he considered it more of an editorial than a reporting of the meeting. Director Ela stated he thought the editorializing in the minutes was helpful several years down the road to describe the feelings and atmosphere during the meeting. Director Ela moved to approve the minutes of the January 13th meeting as corrected and the minutes of the January 20th meeting as presented. The motion was seconded by Director Garber and passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Wheeler moved to approve the financial report and pay the \$43,910.63 as shown on the accounts payable in the report, \$12,500.00 to the City of Grand Junction and a \$1,500.00 transfer of funds. The motion was seconded by Director Lewis and passed unanimously.

MYRNA ROY AND NEIGHBORS: Schuster had a sketch with the 4800 foot elevation outlined in green, the southern boundary of the parcels just included in the District marked in blue and the location of two proposed pipelines to serve eight parcels in an area south of the lands just included in the District. Schuster said that the proposal of the eight potential water users were to install the required pipes on their own, to receive a credit of \$750 toward their plant investment fee by giving these pipes to the District leaving a balance of \$1,500.00 to be paid for the plant investment fee. The Directors wanted a more definite proposal from Ms. Roy and her neighbors before making a commitment.

PURDY MESA LIVESTOCK WATER CO.: Schuster told the Directors that it was possible for the District to serve members of the Purdy Mesa Livestock Water Co. with Clifton water using a series of pump stations. His proposal included: 1) relocating one of the District's 100,000 gallon treated water storage tanks to the five acre parcel being contemplated as a water treatment facility by this group; 2) giving members of the Purdy Mesa Livestock Water Co. a credit of \$750.00 per tap for the investment they have made in their existing system toward an out-of-district plant investment fee; and, 3) taking over their system and providing them with treated water from Clifton. The Directors appeared to favor this concept, but wanted a formal proposal from this group before making a commitment.

DENVER WATER EXCHANGES: Schuster had gave the Directors a copy of the contracts requested from the Colorado River Water Conservation District (CRWCD) at the January 13th meeting and read aloud a letter from Wes Signs, Vice President of the CRWCD stating the committee's resolve to respond to the concerns addressed at the January 13th meeting. Schuster told the Board that Attorney White told him the Palisades Irrigation District had withdrawn their settlement offer in water case 91CW252 and wanted Clifton to withdraw their proposal also. It was the consensus of the Directors to sit on the settlement offer to see what results the meeting of January 13th brought.

ROCK STRUCTURE: Schuster reported that in his opinion the Corps of Engineers and the Fish & Wildlife Service were using Clifton's application for a 404 permit as pawn for one bureau to get to the other. He expected a response from the Fish & Wildlife Service to the District's revised 404 permit application the first part of May, 1993.

ADMINISTRATIVE ASSISTANT: The agenda item to transfer \$17,700 from the contingency fund to the wage and benefit fund was moved to the end of the agenda.

1977 GENERAL OBLIGATION BOND ISSUE: Schuster reported that the 1977 general obligation bond issue and subsequent 1978 and 1985 refundings were paid in full on February 1, 1993. The District realized a savings of \$214,812.50 in interest payments by calling the bonds four years early.

OUTSIDE EMPLOYMENT: Schuster presented the Directors with Attorney Bechtels' addition of paragraph 2.5 et al to the Personnel Manual. The Directors wanted the language softened a little by: 1) changing the word "xerox" to "photo copying"; and, 2) a deletion of the phrases "or in a volunteer capacity" and "intellectual property". Schustersaid he would get with Attorney Bechtel to discuss the changes.

PUBLIC MEETING: The formalities for the public meeting scheduled for March 24th was discussed. Schuster is to prepare the meeting agenda for presentation at the March 17th Board meeting and to tabulate the responses to the questionnaire enclosed with the March newsletter.

ROLLING HILLS DEED OF TRUST: Schuster asked the Directors if they would consider transferring the Rolling Hill first deed of trust to the City. It was the general consensus that there may be some value to the deed of trust and for Schuster to negotiate the trade of raw water, treated water, or both for what value there may be to the deed of trust to the City.

SENATE BILL 93-159: Schuster reported that Senate Bill 93-159 died in committee.

WATER FOR WASTE MANAGEMENT: Schuster told the Directors that the additions to the Mesa County land fill were being finalized and that Mesa County would be coming to the District for water for domestic use and fire protection. Schuster thought the relocation of one of the District's 100,000 gallon water storage tanks to the elevation of Plant #1 and using the existing Southgate pumps to fill it would be more feasible for providing water for fire protection than using the pumps in the existing pump house on the City's flowline. Director Wheeler thought that the District's payment of \$15,000 for an easement to Mesa County to locate the West Tank should be considered in any negotiations for water for the land fill.

DAMAGE TO DISTRICT PROPERTY: Schuster told the Directors that the last time an employee damaged a District pickup, the employee picked up the deductible and the District's insurance pay for the balance. Another pickup has been damaged by an employee's negligence and wanted to know the Board's position on payment for repair. Schuster was told to make a note of the incident in the employee's file and repair the damage using a combination of the District's and insurance company's funds.

FUNDS TO BUILD NEW OFFICE: Schuster wanted to get started on a new office rather than repairing and replacing the carpet in the existing office. Schuster was told to check with the County Surveyor and the County Engineering office to find out what is required to finalize plans for a new office on the property east of the existing office.

OUT-OF-DISTRICT TAP: Schuster had received a request for an out-of-district tap at 220 31.3 Road. Schuster told the party that as a courtesy to Ute to ask them first if they would care if Clifton served them domestic water and then inform the District that it was okay. The party did as he was told and Ute told him that they had changed their procedure. Clifton now had to make that request in writing to Ute. Since Clifton is under no obligation to request Ute's permission to serve customers in Ute's territory (this is Ute's territory, but Ute does not have a water line on 31.3 Road on Orchard Mesa), Schuster was told to tell Ute we are serving this customer and to send a copy of the letter to each Clifton Director.

EXECUTIVE SESSION: The Directors asked for a five minute executive session to discuss the District's philosophy at 10:30 p.m.

ADMINISTRATIVE ASSISTANT: After the executive session, Director Lewis moved to transfer \$17,700 from the contingency fund to the wage and benefit fund. The motion was seconded by Director Ela and passed unanimously.

The meeting adjourned at 10:55 p.m.

ATTEST:

George E. Wheeler
Secretary

John L. Ballagh

Martin Garber

Wm. M. Ela

Debra Lewis

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

Held March 17, 1993

Present were Chairman Ballagh, Vice Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. Superintendent Schuster and Chief Operator Blount were also present. Guests present were: Mike Nelson & Mary Brenes with CSD&Co.; Bud Bradbury, Rod Bonnell & John Whiting with the Purdy Mesa Livestock Water Co; Bill Blair, his son Bill & Andy Russell from the Blair Road area and Bill Gardner and his son Mike from just east of Whitewater.

Director Ballagh called the meeting to order.

GUESTS - BLAIR ROAD GROUP: Bill Blair had a letter signed by five residents of the Blair Road area expressing a desire to obtain domestic water from Clifton. Schuster said it would take about 15,000 feet of pipe and a pump station to supply water to the Blair property. John Whiting asked if the Board would consider selling water to the area at a bulk rate. The Board wanted to see a written proposal to look at the economics of the idea.

PURDY MESA LIVESTOCK WATER CO.: Rod Bonnell and Bud Bradbury said they were present to get some answers to a few questions. Purdy Mesa Livestock Water Co. and the Reeder Mesa Water Co. may take a look at using Clifton water. They wanted to know what rates we charged, what our policies were, what we would charge them for operating their system and a few other questions which were answered to some degree. Director Ballagh said that throwing numbers around without the benefit of something in writing was poor policy and instructed the Purdy Mesa Livestock Water Co. and the Reeder Mesa Water Co. to prepare written questions and they would get written answers. Whiting asked if Clifton would consider operating the Purdy Mesa Livestock Water Co. plant if they built one. Schuster said that at 50¢ per thousand pumping cost, it would be less expensive to pump the water than operate their plant.

The Blair Road group and the Purdy Mesa Livestock Water Co. group discussion took about 50 minutes.

1992 AUDIT: Mike Nelson & Mary Brenes with CSD & Co. took another 50 minutes explaining the results of the 1992 audit.

MINUTES: The February 3, 1993 minutes erred in stating, "... the Directors approved of the moon lighting ...". The minutes should have read, "... the Directors accepted the explanation of Tooker and Robinson's off-duty enterprise ...". The following corrections were made to the minutes of the February 17th meeting: Rather than "Mr. & Mrs. Lee McCartney" in the first paragraph, it should read, "Lee McCartney and Kathy Locke"; The minutes did not report the Public Hearing was published in accordance with C.R.S. 32-1-401 (which publication did take place): There should be an "ed" added to the word "open" in the second paragraph on page 1; The second sentence in the paragraph titled, **GUEST - VOSSLER** should read, "When he moved in, there ...", not, "When he moved, in there ..."; The word, "had" should be deleted in the first sentence in the paragraph titled, **"DENVER WATER EXCHANGES**; The second sentence in the paragraph titled, **"DAMAGE TO DISTRICT PROPERTY**, is not a sentence; Director Garber moved to accept the minutes as corrected. The motion was seconded by Director Wheeler and passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Ela moved to approve the financial report and pay the \$39,880.67 as shown on the accounts payable in the report, \$64,536.66 on the supplemental report and a \$46,500.00 transfer of funds. The motion was seconded by Director Wheeler. During the discussion, Director Ballagh questioned when the format of the new P&L statement as printed by the "Real World" software would be changed to the format printed by the DEC. Schuster said he would check with BOSS again to get the status. Director Wheeler thought there was a misnomer on page 2 of the balance sheet. He thought the \$300,000 listed as "Reserve for Depreciation" should be called, "Contributed Capital, West Tank". After a fifteen minute discussion, the motion passed unanimously.

DENVER WATER EXCHANGES: A letter dated February 16, 1993 and addressed to the Manager of Denver Water was brought to Chairman Ballagh's attention by a member of the Colorado River Water Conservation District. The letter, in the words of the CRWCD member, "stirred up the River Buffalos". During the discussion, Schuster told the Board about the March 12th meeting with staff from Denver Water, CRWCD and water users in the Grand Valley. Schuster said, Denver is willing to use up to 10,000 acre feet of water from the Williams Fork Reservoir to mitigate the potential salinity in the river by releases from Wolford Mountain Reservoir. Director Ela moved to tell Attorney White that the Clifton Board wanted to review future correspondence that concerned Clifton Water and the Denver Water Exchanges. The motion was seconded by Director Lewis and passed unanimously.

PERSONNEL MANUAL: The Directors called Schuster's attention to several minor errors in the latest version of the Personnel Manual. Director Wheeler moved to approve the Personnel Manual with the necessary corrections on pages 2, 4 and 10 incorporating pages 19 and 26 as submitted with a memo dated March 8th. The motion was seconded by Director Garber and passed unanimously.

Director Wheeler moved to charge sick leave for time taken off for Funeral Leave. Schuster is to prepare some suggested wording for Attorney Bechtel's review and approval and present to the Directors for consideration at the April 21st meeting. The motion was seconded by Director Lewis and passed on a vote of three ayes to two nays. Directors Ela and Garber casting the nay votes.

PUBLIC MEETING - MARCH 24th: The proposed agenda for the March 24th meeting was accepted as revised. Schuster was instructed to have certain information available for the meeting. The information is to include the amount of pipe placed in the ground since the last Public Meeting, the cost of the West Tank (as well as the estimated savings) and the amount paid on the G. O. bonds for the last three years.

MARLA OVERSTREET: Schuster read aloud a letter from Marla Overstreet (581 Stanford; #13-814-000). He told the Directors he had written a letter to the Overstreets on November 13, 1992 and did not receive a response. He was told to send the Overstreets a copy of the District policy and his letter by certified, return receipt requested, mail the next time.

INTEREST ON PLANT INVESTMENT FEES: Director Wheeler moved to charge interest on the unpaid Plant Investment Fees at the prime rate as published in the Wall Street Journal on January 1st of each year. The motion was seconded by Director Lewis and passed unanimously.

WATER @ 643 32 ROAD: Schuster told the Directors that there was evidence of water theft at 643 32 Road. Schuster theorized that since the property is on the west side of a paved road and the water main on the east side the tap was installed even though it had not been paid for. There was also evidence that the theft of water had continued after the District took precautions to prevent it. To put an absolute stop to the apparent theft of water, the corporation was dug up and turned off.

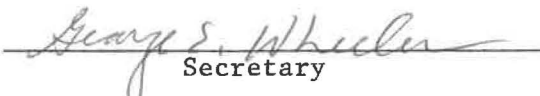
ADDITIONAL PERSONNEL: Schuster told the Directors that, in his opinion, it would be difficult to hire an Assistant Manager with the qualifications desired that had stenographic abilities. He asked the Directors to consider hiring a stenographer in addition to an Assistant Manager. He presented some figures showing the 1993 cost to the District at \$35,064, or an additional \$17,364 over the \$17,700 allowed at the February meeting. The numbers were generated by adding the wages and benefits of an Operator Trainee (to take Dave Raff's place), Assistant Manager and Stenographer and subtracting the wages and benefits budgeted for Dave Raff. Schuster had not deducted the wages of Delsie Rathbone in the calculations. With Delsie's wages deducted the amount to be transferred from the contingency fund to the wage & benefit fund would equal about \$13,270. Schuster told the Directors that he had two very strong candidates for the position of Assistant Manager. He went on to state that to insure an objective opinion on which candidate to select, he had retained Mountain Employment Services Assistance to test and evaluate each candidate. Director Ela moved to give the Manager authority to hire an Assistant Manager, a stenographer and an operator trainee and to transfer \$13,270 from the contingency fund to the wage & benefit fund. The motion was seconded by Director Garber and passed unanimously.

GVICo SHARES: Schuster announced that the District had purchased 17 more shares of GVICo stock [making a total of 1,413 shares = 9.51 MGD @ 0.4 Colorado Miner's inch per share] and asked for authority to continue to purchase GVICo shares at \$200.00 per share. It was the consensus of the Directors that the District sit on the shares they now owned for at least a year.

BALLAGH APPOINTED SDA OF COLORADO DIRECTOR: Director Ballagh announced that he had been appointed a Director of the Special District Association of Colorado. The term will run until December, 1994. **Congratulations, John.**

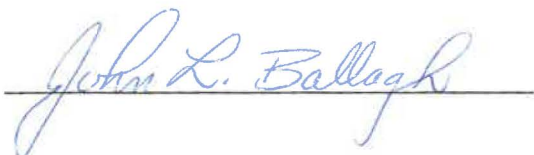
The meeting adjourned at 11:30 p.m.

ATTEST:


Secretary









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

Held April 21, 1993

Present were Chairman Ballagh, Vice Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. Manager Schuster, Assistant Manager Tooker, Chief Operator Blount and Cindy Day were also present. Guests present were: John Whiting, Vere and Leona Williams, and Bill Blair from the Blair Road Group; Linda White and Stephan Schweissing from Dufford Waldeck Milburn and Krohn and Tom Shawler.

Director Ballagh called the meeting to order.

GUESTS - BLAIR ROAD GROUP: John Whiting submitted a proposal from the Blair Road Group to the Clifton Water District with four items on it. In the proposal they wanted Clifton Water to sell them bulk water and maintain the meter while the Group would own and maintain the distribution line to each property. Ela suggested that Schuster study and refine the proposal for consideration at the meeting on Wednesday, May 19, 1993.

DENVER WATER EXCHANGES: Attorneys White and Schweissing were present to explain to the Director's the reasoning behind the draft stipulation that had been prepared by Attorney White in Case No. 91CW252. Attorney White stated that since it was the general consensus of the water users in the Grand Valley not to stop the construction of Wolford Mountain Reservoir and the resulting Denver Water Exchanges, that they should be protected in some manner. The draft stipulation stated that the objectors (Orchard Mesa Irrigation District, Clifton Water District, and Palisade Irrigation District) were relying on the reasonable accuracy of reports prepared by, or for, the applicants; that as much water as possible from Wolford Mountain Reservoir would be released after November 1st of any given year, and that water released prior to November 1st would be limited to discharges of 200 cfs or less; that the quantity of water available to the objectors would not be decreased and that water released from Williams Fork Reservoir would be in addition to the 66,000 acre feet that the Bureau has agreed to release from Green Mountain Reservoir for irrigation purposes. Basically, with the exception of the additional water from Williams Fork Reservoir, the draft stipulation contained provisions verbally agreed upon at various meetings between Denver Water, the Colorado River Conservation District and the objectors. The discussion took 25 minutes. The subject of the Chevron/Getty Oil Roan Creek Reservoir Project was discussed for another 10 minutes.

MINUTES OF MARCH 17, 1993: The sentence under **PURDY MESA LIVESTOCK WATER COMPANY** of the minutes was clarified to read "... 50¢ per thousand gallon per thousand feet of lift ...". On page three, the sentence under **WATER @ 643 32 ROAD** the word "stop" was added after the word "corporation" so the sentence would read "... the corporation stop was dug up ...". Director Wheeler moved to approve the minutes as corrected. The motion was seconded by Director Lewis and passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Lewis moved to approve the financial report and pay the \$58,912.84 as shown on the accounts payable in the report, \$23,940.63 on the supplemental report and a \$46,500.00 transfer of funds. The motion was seconded by Director Ela. During the discussion, Director Ballagh questioned when the format of the new P&L statement as printed by the Real World software would be changed to the format printed by the DEC computer. Schuster said the software was in the process of being changed.

FINANCIAL REPORT AND ACCOUNTS PAYABLE (cont): Director Wheeler asked if on the Cash Flow Statement, Salaries, FICA, and Federal Unemployment Insurance could be listed separately from health insurance and workers' compensation insurance. The motion to approve the financial report and pay the accounts payable passed unanimously.

EMPLOYEE BENEFITS: There was no action on the subject of Funeral Leave. Director Wheeler made the following motion: That Clifton Water District amend its health insurance plan to the following:

Rocky Mountain Health Maintenance Organization Plan C50A

1. That the Clifton Water District will pay 100% of this plan for both employee, and their spouse and dependants.
2. That, however, the amount paid for spouse and dependent coverage be limited to the 1993 amount, which will become the maximum paid by the District for succeeding years beginning in 1994 for these coverages.
3. That if a Clifton Water District employee's spouse has comparable insurance coverage with his or her employer, the District will not pay for the spouse's insurance coverage.
4. That if the spouse has comparable insurance coverage with his or her employer for spouse and/or dependants to that of the Clifton Water District, the District will pay spouse or dependant coverage not to exceed the maximum amount of the coverage if paid by the Water District.
5. That new employees shall not receive insurance coverage until sixty days to the nearest month after their hire date.

Director Lewis seconded the motion. After a ten minute discussion the motion failed with no ayes and five nays. Director Garber moved to reduce the District's payment from HMO's present H5A plan to HMO's H20A plan for the employees, with the provision that the District would pay for the plan in it's entirety for the year starting May 1, 1993, extending through April 30, 1994. His motion included the last three paragraphs from Director Wheeler's motion above. Director Wheeler seconded the motion and it passed unanimously.

Director Ela moved to accept the recommendation of Manager Schuster and increase the employees' vacation time by eight hours for every year an employee is continuously employed by the District over fifteen years up to a maximum of 160 hours. Director Lewis seconded the motion. The motion passed on the vote of four ayes with Director Ballagh casting a nay vote.

DEBRIEFING ON PUBLIC MEETING: Manager Schuster stated that even though the attendance at the March 24th Public Meeting wasn't as good as expected, the general consensus was that if Clifton Water District was not doing an adequate job, there would have been more people in attendance. Chairman Ballagh suggested preparing a video on Clifton Water District from the slides that Manager Schuster had presented at that meeting for community use. Manager Schuster will check on the cost of doing such a video. Assistant Manager Tooker will place announcements on the Community Calendar and in the newspapers promoting tours of the Water Treatment Plant during National Water Week which is May 2 through May 8, 1993.

DESALINIZATION PLANT ON COLORADO RIVER: In a memo from Manager Schuster dated March 23, 1993, he publicly and privately endorsed a desalination plant on the Colorado River and would like to see the Directors do the same. Director Ela moved to publicly endorse a desalination plant on the Colorado River. Director Garber seconded the motion. The motion passed unanimously.

DOMINQUEZ PROJECT: Director Garber moved to actively support the Dominquez Project. Director Wheeler seconded the motion. Director Ela stated that he didn't see the project as being economically viable or environmentally stable. After some discussion the motion passed with 3 ayes. Directors Ela and Lewis voted nay.

OTHER WATER PROJECTS: The Directors wanted some time to look over the proposed stipulation prepared by Attorney White before taking a stand on the Wolford Mountain Reservoir. The Directors wanted to take a "wait and see" attitude as far as the Chevron/Getty Oil Roan Creek project was concerned before taking a position.

EMPLOYEE ASSIGNMENTS: Schuster told the Directors that Robert Pike would be starting his employment on April 27, 1993, to replace Brian Sheley who moved up to Larry Robinson's place who moved up to replace Dale Tooker who is the new Assistant Manager.

OTHER OLD BUSINESS: Director Lewis stated that Kiesler (414 1/2 Meadowvale Way, 01-377-000) had called him. Director Wheeler had also received a call from Mr. Kiesler. Schuster reported that in the process of switching from one computer system to another, Mr. Kiesler's account had a payment posted in error in one computer system and not the other computer system. He received one water bill showing a credit and another water bill showing an amount owing. The office gave his account credit since it was our error.

THE MAYO PROPERTY: At the February 17, 1993, meeting, the Board of Directors allowed Mark Mayo to purchase an out-of-district tap at an in-district rate provided that his property would be included within the boundaries of the Clifton Water District by April 17, 1993. The inclusion order was signed on March 15, 1993, and the Directors were so notified.

SWAMP COOLER: Director Ela moved to accept the recommendation of Manager Schuster to have Mt. Garfield Plumbing install a new swamp cooler for the front office, cost not to exceed \$840±. Director Lewis seconded the motion. The motion passed unanimously.

FUEL AND OIL FOR FLEET:: Director Garber stated that he believed synthetic oils should be considered for use in the District's fleet because of the low miles the company vehicles are driven and also to save the cost of changing the oil every three months or 3,000 miles.

REVERSE OSMOSIS PLANT: Manager Schuster questioned the Board about their desire to tour a reverse osmosis plant in Wheatland, Wyoming. The Directors were interested but could not reach a date to do this because of conflicting schedules. The tour of a reverse osmosis plant will be discussed at the next meeting.

NEW BUSINESS: Chairman Ballagh had received a call from the Department of Local Affairs questioning the spring 1993 flood probability. Manager Schuster stated that if the run-off was slow there would be no problems that he could foresee, and if the runoff was fast he suspected someone may have problems but still saw no, or little, problems for Clifton Water District.

The meeting adjourned at 10:45 p.m.

ATTEST:

George E. Wheeler
Secretary

John L. Ballagh

[Signature]

Wm. M. Elh

Martin Garber

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

Held May 19, 1993

Present were Chairman Ballagh, Vice Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount and Stenographer Day were also present. Guests present were: John & Lois Whiting and Vere & Leona Williams from the Blair Road Group; Mike James from Mountain States Tree Service; and Leslie Kiesler.

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

GUESTS - MOUNTAIN STATES TREE SERVICE - Mike James, the current owner of Mountain States Tree Service, the company using a portion of Gunderson Island for the deposit of debris from his tree service, told the Board of Directors that he had never been warned about not burning the debris from his tree service. He stated that prior to the past three years the company would burn the debris each spring and had never been told that Clifton Water District did not want the burning to take place. Director Lewis suggested bringing the dumping of the tree service debris to a halt since it did not benefit the District. Director Ela pointed out the standing agreement between the District and Mrs. Nichols giving her permission to use the land for her purposes. Director Garber moved to table the discussion until or if there was another problem and Director Ela seconded it. Plant Superintendent Blount will monitor the situation and report to the Manager any occurrences in question. The motion passed unanimously. The discussion took 20 minutes.

BLAIR ROAD GROUP: It was generally agreed upon by the Directors and the Group that this discussion would be about the concept of the Agreement. John Whiting said he felt the Agreement was conceptually good and he was quite pleased with the direction of the Agreement. Director Garber asked why Item 4 on Page 2 read "points higher than 4,800-foot above sea level" rather than just stating that anything past our meter is the responsibility of the group. Manager Schuster explained that the District could furnish water to that point by gravity and a pump station would be needed to take the water past that point. Leona Williams asked the Board if they would consider letting her pay \$4.50 per foot to install water to her place. John Whiting and his group could then be responsible for the water past her property. She stated that she was prepared to make a partial payment of \$2,000 immediately and to sign an automatic withdrawal for the next year for the payments. The Directors inquired whether \$12,000.00 would be sufficient to cover the expense of getting the line to her property and Manager Schuster assured them it was. During the discussion of the Agreement, Director Ballagh suggested reviewing the WATER USAGE FEE POLICY at the June meeting. Director Lewis stated that the concept presented in the draft Agreement between the District and the Blair Road Group was acceptable provided that the Blair Road Group became a legal entity such as an individual, partnership or corporation. Director Lewis moved to authorize Manager Schuster to continue to negotiate with the Blair Road Group, maintain the concept in the draft Agreement so that this matter can be finalized, provided that there is only one master meter. The motion also authorized Manager Schuster to continue to negotiate with Vere and Leona Williams in the event that they wanted to be included within the District as long as the additional cost to construct the water line to the Williams property was not subsidized by District dollars. The motion was seconded by Director Wheeler and passed unanimously. This discussion took 30 minutes.

KIESLER'S REQUEST FOR MEDIATION: Leslie Kiesler read a letter that her husband, Larry, had written to the Office of Dispute Resolution on April 23, 1993. After reading the letter Leslie stated that they just wanted the problem cleared up so that they could pay their water bills and have the money applied to the proper account. Manager Schuster explained to her the problem the District has had with the computer switch and running a dual system. Director Ballagh corrected the pronunciation of his name from the letter she had read. He also reassured her that this matter has been discussed at prior Board meetings and that the Board was aware of the problem. Director Ela suggested that we start from scratch at this point with both parties being mutually satisfied with the resolution of the problem. He also asked that further questions or problems be presented either to Manager Schuster or the Board of Directors. Director Ballagh suggested a note in the next newsletter asking patrons to check their bills to see that they are being sent to the correct address and also that they are receiving them on a regular basis. This discussion took approximately 25 minutes. Later in the meeting when the Kiesler subject came up on the agenda, Manager Schuster informed the Board that the office staff was very competent, and he was comfortable with the decision the staff had made to credit Mr. Kiesler's account due to a computer error.

MINUTES OF APRIL 21, 1993: Director Lewis corrected the sentence under **OTHER OLD BUSINESS** on page 3 reading "Schuster reported that the in the..." to read "Schuster reported that in the...". Director Ballagh pointed out that on page 1 under those present it should read "Krohn; and Tom...". Director Wheeler moved to approve the minutes as corrected. The motion was seconded by Director Garber and passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Ela moved to approve the financial report and pay the \$43,132.63 as shown on the accounts payable in the report, \$10,194.87 on the supplemental report, and a \$46,500.00 transfer of funds. The motion was seconded by Director Garber. During the discussion, Director Ballagh questioned when the format of the new P&L statement as printed by the Real World software would be changed to the format printed by the DEC computer. Manager Schuster said the software was sent in UNIX and had to be returned. The correct DOS software will be in soon. The P&L statement for the next meeting should be in the new format. The motion to approve the financial report and pay the accounts payable passed unanimously.

STIPULATION ON WOLFORD MOUNTAIN RESERVOIR: The Directors reviewed the stipulation as prepared by Attorney White on May 3, 1993, as well as the changes discussed at a meeting in Palisade on May 17, 1993, between the applicants and opponents and suggested some changes. Director Lewis moved to defer further discussion until the final stipulation is completed. Director Wheeler seconded the motion and it passed unanimously.

CLARIFICATION OF DISTRICT'S HEALTH INSURANCE POLICY: Manager Schuster asked for the Board's clarification of Paragraph 4 of the District's Health Insurance Policy as passed at the April, 1993, meeting. Paragraph 4 states that the District will pay an employees' insurance premium if the employee has the opportunity to join his or her spouses' insurance program providing it was comparable in coverage and premium rate. Details will have to be worked out to avoid paying unnecessary income taxes in the transaction.

REVERSE OSMOSIS PLANT: It was discussed and decided that the Directors would like to travel to Wheatland, Wyoming, to tour their reverse osmosis plant. Each of the Directors will be in touch with Manager Schuster to try to schedule a suitable time for the trip.

SWAMP COOLER: Manager Schuster informed the Board that in order to make use of the air conditioner donated by Director Wheeler the District would have to pay approximately \$2,500.00 to upgrade the ducts in this building to accommodate refrigerated air. The idea of putting money into a new swamp cooler that may not be used on the new building was discussed and decided not to move upon. The final consensus was not to make any moves on refrigeration for this building at this time.

OTHER OLD BUSINESS:: Director Ballagh inquired as to the status of the District's decision to not renew the additional insurance required by the Denver and Rio Grande Western Railroad for the District's crossings at 31 Road and 31 1/2 Road. Manager Schuster stated that a letter from the Virginia Surety Company to the D&RGW Railroad stating that we had not renewed our excess liability policy was read aloud at the November 1992 meeting.

NEW BUSINESS - MESA COUNTY SHOPS FIRE HYDRANT: A brief discussion of what the Mesa County Shops wanted to use a fire hydrant for took place. Manager Schuster stated that it was his understanding that someone would be here from the county to make a presentation. Any additional discussion was tabled until such time when a Mesa County representative is present.

CONTRIBUTION TO PALISADE PHILLIES: Manager Schuster read a letter which was received from the Palisade Phillies thanking the Board members for their contribution to their baseball club. Each of the members individually had contributed money which allowed the team to purchase much needed equipment.

OTHER NEW BUSINESS: Director Ballagh asked if any tours had been given during National Drinking Water Week. Plant Superintendent Blount said that no tours were given during that week but that he would have approximately 200 students touring the plant this month. Director Ballagh also brought up the handling of providing water to the Ute Water Conservancy District if Plateau Creek moved their line. Director Ela stated that without hesitation water should be given if it was needed and the cost could be settled later.

The next regular meeting will be held on Wednesday, June 16, 1993.

The meeting adjourned at 10:05 p.m.

ATTEST:


Secretary







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

Held June 23, 1993

Present were Secretary Wheeler, Treasurer Garber and Director Lewis. Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount and Stenographer Day were also present. Guests present were: John Whiting and Vere & Leona Williams from the Blair Road Group; Greg Trainor from the City of Grand Junction; and Greg Hoskin representing the Colorado River Water Conservation District. The absence of Director Ela was excused.

In the absence of Chairman Ballagh and the Vice-Chairman, Secretary Wheeler called the meeting to order at 7:35 p.m. Manager Schuster stated that notice of the change of time had been posted in three public places within the Clifton Water District and one such notice posted in the Mesa County Clerk and Records office in accordance with CRS 32-1-903(2). The guests were asked to wait until Chairman Ballagh was present before making their presentation. The Directors agreed to pick and chose agenda items that could be disposed of in the absence of the Chairman.

ROCK STRUCTURE Schuster told the Directors that a meeting with the Army Corps of Engineers, U. S. Fish & Wildlife Service, the Colorado Water Conservation Board and the Clifton Water District was scheduled for 8:00 a.m. on Friday, June 25th, at Plant #2 to discuss alternatives to the Rock Structure in the Colorado River.

SECURITY FOR OFFICE PERSONNEL: Manager Schuster stated that with all the rash of shootings and robberies in the Grand Junction area in the recent months, he had developed a concern for the office personnel and their welfare. He said that sometimes when people have their water turned off they become very irate, to the point that they are not actually aware of what they are doing. In planning for the new building Manager Schuster emphasized that security should be highly considered. Director Garber said that we could probably get a trip alarm which connects to the Sheriff's Department for this office at a fairly reasonable price. In concerns for the amount of cash that is sometimes kept in the safe Director Lewis suggested a time-drop like some of the convenient stores have. Manager Schuster will be checking into the price of trip alarm and other security measures.

FRITZ HOFFSCHNEIDER TAP: Manager Schuster explained that Mr. Hoffschneider had twice paid the \$1,500 for a tap on Desert Road. Both times the District returned the check to Mr. Hoffschneider since his property was not in the District and there was not a pipe in the vicinity of his property with an explanation that an out-of-district tap was \$2,250. Mr. Hoffschneider's property is now in the District and a pipe runs in front of the property and he does not have the funds to purchase a tap. He asked the District to consider a monthly payment of \$150.00 for five months and be allowed to pay the \$14.30 per month, plus his water bill, for the next sixty months as the other new customers are doing. Director Garber moved to deny the Hoffschneider request. Director Lewis seconded and the motion passed unanimously.

REVERSE OSMOSIS PLANT: The Directors agreed that July 26th and 27th would be a good time for the District to tour the reverse osmosis water treatment plant belonging to Basin Electric in Wheatland, Wyoming. Schuster will make the arrangements.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Lewis moved to approve the financial report and pay the \$60,974.71 as shown on the report, pay the \$14,786.39 as shown of the supplemental report as well as a \$46,500.00 transfer of funds. The motion was seconded by Director Garber. After a short discussion the Directors chose to delay the vote until Director Ballagh arrived.

WOLFORD MOUNTAIN RESERVOIR: Greg Trainor, the Utilities Director for the City of Grand Junction, presented information concerning the City Council's decision to not sign the stipulation for water case 91CW252 at this time. Trainor explained that the Council would prefer to have the long term salinity impacts addressed before moving forward on this project. Greg Hoskin representing the Colorado River Water Conservation District stated that it was not appropriate for the City of Grand Junction to bring up questions now that could have been addressed several months ago. Mr. Hoskin encouraged the Board of Directors to sign the stipulation and let future matters be settled in another forum. Mr. Hoskin stated that water law handles one concrete issue before moving on to the next issue that needs to be dealt with. He further added that the River District is currently giving consideration to problems with salinity that may arise in the future. Manager Schuster inquired of Mr. Hoskin as to whether or not the District could receive a letter from the River District stating that they are supporting salinity reduction in the Colorado River. Mr. Hoskin said certainly. Director Lewis moved to defer approval of the stipulation until a full Board is present at a special meeting scheduled for Wednesday, June 30, 1993, at 7:30 p.m. at the Water Office. Director Garber seconded the motion. Director Ballagh entered the meeting at 8:30. Questions of how urgent the timing of the stipulation was to Denver ensued. Mr. Hoskin stated that to put off the decision by a month could delay the project until next year. The motion to hold a special meeting for consideration of the stipulation on water case 91CW252 passed on three ayes. Director Ballagh abstained from voting because he was not present during the discussion. Schuster was instructed to send a special invitation to the City Council and also to the Colorado River Water Conservation District asking them to attend the meeting.

Director Wheeler turned the chair over to Director Ballagh.

BLAIR ROAD GROUP - Director Lewis moved to approve and adopt the "Agreement Regarding Conditions For Serving Water To The Blair Road Group". The motion died for lack of a second. Director Lewis moved to approve and adopt the Water Usage Fee dated June 23, 1993, which replaces and supersedes the Water Usage Fee adopted July 17, 1991. The motion was seconded by Director Wheeler and passed unanimously. Director Lewis moved to approve and adopt the Plant Investment Fee Policy dated June 23, 1993, which replaces and supersedes the Plant Investment Fee dated May 18, 1988. The motion was seconded by Director Garber and passed unanimously. Director Lewis moved to approve and adopt the "Agreement Regarding Conditions for Serving Water to the Blair Road Group" as prepared by the staff and revised by the attorney's for the parties and to authorize the President and Secretary of the Clifton Water District to sign the agreement. The motion was seconded by Director Garber and, after a short discussion which involved input from John Whiting, passed unanimously. The agreement was then signed by President Ballagh, Secretary Wheeler and John Whiting.

Discussion with Vere and Leona Williams then took place. The Williams' are very anxious to get included into the District and to get domestic water to their land. Director Lewis moved that the staff be directed to draft an agreement to get pipe installed on Blair Road to a point where Vere and Leona Williams could obtain Clifton water. The staff was instructed to work out the details of a payment plan as well as exploring ways that the Williams' might recapture some of their expenses from the line installation. Director Wheeler seconded the motion and it passed unanimously.

MINUTES OF MAY 19, 1993: Director Wheeler wanted to change the wording on page 3 under **SWAMP COOLER** to read "refrigerated air conditioner offered for sale by..." and later in the same paragraph to read "...moved on refrigerated air for this...". Director Garber moved to approve the minutes as corrected. The motion was seconded by Director Lewis and passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Lewis called for a vote on the previous motion to approve the accounts payable. The motion failed with no affirmative votes. Director Lewis moved to approve the financial report and pay the accounts payable and transfer the funds as in the previous motion with the exception of the \$1,128.85 check for petty cash. The motion was seconded by Director Wheeler. The second motion to approve the financial report and pay the accounts payable with the exception of the \$1,128.85 check for petty cash passed unanimously.

CUSTOMERS SOUTH OF WHITEWATER: Manager Schuster explained to the Board why there would not be a 6" water line near the property that the City of Grand Junction owns south of Whitewater. At this time there is not enough demand for water from the line and it would sit in the pipe for extended lengths of time causing concern for maintaining the chlorine residual. The City of Grand Junction would like a letter stating that if, in the future, there is need for a bigger line, we will put one in. The directors needed to take no action on this piece of information.

DISTRICT CHRISTMAS PARTY: The Christmas party for the District will be held on Thursday, December 16, 1993, at the Ramada Inn. Last year the District paid \$400, and Manager Schuster wanted to know if the District would be paying a portion again this year. Director Wheeler moved for the District to again participate by contributing \$400 toward the dinner. Director Lewis seconded the motion and it passed unanimously.

PURCHASE OF KREMLING AREA IRRIGATION WATER: Mr. Bill DeOreo, a water engineer from Boulder, had spoken with Manager Schuster asking if Clifton Water would be interest in purchasing 580 acre feet of irrigation water from the Kremmling area. The land where the water was used for irrigation is now land that was purchased for the Wolford Mountain Reservoir. The asking price for the water with 100 acres of land that could be used for a reservoir was \$975,000. Director Ballagh suggested not closing our minds to the idea in case Mr. DeOreo would call back with a lower dollar amount.

OTHER NEW BUSINESS: Director Garber questioned the District's liability should the vehicle that the meter-readers drive be involved in an accident. Manager Schuster stated that the vehicle was privately owned. Director Garber suggested that Clifton Water either purchase the vehicle for the meter-readers use or ask them to remove the District's logo from their vehicle. Director Lewis stated that whether it was privately owned or

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company owned the District was still liable because it is being used for District work. Manager Schuster will discuss with the District's insurance carrier and the meter-readers to determine the best way to proceed in this regard.

Director Ballagh brought in the Colorado Special Districts Property and Liability Pool 1992 Annual Report for each of the Directors to review.

The next regular meeting will be held on Wednesday, July 21, 1993. A special meeting on Wolford Mountain will be held on Wednesday, June 30, 1993.

Director Lewis moved to adjourn the meeting.

The meeting adjourned at 10:05 p.m.

ATTEST:

George E. Wheeler
Secretary

John L. Ballagh

Wm. M. Ela

[Signature]

Martin Gosler

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

Held June 30, 1993

Present were Chairman Ballagh, Vice-Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker and Plant Superintendent Blount. In addition, Councilmen R. T. Mantlo and Bill Bessinger, and City staff Mark Achen, Jim Shanks, Greg Trainor, and Terry Franklin representing the City of Grand Junction. Present representing the Colorado River District were Directors Greg Hoskin, Lee Spann, Wes Signs, Jean Cole and Paul Ohri and engineer Eric Kuhn.

Having noted that the notice of the time and place designated for the special meeting had been posted in three public places within the Clifton Water District and one such notice posted in the Office of the Mesa County Clerk and Recorder in accordance with CRS 32-1-903(2), Director Ballagh called the meeting to order at 7:30 p.m.

91CW252: CC Director Ballagh ask the guests which one wanted to speak first. The River District deferred to the City. Representatives of the City stated that they were attending the meeting by invitation and did not expect to see members of the Colorado River Water Conservation Board present. They stated they did not come here for a debate, merely to support Clifton's position on the stipulation for water case 91CW252. Director Ela asked the City if they would reveal their "bottom line" and state the reasons for not approving the stipulation worked out by staff members of the proponents and the opposers. Director Ela also asked about the practicality of balking to approve the stipulation at this point and wanted to know the actual goal the City had in reducing the salinity in the river. Councilman Bessinger said the City was not prepared to discuss this matter at this time. City Manager Achen said that the issue could be discussed in private but he felt the salinity problem should not be ignored in water case 91CW252, because if the question is not brought up at this point, it will be brought up on the next issue. Greg Trainor related an exercise City staff had performed estimating the extra cost involved in removing the salt when using reverse osmosis treatment. Schuster said that with the exception of added salt by evaporation from the reservoir, the salt was in the water and the cost to remove the salt would be the same whether the salt was removed in May, June or July or removed in August, September and October. The City also wanted to know where the Colorado River Water Conservation District and Denver Water stood on the salinity situation in the Colorado River. The City stated that even though the stipulation satisfies the irrigators, they are concerned that it does not satisfy the domestic water users. There was an exchange of ideas between Director Ela and City Manager Achen where they both expressed a concern about the salinity in the river. The City was adamant that they were not present at the meeting to dissuade or influence the vote of the Directors for the stipulation 91CW252 but merely here to show good faith in the hope of continuing the long-term relationship the City and the District had enjoyed. Director Ela wanted to know why the rush to approve the stipulation at this time. Director Garber stated that the District had been looking at this for two years and it was time to move forward. He also stated that the memo from the City dated June 16th disturbed him as he did not consider it factual. He continued with stating that we should look at the facts and not speculation. The City agreed that we should be looking at the facts but that the facts were not present that all information was based on speculation. Director Ela stated that that was his point, why base a decision on speculation at this point when in a few years we would have facts to make a better decision.

Director Ela asked what detriment it would be to the River District and to Denver to wait another thirty days. Greg Hoskin stated that with the cost of money increasing, the cost of construction increasing, the timing of the diversion of Muddy Creek and other factors could increase the cost of the \$50 million project beyond the payment capacity of the River District. He stated that the stipulation was designed to mitigate the salinity problems in the river and to let the River District take advantage of the favorable bid in building Wolford Mountain Reservoir without a lawsuit. The Directors of the Colorado River Water Conservation District stated that they feel they have addressed and mitigated the concerns of the Grand Valley's residents that were expressed in independent meetings in February. They further stated that there was no need to withhold approving the stipulation any longer. Director Ballagh stated that he thought the River District should represent their constituents and not only have as their goal the construction of Wolford Mountain Reservoir but also as their goal a reduction of the salinity in the Colorado River. Director Lewis was concerned about the language in paragraph A on page two of the stipulation stating that it did not specifically state that the River District would provide water quality data to water users in the Grand Valley. A discussion ensued in an attempt to satisfy Director Lewis that the language was strong enough to make the River District provide this data since it was a part of the 404 permit from the Army Corps of Engineers. Director Ballagh cautioned the engineers that they are falling into the trap of economists by projecting the future based on historical numbers and that this method of projecting has proven to be not accurate. Director Wheeler stated that he could see the point on both sides of the issue, but went on to state that the Grand Valley needs the water and they need a reduction of salinity in the river and that this is a real issue. He stated that he recognized that the delay would raise the cost of construction of Wolford Mountain Reservoir and wanted to get on with the project. He thought that the stipulation was about as good as we could get. Director Wheeler went on to state that the City was instrumental in getting what we got in the stipulation. He stated that the City has been a great help in developing the relationship with Denver by holding tough. City Manager Achen stated that the City understood the District's dilemma and did not think another thirty-day delay in the project would be a big problem. With that the City contingent left the meeting. At 8:50 p.m. Director Garber moved to approve the stipulation with the understanding the Attorneys White and Lewis would caucus to word paragraph A on page 2 of the stipulation in such a manner as to be acceptable to Director Lewis and still maintain the intent of the stipulation. The motion was seconded by Director Wheeler. Affirmative votes to approve the motion were cast by Directors Ballagh, Wheeler, and Garber. Director Ela qualified his affirmative vote stating that on the basis of Manager/Engineer Schuster's advise he is casting an aye vote. Director Lewis cast the only nay vote. The motion passed.

FINANCIAL: Manager Schuster explained the error in cutting a check for petty cash in the amount of \$1,128.85 as presented at the June 23rd meeting. The computer code for cutting a check for petty cash and for Peach Tree True Value Hardware are very similar. The check should have been cut for Peach Tree True Value Hardware and not petty cash.

Schuster also asked the Directors to ratify the purchase of 150 bonds at a cost of \$150,760.33 which will yield 7% with a six year maturity. Director

Garber moved to ratify the purchase of bonds in the amount of \$150,760.33 and to approve a check for Warning Lites in the amount of \$536. The motion was seconded by Director Lewis and passed unanimously.

Director Lewis moved to approve a check in the amount of \$1,128.85 to Peach Tree Hardware. The motion was seconded by Director Ela and passed unanimously.

METER READERS VEHICLE: Manager Schuster told the Directors that the District had purchased a used jeep vehicle at the cost of \$1,200.00 for the meter readers to use in reading the meters.

SDA ANNUAL CONFERENCE AT BRECKENRIDGE: Director Ballagh stated that hotel reservations had been made for Director Garber and himself for the September SDA Conference in Breckenridge and that reservations for other Directors wishing to attend the conference would be made by staff. Manager Schuster was instructed to see if the District could make arrangements with Directors of the Clifton Fire Protection District to share accommodations at Breckenridge.

TOUR OF THE BASEMENT: The Directors were given a tour of the almost completed office space in the basement of the Water Office. This office space will house the distribution employees. The distribution employees area on the first floor had been assigned to Assistant Manager Tooker.

ROLLING HILLS: There was some discussion on the assignment of the tax certificate for Rolling Hills Sanitation Company and the ownership of the sewer collection lines collecting sewage for treatment in the Rolling Hills oxidation ponds. It was suggested that the District ask for bids from both the City and County on the District's first Deed of Trust for Rolling Hills. Director Wheeler suggested that the District could assign the first Deed of Trust to a party with the understanding that the District could receive a residual over the next twenty years. Director Ballagh stated that the 201 defined area is not contiguous with the 201 service area and that the 201 service area falls short of Valley Vista subdivision.

GOVERNMENT COMPETITION: Director Ballagh stated that government competition with private industry is becoming a topic of discussion. Water and sanitation districts are not as effected as some park and recreation and metropolitan districts.

MISCELLANEOUS: Director Ballagh reminded the Board that work sessions that have a quorum of Directors are subject to the Sunshine Law. He also informed the Directors that conflicts of interest may be an impediment to insurance coverage. Director Ballagh went on to say that the SDA State Board is supporting the teaching of Civics in middle schools and high schools. He suggested that we could enhance our agreement with Mt. Garfield Middle School by asking them to allow Clifton personnel into the classrooms to explain how we fit into local government. Manager Schuster read aloud CRS 32-1-903 (2) which is a statute concerning the notice of time and place of regular and special meetings. Manager Schuster stated that Clifton had complied with this requirement. The Directors wanted to look into an indemnification resolution to limit the liability of Directors to the District and not themselves as individuals.

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ADJOURN: The Special Meeting adjourned at 9:52 p.m. and the directors went into an executive session to discuss the ground rules for the September employee evaluations.

ATTEST:

George E. Wheeler
Secretary

John L. Ballagh

W. M. Ela

[Signature]

Martin Garber

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

Held July 21, 1993

Present were Chairman Ballagh, Vice-Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount and Stenographer Day. Valle Vista Home Owners Association (VVHOA) representatives included President Steve Wilkerson, John Havin, Victor Fiedler, JoAnn Brown, Donna Wilkerson, Mark Ward and Attorney Mark Hermundstad. John Whiting was also present. Colorado River District Director Greg Hoskin and personal interest person Alan Hassler were also in attendance.

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

VALLE VISTA SUBDIVISION: Mark Wilkerson, President of the Board of Directors for the Valle Vista Home Owners Association gave a brief history of the sewage problems in the subdivision. For the past five years the homeowners have been operating their own treatment system. Sewage from the ponds are leaching into the Orchard Mesa Irrigation District's irrigation ditches and fields to the north. The State Health Department has demanded that they cease operation of the ponds. Property owners have been faced with the Colorado Department of Health "red tagging" or condemning their homes if the current sewage situation is not rectified. Attorney Hermundstad stated that a tentative agreement has been reached with Orchard Mesa Sanitation District for them to provide sewage disposal for the subdivision. Attorney Hermundstad requested that the Clifton Water District accept a nominal fee from VVHOA to purchase the Deed of Trust which includes the land housing the sewage ponds and the appurtenances thereto. After some discussion about various solutions to the transfer of the Deed of Trust from Clifton Water District to VVHOA, Director Ela moved to agree to zero dollars compensation or Ten Dollars and other good and valuable consideration in exchange for the VVHOA agreeing to foreclose upon the property at their expense; and, if successful in obtaining the sewer lines, Clifton Water District will convey our interest to the VVHOA and be quite willing to accept long-term amortization. Director Ela's motion was seconded by Director Lewis. The motion passed unanimously.

Greg Trainor, Director of Utilities for the City of Grand Junction, entered the meeting at 7:55 p.m. during the Valle Vista discussion.

Director Ela moved to authorize and instruct Manager Schuster to sign any documents necessary for the completion of the above motion. Director Lewis seconded the motion and it passed unanimously. Discussion of the Valle Vista Subdivision took 40 minutes.

BLAIR ROAD GROUP: John Whiting inquired about the status of the Blair Road waterline and the District continuing the waterline to the east boundary of the BLM land as previously planned. This has become a concern because the Williams' have not participated in any agreement with the Water District and were not present at this meeting. John Whiting wanted to ensure that he could continue with his plans to serve water to the Blair Road Group with or without the Williams' agreement. Director Ballagh indicated that the agreement would continue as negotiated and any decisions would be left to the staff. Manager Schuster foresaw no difficulties in continuing as agreed.

WILLIAMS' AGREEMENT: Director Lewis recommended changing paragraph 15 on page 4 of the Williams' agreement from "...Williams of all costs reasonable attorney's fees..." to read "...Williams all costs including, but not limited to, reasonable attorney's fees...". The spelling of the word "statue" needs to be corrected to read "statute" in the above mentioned sentence.

MINUTES OF JUNE 23, 1993: Director Wheeler moved to approve the minutes as written. The motion was seconded by Director Garber and passed unanimously.

MINUTES OF THE SPECIAL MEETING HELD JUNE 30, 1993: Director Wheeler moved to approve the minutes as written. The motion was seconded by Director Garber and passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Ballagh questioned whether or not P & W Boring has adequate insurance since they are not a partnership or corporation. Manager Schuster was instructed to obtain an insurance certificate or to release the District from any liability of any incident that may have incurred during the performance of doing the bores. Director Ela moved to approve the financial report paying the \$78,550.11 as shown on the report, paying the \$2,648.49 as shown on the supplemental report as well as a \$46,500.00 transfer of funds. The motion was seconded by Director Garber. The motion passed unanimously.

TOUR OF REVERSE OSMOSIS PLANT: Manager Schuster asked for a headcount on who would be traveling to Wheatland, Wyoming on Monday, July 26, 1993, staying the night at the Torch Lite Motel, touring Missouri Basin Electric's Reverse Osmosis Plant and returning on Tuesday, July 27, 1993. Director's Ballagh, Garber and Lewis made firm commitments to attend while Director Ela stated that he would have to check his schedule. Director Wheeler will not be in attendance.

EASEMENT FROM THE CITY: Manager Schuster reported that the Water District had obtained an easement from the City of Grand Junction which allows the District to complete the looped waterlines south of Whitewater as proposed by Manager Schuster at the start of the project. Director Ballagh asked if Fritz Hoffschneider had contacted the Water Office since the last board meeting. Manager Schuster said that he had not.

Dave Little from Denver Water entered the meeting at 8:50 p.m.

ROCK STRUCTURE: Manager Schuster reported that Clifton Water District had met with the U. S. Fish and Wildlife Service, the Army Corps of Engineers, the Endangered Fish Recovery Team and the Colorado Water Conservation Board on June 25, 1993, to resolve the rock structure dispute. Manager Schuster described the alternatives that were proposed by the Fish and Wildlife Service and explained why they were not viable options for the District. Schuster sent three other alternatives to the groups mentioned above. At another meeting held July 12th, he was told that alternative B was workable for all parties involved. Manager Schuster also explained that the Fish and Wildlife Service had identified upstream channeling of the left bank of the Colorado River which was not apparent prior to the rock structure. It was felt that as a result of the structure an improved habitat for the endangered fish species had been created. These facts were apparent in the difference of aerial photographs taken in December, 1988, right after the structure was

completed and as recently as April, 1993. Greg Hoskin went on to explain that the CRWCD had provided several grants for studying the endangered fish in the Colorado River. More recent studies have shown that the U. S. Fish and Wildlife Service has placed their emphasis on the wrong data and that fish habitat was not created by increased flows in the river as previously thought.

NEWSLETTER SEMINAR: Manager Schuster informed the Directors that he had received information concerning a seminar, "How to Create Newsletters People Will Read", to be held in Grand Junction during September at a cost of \$125.00. Director Garber stated it was his belief that the District's newsletter was well read and saw no benefit of attending the seminar. It was generally agreed by the Board that Manager Schuster would not attend this seminar.

Attorney Linda White arrived at the meeting at 9:25 p.m.

91CW252 - WOLFORD MOUNTAIN RESERVOIR STIPULATION: Attorney White stated that the Board should direct their questions to Dave Little and Greg Hoskin concerning the stipulation then convene to executive session to discuss this matter further. Director Ela asked for clarification of paragraph 5, page 7 of the Memorandum Of Agreement (MOA) where it states "other applicable documents". Mr. Little stated that the Agreement in question here was an agreement between Denver and the Bureau of Reclamation which is to maintain at least 1,000 acre feet of water in Dillon Reservoir and to be released for fish flows on the Blue River between Dillon and Green Mountain Reservoirs. The next question from Director Ela was concerning paragraph 2e on page 6 of the MOA which reads "The Secretary (Secretary of the Interior) will not unreasonably withhold his approval." In answer to this, Mr. Little stated that as long as the stipulations' points are at hand, Denver will not ask the Secretary to "not withhold his/her approval". Director Lewis questioned "what if" the objectors and applicants were unable to reach a decision each year concerning how the exchange was going to take place. Mr. Little responded that the objectors, not the objectors and applicants, will decide upon the manner of the releases. Furthermore, Mr. Little stated that the objectors only need to convene in the years when there is a substitution, not every year. Director Lewis then stated that if an agreement could not be made between the objectors and the applicants concerning the yearly exchange plan, Denver would take the water they needed regardless of the stipulation. Mr. Little said that the Secretary could alter the exchange agreement in accord with the Bureau, who has complete control, whether Denver or the Western Slope want the water or not. Greg Hoskin interjected that currently every drop of water in the Green Mountain decree is available to the Western Slope. Director Ela then questioned paragraph 9 on page 8 of the MOA that states that the MOA does not modify any other agreements between any of the parties hereto. Director Ela was uncomfortable with "any other agreements" that are not defined. Mr. Little responded that Clifton is not a party to the agreement but the way he reads the MOA no other agreements should interfere with the stipulation. Greg Trainor interjected that the City feels that in times of drought the Grand Valley will be asked to forsake high quality Blue River Water for lesser quality Muddy Creek water with no benefit. Mr. Little also added that Denver did their best to negotiate with the objectors rather than to go to court. Mr. Little stated he did not come to negotiate the stipulation, he was present to answer any questions. He went on to say that Denver had thought that they had come to closure and

hoped that Clifton would continue to stand by the decision made on June 30, 1993, to accept the stipulation. Director Ela moved to go into executive session. Director Garber seconded and it passed unanimously. This discussion took approximately 45 minutes.

The executive session went from 10:10 p.m until 12:15 a.m. during which time various points of the Wolford Mountain Stipulation were discussed. Director Lewis moved to adjourn the executive session. The motion was seconded by Director Wheeler and passed unanimously. Dave Little, Alan Hassler, Greg Hoskin and Greg Trainor were invited to return to the meeting.

Manager Schuster asked Mr. Little and Mr. Hoskin if Wolford Mountain Reservoir was in the same geological formation as Green Mountain Reservoir. The reply of both persons confirmed their belief that the geologic formation of the two reservoirs were the same. Mr. Trainor indicated that there are descriptions as well as geological comparisons in the Supplemental Environmental Impact Study. Director Ela stated that the Board's greatest concern was whether or not injury is done due to the increased salinity. Director Ballagh suggested that consideration of additional paragraphs should not create any estoppel in the future. Mr. Hoskin stated that he believed it to already be the law and did not believe it was the intention to preclude such consideration in the future. He also said that he did not know if the CRWCD would agree to the additional paragraph. Linda White asked Mr. Little why Chips Barry told her he did not know what the quality of water would be leaving Wolford Mountain Reservoir if Denver was so sure of their numbers. Mr. Little said he could not quote Mr. Barry, he could only state what he told Mr. Barry and that was that the best technology available was used to estimate the TDS from Wolford Mountain Reservoir. Director Ela moved to defer the whole discussion of the stipulation to allow the three other Board members, besides himself, that voted to sign off on the stipulation, time to think about whether they wanted to put a motion to reconsider or stay with the current motion to the next regular meeting, or call a special meeting. Director Wheeler seconded the motion providing a specific date be set during the first week in August. The agreed upon date is August 2, 1993, at the Water District Office. Motion passed with three ayes, Director Garber voting nay and Director Lewis abstaining from the vote.

MANAGER'S JOB DESCRIPTION: No discussion took place at this time. However, Manager Schuster provided each Board member with a copy of his job description at the close of the meeting.

Director Wheeler moved to adjourn the meeting. Director Lewis seconded the motion.

The meeting adjourned on Thursday, July 22nd, at 12:45 a.m.

ATTEST:

John L. Ballagh

George E. Wheeler
Secretary

Martin Garber

William M. Ela

Director Lewis

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

Held August 2, 1993

Present were Chairman Ballagh, Vice-Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker and Stenographer Day. City Utilities Manager Greg Trainor was also in attendance.

The notice of the time and place designated for this special meeting had been posted in three public places within the Clifton Water District and one such notice posted in the Office of the Mesa County Clerk and Recorder in accordance with CRS 32-1-903(2).

Director Ballagh called the meeting to order at 7:35 p.m.

91CW252: Manager Schuster read aloud a fax message from consulting geologist, James E. White. Mr. White stated in the letter that the two reservoirs (Wolford Mountain and Green Mountain) appear to have the approximate same geological make-up, though he went on to state that there are no two sites of identical geological formation.

Director Ela moved to reconsider the motion of June 30th concerning the Wolford Mountain Reservoir stipulation (Case No. 91CW252). Director Garber seconded the motion and it passed unanimously.

Director Lewis reflected back to the Director's retreat last fall where the two major concerns were retiring the debt and better water quality. Director Lewis also brought up the questionnaire sent to our water customers with the March newsletter. In responding to the questionnaire, our customers stated that they wanted better water quality though they weren't willing to pay very much for it. Director Lewis questioned what service Wolford Mountain would provide in delivering better quality water to our customers.

Director Ela brought up Manager Schuster's memorandum of July 28, 1993, paragraph 3 on page 1 where he talks about the Bureau of Reclamation's new Green Mountain Reservoir operating procedure which limits the Western Slope to only 66,000 acre-feet of water being released annually. Director Ela wondered if we were acquiescing to the operating procedure if we approved the stipulation and further stated that this procedure needs to be tested. Mr. Trainor stated that the Bureau of Reclamation had never limited the release of water in previous years to 66,000 acre feet. In the dryer years when more water was needed, the Bureau released the additional amounts under the guise of "power releases", rather than renege on their 1985 operating procedure (Water Marketing Program).

Director Lewis questioned why the stipulation had to go to decree rather than just signing the agreement for a set period of time. Director Ela stated that his whole point behind the wait-and-see approach had been under the idea of trying the project to see how it would go. Director Lewis said that a ten year agreement on the Wolford Mountain Project would be better than signing the stipulation into a decree.

Manager Schuster pointed out that Green Mountain Reservoir has a total storage capacity of 153,639 acre-feet with 52,000 acre-feet allocated to replacement storage and the balance of approximately 100,000 acre-feet allocated to power, natural flow, shortage makeup and other water uses.

Director Ballagh said that anything added to the stipulation at this point would just be between Denver and Clifton Water. Orchard Mesa and Palisade Irrigation would still have the agreement in which they signed, and if the City of Grand Junction were to sign the stipulation with other wording, it would apply only to them. Mr. Trainor stated that it was his understanding that once everyone had signed the stipulation that it would be put together for everyone except if there were mitigation for damages, which would only be paid to those on that agreement. Mr. Trainor went on to state that the City of Grand Junction had met with Denver Water on Tuesday, July 27, 1993, to discuss additional concerns. He said that Denver's technical staff would meet with the City staff to work out some figures for mitigation if necessary, as well as fine-tuning the stipulation to cover the City's concerns. Mr. Trainor stated that in this meeting Grand Junction made sure that Denver knew that the major concern of the Western Slope was that no more salt come down the river in this or any future projects.

Director Ela moved to rescind the motion of June 30 for approval of the stipulation. Director Wheeler seconded the motion and it passed unanimously. Director Ballagh stated that Clifton Water District is not a participant in any stipulation at this point in time.

Director Lewis stated that he did not find the current stipulation totally agreeable or totally offensive. Director Lewis said that the major change he would like to see is to lessen the operating contract between the Objectors and the Applicants to a point where the Objectors are not bound by a decree. Director Garber stated that he had two major concerns; one being the limitation of 66,000 acre-feet, the other concern being the increased salinity. Director Garber believes that the salinity could be measured at the release point of Wolford Mountain and the release point of Green Mountain to arrive at the increased salinity which should be up for mitigation provided that more salt is delivered from Wolford Mountain Reservoir. Director Lewis moved that we instruct Ray and Attorney White to meet with the attorneys for Denver Water and the Colorado River Water Conservation District to discuss the changes that the Clifton Water District would like to see made in the stipulation. These include: 1) the proposed paragraph "A" that Director Lewis had written on July 4, 1993; 2) that nothing in the stipulation would limit the Objectors to only 66,000 acre-feet of water per year from compensatory storage; 3) include wording of paragraph 2 on the City's Premise dated July 27, 1993; 4) include wording of paragraph 1 on the City's Premise dated July 27, 1993; and 5) limitation of the terms of the stipulation to ten years rather than turning it into a decree. Director Ela seconded the motion. Some discussion on whether to send an amended stipulation or simply send suggested language followed. Director Lewis pointed out that we wanted to keep Denver in the authorship position if at all possible because a judge will hold the drafters responsible for unclear language, Director Lewis called for the question. The motion passed unanimously. The Wolford Mountain discussion took 1 1/2 hours.

REVERSE OSMOSIS PLANT TOUR: A brief discussion about the tour of Missouri Basin Electric's Laramie River Power Plant took place. Director's Ballagh and Garber toured the plant along with Manager Schuster. All of those attending the tour agreed that the trip was rather disappointing because the Plant Superintendent, Ken Lider, couldn't answer the questions about why and how the process worked. Director Ela asked if there were plants similar to this that treated water for potable uses rather than industrial uses.

Manager Schuster stated that there were several facilities like this, but another tour was not in the works at this time.

Manager Schuster noted that the notice of the time and place designated for the trip had been posted in three public places within the Clifton Water District and one such notice posted in the Office of the Mesa County Clerk and Recorder in accordance with CRS 32-1-903(2).

Director Ela suggested progressing on to the next item on the agenda, but requested that Manager Schuster keep the Board informed on where else Clifton could tour a reverse osmosis plant that processed domestic water, since it appears that it is in the future of the Clifton Water District.

UTILITY NOTIFICATION CENTER OF COLORADO: Manager Schuster wanted the Board of Directors to know that Colorado State law now requires that all utility companies become members of "a one call buried utility notification service". He told the Board that the Clifton Water District is a tier II member of the Colorado Utility Notification Center.

REGISTRATION FOR ABOVE GROUND PETROLEUM TANKS: Manager Schuster told the Board of Directors that it is now a law that all above ground petroleum tanks have to be registered with the Colorado Department of Labor and Employment. He stated that we had sent in the forms to register the three above ground petroleum tanks that Clifton Water District currently has.

CITY EASEMENT: Manager Schuster told the Board that at the same time he had requested an easement from the City of Grand Junction to complete the Whitewater loop, he had also requested an easement from the Department of Energy for the same purpose. Both entities granted us an easement, but Manager Schuster felt it would be in the best interest of the District to use the easement from the DOE. Manager Schuster stated that he had written a letter to the City of Grand Junction indicating that if the need arose in the future for more water to their property in the Whitewater area, that the District would put a six-inch line in for them. He said that he felt it was best to return the City's easement with a letter to them stating that the District may not be able to perform to the City's standards when the time came for the City to use water and he felt it was best not to obligate the District and future Boards by accepting the easement. Director Garber moved to accept the Department of Energy's easement for water lines in the Whitewater area and not accept the City of Grand Junction's easement so as to not obligate future Boards. Director Lewis seconded the motion and it passed unanimously.

RUSSIAN OLIVE TREES: Manager Schuster told the board that there were 26 healthy Russian Olive Trees growing inside the fence around the West tank. The trees are being watered by a drip system on a battery-operated electric valve.

MANAGER'S JOB DESCRIPTION: In a memo dated July 2, 1993, Chairman Ballagh had requested that Manager Schuster prepare the Manager's job description, goals and responsibilities for presentation at the July Board meeting. Manager Schuster had complied with the request but due to a lack of time the eleven page document was not discussed at the July Board meeting and it was placed on this special meeting agenda. Director Ela moved to enter an executive session to review the document Schuster had prepared and delivered

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at the July Board meeting. The motion was seconded by Director Garber. Director Ela then withdrew the motion with the consent of Director Garber as this was only going to be a discussion on the document presented, not an evaluation of the Manager. Director Ela said that the job description should be less narrow and specific and more general. He wanted more emphasis placed on the engineering aspect of the job for the present manager. He stated that the engineering aspect was unique to the present Manager's job and may or may not be a requirement for the next Manager. Several suggested changes were made to the document as prepared. Manager Schuster was to make these changes and resubmit it for the August Board meeting.

ADJOURN: Director Ela moved to adjourn the Special Meeting. Director Lewis seconded the motion. The meeting adjourned at 10:35 p.m.

ATTEST:

George E. Wheeler
Secretary

John L. Ballagh

Martin Garber

Wm. M. Ela

DD Schuster

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

Held August 18, 1993

Present were Chairman Ballagh, Vice-Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount and Stenographer Day. Dick Anderton, Meserve Fruit Tracts, and John Whiting, Blair Road Group, were also present.

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

GUESTS: Director Garber moved to rearrange the agenda to discuss the agenda items for which the guests were present. Director Lewis seconded the motion and it passed unanimously. Mr. Anderton was present to listen to the discussion on petitions for inclusion into the District. Manager Schuster explained that the reason the petitions were on the agenda was, Mrs. Baker of Orchard Mesa had telephoned the office to inquire about her property being included in the District since the Mease and Mayo residences had been included. Manager Schuster wrote a letter to all the District customers on Orchard Mesa informing them that there may be an opportunity to be included in the District if they would submit a petition. Approximately fifteen residences took advantage of the offer by sending returning the petition to the District. Manager Schuster displayed on a map to the Board members the properties involved and explained the legal processes for petitioning into the District. Director Lewis moved to accept the petitions for inclusion into the District. Director Ela seconded the motion and it passed unanimously. Manager Schuster informed the Board that Andrew Muhr would like to purchase a tap at the in-District rates since he was one of the petitioners and his property would soon be in the District. Director Ela moved to waive the out-of-district fee at this time and to allow Mr. Muhr a tap at in-District rates. Director Garber seconded the motion. Director Lewis said that since it was inevitable that Mr. Muhr would receive in-District rates after all the paperwork was finished that it would serve no purpose to not allow him to pay in-District rates for a plant investment fee at this time. The motion passed unanimously.

John Whiting had delivered two letters to Manager Schuster; one from his attorney K.K. Summers and the other from his CPA, Robert Ellis. They both expressed concerns about the wording in the agreement between Mr. Whiting and the District where it referred to Mr. Whiting as a "non-profit group". The letters suggested that the words "non-profit" be deleted. Director Garber moved to approve the removal of the term "non-profit" and any references thereto from the Blair Road Group Agreement. Director Lewis seconded the motion and it passed unanimously. Director Lewis moved to authorize Manager Schuster to work together with Mr. Whiting to change the wording in the agreement so it is known that the Blair Road Group is Mr. Whiting and not a group. Director Ela seconded the motion. The motion passed unanimously. Later in the meeting Director Ela moved to request an insertion of a "right of first refusal" into the agreement. A brief discussion about whether it would be agreeable with Mr. Whiting, since he had already left, took place. The Board saw no reason that Mr. Whiting would find it unacceptable. Director Wheeler seconded the motion and it passed unanimously.

MINUTES OF JULY 21, 1993: Director Wheeler moved to approve the minutes of the July 21, 1993 meeting. The motion was seconded by Director Garber. On page one under **VALLE VISTA SUBDIVISION** it reads "Sewage from the ponds are leaching..." and it should read "Sewage from the ponds is leaching...".

Further down in the same paragraph it reads "... be quite willing to accept long-term amortization." and it should read "...be quite willing to accept long-term amortization of our note." At the top of page four it should read "Director Ela moved to go into executive session for legal consultation with Linda White, the District's attorney". In the paragraph above **MANAGER'S JOB DESCRIPTION** it reads "Motion passed with three ayes,..." and it should read "Motion passed with two ayes,...", as Chairman Ballagh did not vote. The motion to accept the minutes as amended passed unanimously.

MINUTES OF THE SPECIAL MEETING HELD AUGUST 2, 1993: Director Wheeler moved to approve the minutes of August 2, 1993. The motion was seconded by Director Lewis. On page one, paragraph four under 91CW252 it reads "...this procedure needs to be tested." and it should read "...this operating procedure needs to be court tested.". On page two a portion of the first paragraph should read "... put together for everyone except if there were special provisions which would only apply to the signatories." The motion to approve the minutes as amended passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Garber moved to approve the financial report paying the \$44,431.64 as shown on the report, paying the \$10,512.50 as shown on the supplemental report as well as a \$46,500.00 transfer of funds. The motion was seconded by Director Lewis. The motion passed unanimously after 20 minutes of discussion.

WOLFORD MOUNTAIN STIPULATION: Manager Schuster informed the Board of a meeting in Denver on Thursday, August 19, 1993, between the Applicants and the City of Grand Junction. He stated that he had been invited as a guest of the City of Grand Junction and had intentions of attending. Director Ela questioned whether or not we should tailor our wording for changes to the stipulation with the City's wording. It was generally agreed that the wording as submitted by Attorney White was appropriate for the needs of the District. Director Lewis wanted the wording in paragraph four of Attorney White's paper to be more direct in stating that at the end of the ten year period Clifton would have an option to tell the Applicants that we no longer wanted the exchanges to take place. Also in paragraph four, all wording behind "... to mitigate this diminution in water quality..." should be dropped so the paragraph ends with "... in water quality.". Director Ela moved to accept the wording as suggested by Attorney White with the amendment to paragraph four. Director Lewis seconded the motion. It passed unanimously. Director Garber stated that if the District was going to fight the Wolford Mountain exchange that it should be with money from the District, not money from the City of Grand Junction. After a brief discussion of the City's offer to pay up to \$5,000 in Attorney's fees for 91CW252, Director Ela moved to defer indefinitely any action on the City's offer to pay attorney fees. Director Wheeler seconded the motion and it passed unanimously.

MANAGER'S JOB DESCRIPTION: Director Ela stated that he thought the August 13, 1993, job description for the manager did a real good job of simplifying and narrowing as he had suggested in the previous meeting and he liked it. However, he did state that paragraph three under **ESSENTIAL JOB FUNCTIONS** should only have one "be" and should read "Must be physically present in the field at various construction sites." Director Ballagh said that in the same section under paragraph four it should be stated which Class licence was needed. Director Lewis asked that numbers 8 and 9 in the main description read "Supervise and delegate work" and "Hire and fire personnel".

Director Ballagh suggested that the coverage of Workers' Compensation Insurance may be interrupted if Manager Schuster were actually doing work in the field rather than supervising. Manager Schuster was instructed to find out about the Workers' Compensation coverage on both himself and Assistant Manager Tooker. Number 3 under the same heading should read "... District's projects which...". Director Ela moved that, subject to changes needed for the Workers' Compensation Insurance coverage, the Manager's Job Description be approved. Director Lewis seconded the motion. The motion passed unanimously.

WHITING BROTHERS GRAND MESA WATER: In August of each year the Board revisits the possibilities of purchasing Whiting Brothers Grand Mesa Water. Director Garber suggested that we continue what we are currently doing and take a "wait and see" approach. The other Directors agreed to take a "wait and see" approach and any further information concerning the purchase of Whiting Brothers Grand Mesa Water should be placed on the agenda prior to August 1994.

OTHER OLD BUSINESS: Valle Vista: Director Ballagh stated that he had a meeting with Gina Harrison and it was relayed to him that the Valle Vista HOA expects to go to deed with the property and if the Clifton Water District does not step in Mesa County will cut the District out completely. Director Ballagh went on to state that the Valle Vista residents feel that the Clifton Water District and Joe Coleman have done nothing to benefit them that would justify spending any more than \$5.00 to obtain the deed for the land and sewer ponds. The Board then discussed different ways to deal with the Valle Vista situation. It was suggested that the District consider paying the property taxes. There was no action taken.

SDA MEETING DEBRIEFING: The Board of Directors set the time and place for the special meeting (SDA meeting debriefing) for October 6, 1993, at 7:30 p.m. at the Water District Office.

1994 BUDGET: Director Garber moved that Manager Schuster be appointed to start preparing the budget for the 1994 year. Director Lewis seconded the motion and it passed unanimously.

OTHER NEW BUSINESS: Director Garber suggested name tags for the Board members. He also thought the office personnel should have name badges and the distribution personnel should have identifying shirts for the District. Manager Schuster will pursue these ideas. Director Garber also suggested placing "communicate" signs around the office to lower the amount of trips to one store in a single day. Director Wheeler suggested getting in touch with someone from Mesa County to either turn the area at 32 1/2 and E 1/2 into a four-way stop or at least trim the bushes so that the visibility will be increased.

ROAN CREEK: On Monday, August 16, 1993, Manager Schuster and Directors Ballagh, Ela, Wheeler and Garber attended a Tour/BBQ in Debeque intended to promote the Roan Creek Project. Manager Schuster had prepared copies of a preliminary map of the project and generally felt the project had merit. Director Ela stated that he spoke to Ken Salazar, Director of Natural Resources, at the BBQ and relayed to him that he felt it was a good idea to lease water and to save appropriation and decreed water rights. Director Ballagh questioned why the State of Colorado was fighting the Roan Creek

project so hard and wanted information concerning the project for all Board members. The Board discussed numerous aspects of the how much water the state of Colorado is entitled to under the Colorado River Compact. Director Ballagh stated that we should ask the State and the Colorado Water Conservation District to take an official stand to support the project rather than fight it. Manager Schuster was instructed to obtain up-to-date data concerning the total flows of the river and what Colorado is entitled to under the Colorado River Compact.

There being no other business, Director Garber moved to adjourn the meeting. Director Wheeler seconded the motion.

The meeting adjourned at 10:07 p.m.

ATTEST:

George E. Wheeler
Secretary

John L. Ballagh

[Signature]

[Signature]

Martin Garber

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

Held September 15, 1993

Present were Chairman Ballagh, Vice-Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount and Stenographer Day. Representatives from Orchard Mesa Sanitation District Larry Beckner (Attorney) and Archie Noland (Director); Steve Rocha (School District 51); Douglas Meagley (Soil Conservation Service); John Whiting (Hidden Valley Water Co.) and Larry McDonald were also present.

Director Ballagh called the public hearing for inclusion of 21 parcels into the District to order at 7:30 p.m.

PUBLIC HEARING: Director Ballagh asked those present if they had any concerns about the twenty-one parcels that were to be included within the Clifton Water District boundaries. Manager Schuster read a letter to the Board from the Ute Water Conservancy District stating that if Clifton should install any new services to certain parcels being included that it would lead to "a position of counter-productive adversity". Director Ela moved to respond to Ute Water informing them that all but one of the properties being included had been served by Clifton for over 20 years. Director Garber seconded the motion and it passed unanimously. No one present addressed the Board concerning the public hearing. Director Ballagh closed the public hearing at 7:45 p.m. Director Garber moved to include the 21 parcels (19 on Orchard Mesa and 2 in Whitewater) into the District. Director Lewis seconded the motion and it passed unanimously.

ORCHARD MESA SANITATION DISTRICT: Attorney Beckner gave a background on the Valle Vista Subdivision sewer problem as it related to Orchard Mesa Sanitation District. Mr. Beckner said that the Orchard Mesa Sanitation District (OMSD) has arranged for a couple of grants to cover some of the cost of taking over the sewage lines in the Valle Vista Subdivision, but he added that the final obstacle to finalize the grant and loan application was the determination of ownership of the collection lines within the subdivision. Mr. Beckner asked the Directors of Clifton to release any claim they may have in the collection lines in Valle Vista Subdivision to OMSD so they could bring all sewer lines to grade and proceed with the project itself. After a lengthy discussion, Director Ela moved to renew the offer made at the Board meeting of July 21, 1993, wherein the District would assign our note to the Valle Vista Homeowners Association if they would sign a note with the District for \$67,788.09 at 0% interest for the first 10 years. At the end of ten years payment would begin with an interest rate of 7% or 2% below Prime Rate, whichever is lower. Director Garber seconded the motion and it passed unanimously.

SCHOOL DISTRICT 51: Steve Rocha, a teacher from Mt. Garfield Middle School, informed the Board that the School District (School) has the opportunity to do some additional development on the property at Plant #2 by utilizing a 70/30 cost share with the Agricultural Stabilization & Conservation Service (ASCS). The ASCS requires a 25-year maintenance lease for all improvements. Mr. Rocha stated that the maintenance agreement could either be with Clifton as the signer or with the School as the signer and Clifton as the co-signer. The latter arrangement would make the School ultimately responsible for the maintenance of the improvements. Manager Schuster questioned whether they understood that Clifton may want to increase the size of the treatment plant.

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Mr. Rocha asked the Board if Clifton would be willing to sign off on the maintenance agreement or give a 25-year lease to the School. Manager Schuster said that there should not be a problem with leasing the property to the School. Director Wheeler moved to enter into a lease agreement with the School so they could proceed with their plans. Director Garber seconded the motion and it passed unanimously.

HIDDEN VALLEY WATER COMPANY: The Amendment to the June 23, 1993, Agreement with John Whiting was discussed at some length. Director Ballagh suggested changing paragraph 3 of the Amendment to read "30 calendar days" to clarify the length of time. It was also decided that in the beginning paragraph, line four will be deleted so that it will read "...District", and the Hidden Valley Water Company, Inc.,...". and in paragraph 5 Hidden Valley Water, Inc. will be deleted so it will read "...consent of the Company." The signature line for Mr. Whiting will read "Hidden Valley Water Company, Inc., John L. Whiting, President" and an "ATTEST" line will follow Mr. Whiting's signature line. Director Garber moved to accept the amendment to the June 23, 1993, Agreement with the above stated corrections. Director Ela seconded the motion and it passed unanimously. After Mr. Whiting left the meeting, Manager Schuster proposed making an offer to Mr. Whiting to take over the construction, operation and maintenance of the water lines for the Hidden Valley Subdivision in exchange for 6% of the shares of the Grand Mesa Reservoir Company. Director Ela moved to authorize Manager Schuster to work toward 6% of the shares of Grand Mesa Reservoir Company in exchange for control of the water being delivered to the Hidden Valley Subdivision. Director Lewis seconded the motion and it passed unanimously.

MINUTES OF AUGUST 18, 1993: Director Wheeler moved to approve the minutes of the August 18, 1993, meeting. The motion was seconded by Director Garber. On page one under **THOSE PRESENT**, the words "Meserve Fruit Tracts" and "Blair Road Group" were deleted. Under **GUESTS** mid-way through the paragraph the word "sending" will be deleted so the sentence reads "...residents took advantage of the offer by returning the petition to...". On page three the second line will change to be read "...Insurance may be voided for Manager Schuster were he actually doing work in...". On the same page two lines from the bottom a portion will be added to make this read "...lease water and to save appropriation and decreed water rights because thereby the lessee becomes estopped to deny the lessors title." The motion to pass the minutes as corrected passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Lewis moved to approve the financial report paying the \$51,691.00 as shown on the report, paying the \$1,227.59 as shown on the supplemental report as well as a \$46,500.00 transfer of funds. The motion was seconded by Director Wheeler. The motion passed unanimously after some discussion.

WOLFORD MOUNTAIN RESERVOIR PROJECT: Manager Schuster informed the Board that he had attended a meeting at Denver Water on Friday, September 10, 1993, in which Clifton, the City of Grand Junction, Colorado River Water Conservation Board and Denver were represented. Denver said that they would never agree to a 10 year review on the Wolford Mountain stipulation (91CW252) and had given all they were going to give. Grand Junction informed Manager Schuster that they would ask the court to "retain jurisdiction" as provided for in the State Statutes which would enable Clifton or the City to request a review of

the project in ten years as Director Lewis had wanted. Manager Schuster said the next meeting with Denver Water would be in Grand Junction but at this time no date has been set. No further action was necessary.

DOMINQUEZ RESERVOIR: The annual review of the Agency Agreement with Western States Water & Power, Inc. concerning Dominquez Reservoir took place. Director Ela again stated that he disagreed with reserving water for Clifton from the Dominquez Reservoir. Director Garber moved to leave everything status quo and review it again in September, 1994. Director Wheeler seconded the motion and it passed unanimously.

ROAN CREEK PROJECT: Manager Schuster asked the Board if they would take a stand on the Roan Creek Project to enable him to answer questions from the public about the Board's position. Director Ela moved to approve the concept of the Roan Creek Project - saying "concept" because as stated in the minutes from the Board meeting of August 19, 1993, we need more information before taking a firm stand on the project. Director Ela continued his motion by saying that because of the lack of information he wanted only limited approval; he further stated that in his interpretation of water rights, the Roan Creek Project would preserve and improve the chances of retaining that water at the end of the lease for Western Slope Development. Director Garber seconded the motion and it passed unanimously.

MANAGER'S JOB DESCRIPTION: Manager Schuster informed the Board that he had made the requested changes in the Manager's job description. He said that Worker's Compensation did yearly audits to update changes in jobs and that he was covered to work in the field on a limited basis.

UNIFORM SHIRTS: Assistant Manager Tooker reiterated his memo which the Directors had received with their packets on Friday, September 10, 1993. He informed the Board that the general feeling of the employees was that the shirts were a good idea. Director Ballagh questioned whether shirts would be enough for the winter months and asked Assistant Manager Tooker to check the prices of jackets. Director Garber moved to authorize the purchase of shirts for the employees. Director Wheeler seconded the motion and it passed unanimously.

HILL RANCH WATER RIGHTS: Manager Schuster informed the Board that Mr. DeOreo had sent a new proposal for the Hill Ranch water rights (Hill Ranch is located in the "take area" for Wolford Mountain Reservoir) wherein the 100 acres of land had been excluded, but there was more water involved. Manager Schuster recommended against the purchase of the Hill Ranch water as water from the GVICo could be obtained at much less expense. Director Ela moved to not act on the offer to purchase Hill Ranch Water Rights. Director Lewis seconded the motion and it passed unanimously.

OTHER OLD BUSINESS: Director Garber questioned whether any security measures for office personnel had been made. Manager Schuster said he thought the District would wait until the planning of the new building to include security measures. Chief Operator Blount told the Board of his experience with Bill Bellman (living on the Nichols lifetime estate at Plant #2). Thinking Mr. Bellman to be very ill and the door to his trailer open, Mr. Blount entered the trailer and encountered extreme filth. Mr. Bellman was not at home at the time. Mr. Blount called Social Services to find out if

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there may be any assistance that they could provide for him and they said they would contact him. There has been no apparent change in his living conditions so it is Mr. Blount's feeling that Mr. Bellman may have refused their help.

PURCHASES: Manager Schuster told the Board that the Centrifuge we are currently using at the Lab belongs to the City of Grand Junction and they want it back. The District will need to purchase a new one at a cost of \$4,800. Plant #2 is in need of a new submersible pump which will cost \$2,000. Director Ela moved to approve the purchase of the above items on representation that they are important to the Lab and the Plant and also that the necessary funds are in the budget. Director Garber seconded the motion and it passed unanimously.

1994 BUDGET: Manager Schuster presented the preliminary 1994 budget for review. He also explained the need for the \$57,000 under the Plant #2 capital improvements as being needed for a pressure relief valve to allow flows in excess of 3 MGD to flow through the 27" line and to move the 0.1 MG tank on the Purdy Mesa line south of Highway #50 to be moved to the site of Plant #1 to feed Southgate and Whitewater. Chlorine will also be added at this point to better serve the Southgate and Whitewater customers. Assistant Manager Tooker explained the need for additional laboratory testing equipment as a result of new regulations and the additional funds in the budget for this purpose. Director Ballagh said that the unrestricted surpluses money should be spent in the reserve fund and the budget expenditures should be kept the same as 1993 or higher. The question was raised about a line item in the budget for clean-up of spillage of underground tanks. After a 40 minute discussion, Director Lewis moved to hold a public hearing on the budget at 7:30 p.m. on October 20, 1993, at 137 Third Street in Clifton and for staff to make arrangements for the necessary publications, posting, etc. The motion was seconded by Director Wheeler and passed unanimously.

WATER FESTIVAL: Assistant Manager Tooker informed the Board that Bill Carr from the Ute Water District had contacted Manager Schuster and himself in regard to participating in a water festival for fifth grade students of School District 51. Assistant Manager Tooker informed the Board that we had already volunteered to present a class. A request was made to sponsor a bus to transport students to Mesa State College to participate in the Water Festival. The cost to sponsor a bus is \$70.00. Director Lewis moved to sponsor one bus for the event. Director Ela seconded the motion and it passed unanimously.

WEST TANK: Manager Schuster informed the Board that the West Tank had been damaged by vandals who fired at least 80 rounds at the tank with a shotgun. He told the Board that it would be necessary to paint the tank. The estimated cost to sandblast, prime and recoat the tank was \$2,500.00.

OUTREACH AWARD: Manager Schuster informed the Board that the District's newsletter had won an award that will be presented at the SDA Conference in Breckenridge on September 23 and 24. Manager Schuster gave Director Ballagh's name to the SDA as the person who would accept the award at the conference. Manager Schuster had not been told what award the District had received.

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OTHER NEW BUSINESS: Director Ballagh suggested that Civics instruction should be stressed in the school system. He suggested that a Civics type of class could be presented at the Water Festival. Director Ballagh told those present that Civics was not, in his opinion, being taught in schools and that at every opportunity the District has to teach, Civics should be at the top of the list.

Director Ela moved to adjourn the regular meeting and move into the executive session for the Manager's yearly review. The motion was seconded by Director Lewis and passed unanimously.

The regular meeting adjourned at 11:25 p.m.

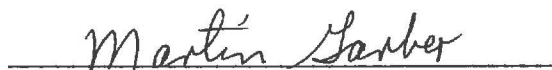
ATTEST:


Secretary









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

Held October 6, 1993

Present were Chairman Ballagh, Vice-Chairman Ela, Secretary Wheeler, and Treasurer Garber. Also present were Manager Schuster, Assistant Manager Tooker and Plant Superintendent Blount. The absence of Director Lewis was excused.

Chairman Ballagh called the meeting to order at 7:30 p.m. and noted that the time and place designated for this special meeting had been posted in three public places within the Clifton Water District and one such notice posted in the office of the Mesa County Clerk and Recorder in accordance with C.R.S.32-1-903(2).

HIDDEN VALLEY WATER COMPANY, INC.: Directors Ballagh and Wheeler signed the amendment to the Hidden Valley Water Company, Inc. agreement as corrected and approved as corrected at the regular meeting of September 15th.

VALLE VISTA HOMEOWNERS ASSOCIATION: Manager Schuster told the Directors that the District had received notice from the County Treasurer that the Valle Vista Homeowners Association were "going to deed" on the Rolling Hills Sanitation Company property in January of 1994 if the tax certificate were not redeemed by others having an interest in the property. After a short discussion Director Wheeler moved to redeem the tax certificate on the Rolling Hills Sanitation Company property. The motion was seconded by Director Garber and, after a fifteen minute discussion, passed unanimously. During the discussion, Director Wheeler suggested that the District trade the District's first deed of trust to the Rolling Hills Sanitation property to Mesa County in exchange for a deed to the thirty acres where the West tank is located. Manager Schuster was instructed to follow-up on this suggestion to see what could be accomplished.

GRAND JUNCTION WATER: Manager Schuster told the Directors that he was somewhat concerned about the water the District was receiving from the City. The City had experienced another situation where biofilm (*Enterobacter Cloacae* bacteria) showed-up in one of the water quality tests. Manager Schuster was concerned that the City's water could contaminate Clifton's water system under some circumstances. Assistant Manager Tooker expressed the same concerns stating that in various upset instances the City had provided the District with water which had turbidity readings higher than the present standards required by the Safe Drinking Water Act. Last year the turbidity standard was 1.0 ntu, this year the turbidity standard is 0.5 ntu. It was the Director's suggestion that City water be slowly blended with river water. Manager Schuster and Assistant Manager Tooker assured the Directors that the City water would be monitored on a regular basis to make sure that this water met all the parameters of the Safe Drinking Water Act.

LAWRENCE AUBERT'S GUEST EDITORIAL: Manager Schuster had prepared a rebuttal to Lawrence Aubert's Guest Editorial that appeared in the October 3, 1993, issue of The Daily Sentinel. The Directors read the three page rebuttal and requested that Manager Schuster clarify the third paragraph on the first page. Director Ela moved that the District endorse the rebuttal and approve sending the rebuttal to Lawrence Aubert on Clifton Water District letterhead. The motion was seconded by Director Garber and passed unanimously.

RMS AWWA/ALBUQUERQUE: Manager Schuster told the Directors that the Clifton Water District had received a Safety Award for no lost time accidents in the 1993 calendar year. Director Ballagh suggested that Manager Schuster poll the Special Districts in Mesa County to determine how many Special Districts did not have a lost time accident in 1993 and put together a public relations release to show the public that Special District employees do care about safety and safe working practices. Manager Schuster said he also saw a demonstration on water meters with radio transmitters which allow meter reading to be accomplished by just driving down the street and punching buttons. The data stored in the radio receiver can then be downloaded into the computer where water bills are produced automatically. Manager Schuster said that an estimated cost for the District to go to this high-technology meter reading would be in the neighborhood of \$1 million. He said that he could not see the District recouping its costs if this system were installed in the District, but he did find it interesting. There are other meter reading techniques on the market that are not as expensive that he is keeping a watch on. Manager Schuster also stated that the City of Brighton had installed a reverse osmosis pilot plant in the center of town as a public relations promotion to show their citizens the quality of water an RO plant can produce. Manager Schuster thought the idea had some merit as the District could construct a pilot plant on the District's property across the street and allow people to come and fill their bottles with RO water so they will know what to expect should the District ever revert to this type of treatment.

SDA ANNUAL CONFERENCE - BRECKENRIDGE: Directors Ballagh, Wheeler and Garber attended the SDA Annual Conference in Breckenridge. Assistant Manager Tooker attended this meeting also. The Clifton Water District's newsletter, Waterline, received a first place award in the area of Public Communications, Community Relations and Print Media at this conference. Director Ballagh stated that in the community participation presentation the attendees were told to humanize the problems and develop a trust with the community. Director Ballagh went on to state that various articles in the District's newsletter were humanized and people could relate to this. Director Ballagh continued by explaining that a tax increment financing district is a "stand alone" district and not a part of the county budget for Amendment #1 purposes and is being looked upon favorably by various governmental entities in the state. He also stated that a new special district is immune from the requirements of Amendment #1 for four-to-five years after formation. Therefore the formation of new special districts is also being looked upon favorably by various governmental entities in the state. The State Legislature has declared that water and sanitation districts are an enterprise if they receive less than ten percent of their income from grants. It was suggested that a "friendly lawsuit" could precipitate a court ruling defining enterprise zones. Director Ela questioned the validity of the results of a "friendly lawsuit". Assistant Manager Tooker discussed the presentation of the Wycon Construction Company suit against the Wheatridge Sanitation District concerning locations of sewer service lines. It was the consensus of the Directors that the District define what portion of the service line is the District's and what portion of the service line is the customers. This definition will be forthcoming in the District's newsletter. There was a potpourri of ideas discussed concerning employee benefits at the SDA conference and an exchange of ideas between Districts that Director Garber thought was very beneficial. There was also a discussion on quality

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of water in water exchanges. This discussion paralleled the Wolford Mountain Reservoir releases requested by Denver in 91CW252. Director Wheeler submitted a lengthy paper on lessening the risk of liability and litigation in employment issues that he picked up at the conference. The budgeting and appropriation of funds for the District, especially for contract items, were discussed at some length. Director Ballagh questioned whether the District could give the District's assets in the Rolling Hills Sanitation Company to the Valle Vista Homeowners Association as it was his opinion, based on information gathered at Breckenridge, that this was unlawful.

After an hour-and-a-half of a very healthy discussion of items gleaned from the SDA conference in Breckenridge, the meeting adjourned.

The special meeting adjourned at 10:20 p.m.

ATTEST:

Geoff E. Wheeler
Secretary

John L. Ballagh

Wm. M. Ed

[Signature]

Martin Garber

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

Held October 20, 1993

Present were Chairman Ballagh, Vice-Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount and Stenographer Day-Biondich. Guests present were Vere and Leona Williams, Larry Beckner, Attorney for Orchard Mesa Sanitation District, and Mark Hermundstad, Attorney for the Valle Vista Homeowners Association.

Chairman Ballagh called the public hearing on the budget to order at 7:35 p.m. and noted that the time and place designated for the public hearing had been published and posted in three public places within the Clifton Water District and one such notice posted in the office of the Mesa County Clerk and Recorder in accordance with C.R.S.32-1-903(2). Hearing no comments from guests, Director Garber moved to close the public hearing on the budget, Director Wheeler seconded the motion and it passed unanimously.

VALLE VISTA SUBDIVISION: Attorney Beckner reiterated the agreement which he had drawn up for the Valle Vista Homeowners Association (HOA) which would release any claim to ownership the District may have in the sewer collection lines in Valle Vista Subdivision. Directors Ballagh and Garber questioned whether an "unsecured" loan was ever discussed for inclusion into the agreement. Attorney Beckner stated that he was not sure that the HOA owned anything of value which would secure the note. Director Ela moved to accept the proposition presented by Attorney Beckner. After a brief discussion Director Ela decided to withdraw his motion. Director Lewis moved to accept the agreement with the condition that the note state that if the homeowners have not completed the foreclosure process within one year, the property will be reassigned to the District. However, if the process is completed the HOA will give the District first deed of trust on the lagoon property. Director Wheeler seconded the motion. After some discussion Director Lewis amended his motion to assign the rights to the HOA on the condition that they initiate foreclosure within one year from the date of the agreement. If the HOA had not started this process, the cleaned-up property would become the property of the District with the sewer lines in the Subdivision belonging to the HOA. If the District retains the property, the note may be forgiven in full. However, if the HOA starts foreclosure proceedings, they will give the District the first deed of trust. The amendment to the motion was seconded by Director Wheeler. After a thirty-five minute discussion the amendment passed unanimously and then the motion passed unanimously. Manager Schuster suggested that Attorney Beckner seek a deed in lieu of foreclosure to save time and money. Attorney Beckner and Mark Hermundstad thanked the District for their understanding and willingness to work with them.

WILLIAMS' AGREEMENT: Manager Schuster informed the Board that Vere and Leona Williams has signed the recapture agreement between the District and the Williams for the District to supply their property with water. Manager Schuster also told the Board that the easement and the petition for inclusion into the District had been signed by the Williams and that the District had received \$3,000 from the Williams for their Plant Investment Fee and the first installment toward paying for installing the water line to their driveway. On the agreement on page three where it talks about the "Blair Road Group", the wording will be changed to read Hidden Valley Water Company, Inc. The Directors signed the agreement. Later in the meeting the Directors discussed the petition for inclusion that the Williams had signed.

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Director Ela moved to accept the petition for inclusion from the Williams. Director Lewis seconded the motion and it passed unanimously.

MINUTES OF SEPTEMBER 15, 1993: Director Wheeler moved to accept the minutes of the September 15, 1993, meeting. The motion was seconded by Director Ela. On page three under DOMINQUEZ RESERVOIR it should read "...and is passed three to one with Director Ela voting nay." On page four under WATER FESTIVAL it should read "...Board that the staff had already volunteered...". On page five under OTHER NEW BUSINESS it should read "not, in his opinion,...". The motion to pass the minutes as corrected passed unanimously.

MINUTES OF OCTOBER 6, 1993: Director Garber moved to accept the minutes of the October 6, 1993, meeting. The motion was seconded by Director Ela. On page two under RMS AWWA/ALBUQUERQUE the word "revert" in the last sentence will be changed to "choose" making the sentence read "...will know what to expect should the District ever choose this type of treatment." The motion to pass the minutes as corrected passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Lewis moved to approve the financial report paying the \$52,862.96 as shown on the report, paying the \$13,505.33 as shown on the supplemental report as well as a \$45,000.00 transfer of funds. The motion was seconded by Director Garber. The motion passed unanimously.

WARRIOR LOGO ON WEST TANK: Manager Schuster informed the Board that the Central High School Booster Club had paid the District \$200 to cover the expense to paint their logo on the West tank. The work is planned to be completed this weekend.

WOLFORD MOUNTAIN RESERVOIR: Manager Schuster read a letter from Attorney White stating that a case management conference had been held on Case No. 91CW252. The letter went on to say that Judge Ossola had ordered all opposers to file a statement setting forth the specific grounds for their opposition. Attorney White requested that Manager Schuster inform her of how the District would be proceeding. Director Lewis moved to have a special meeting on Wednesday, October 27, 1993, with Attorney White present and an invitation sent to the City should they wish to attend. Director Wheeler seconded the motion and it passed unanimously.

PROPOSAL TO JOHN WHITING: Manager Schuster reported to the Board that the proposal made to John Whiting of trading 6% of his shares in the Grand Mesa Reservoir Company to the District to provide the Hidden Valley Subdivision with water was declined. Manager Schuster informed the Board that though John Whiting thought the gesture from the District was good, he did not want his family to loose controlling interest in the Grand Mesa Reservoir Company.

OTHER OLD BUSINESS: Manager Schuster informed the Board that the District had not yet received from the Corps of Engineers the 404 permit which must be obtained before the rock structure from the river can be removed. Manager Schuster spoke to Ken Jacobson with the Corps and he ensured Manager Schuster that he was working as fast as possible to get this to the District because he knew that the District wanted the rock structure moved before November 1, 1993.

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Director Lewis inquired as to the meter pit which is in front of the Mount Garfield Laundromat. Manager Schuster said that he would check on it and take necessary action.

REVERSE OSMOSIS PLANT: Manager Schuster explained how the RO process would work and how the water would go through a RO unit. Manager Schuster told the Board that the approximate cost of a building and ten RO units would be \$6.5 million.

CITY'S POSITION ON PURDY MESA WATER USERS: Manager Schuster informed the Board that the City had met with the Purdy Mesa Livestock Water Company. In this meeting a City staff person was quoted as saying that City Council had stated that Clifton Water District would not be a player in serving water to the Purdy Mesa area.

JACKETS FOR EMPLOYEES/DIRECTORS: Assistant Manager Tooker had written a memo to the Board about the cost of jackets being \$30.00 each. Director Lewis said that the Board should accept the report from Assistant Manager Tooker and leave the purchasing of jackets up to the staff. Director Ela stated that it would be good public relations.

1994 BUDGET: Director Lewis moved to adopt the 1994 Budget as amended. Director Ela seconded the motion. After a brief discussion the question was called and defeated with Director Ela voting aye and three nays. Director Lewis moved to place the 1994 Budget on the November agenda for consideration. Director Garber seconded the motion and it passed unanimously.

OTHER NEW BUSINESS: Director Garber moved that the turkeys which usually are given to the employees for Thanksgiving or Christmas be given to needy families in the District in the name of the employees and directors. Director Garber believed it to be an excellent public relations move. Director Ela seconded the motion. Director Lewis stated that if the Board wanted to do something like that it should be out of their budget and not a perk taken away from employees. The motion was defeated with Garber voting aye and three nays.

Director Lewis asked about replacing the backhoe. Manager Schuster told the Board that we would be getting a new backhoe in shortly. Manager Schuster told the Board that last year the cost was \$100, but this year would be \$1,000 to replace the backhoe.

Director Lewis moved to go into an executive session to discuss personnel matters. Director Wheeler seconded the motion and it passed unanimously.

At 12:30 a.m., October 21, 1993, the Directors emerged from the executive session to continue the regular meeting. Director Lewis moved to place the manager's salary, evaluation and expectations on the agenda for the November 17, 1993, meeting. The motion was seconded by Director Wheeler and passed unanimously.

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The meeting adjourned at 12:32 p.m. 10/21/93.

ATTEST:

Secretary

John L. Ballagh

Martin Garber

Mr. McEla

Leung

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

Held October 27, 1993

Present were Chairman Ballagh, Vice-Chairman Ela, Secretary Wheeler and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker and Stenographer Day-Biondich. Guests present were Attorney Linda White and Gregory O. Trainor from the City of Grand Junction. Treasurer Garber's absence was excused.

Chairman Ballagh called the special meeting to order at 7:35 p.m. and noted that the time and place designated for this meeting had been posted in accordance with C.R.S. 24-6-402(2)(c)

91CW252: Attorney White informed the Board that the applicants had to present their reasons for requesting the Court's approval of 91CW252 by October 16, 1993. The opponents have until November 19, 1993, to submit their reasons for opposing the Wolford Mountain Reservoir Project. Attorney White stated that there were approximately twenty six opposers and that the District and the City may be the only ones that have water quality concerns. A December 3, 1993, date has been set for the case management meeting to be held in Glenwood Springs, Colorado, which is intended to set forth the framing of how the court case will be handled.

Director Ballagh stated that the Board had three choices. Ballagh said the Board could continue its opposition, return to the stipulation which appeared to meet most of the criteria of the Board, or settle with the altered stipulation with a single or joint resolution. Director Ballagh also stated that in the draft resolution dated 10-27-93, the wording Grand Valley Water Users in paragraph #8 should be changed to read water users in the Grand Valley. Director Ballagh also added that in paragraph #4, there is federal concern with salinity in the Valley as the Bureau of Reclamation is doing extensive work in the area.

Director Lewis stated that he had no problems with development on the main stream as long as the salinity was not increased, and he thought that if the salinity did increase, there should be a review.

Attorney White informed the Board that she felt that the District would have a strong case if we would agree to the decree if the terms were met that included retaining jurisdiction and identifying and mitigating the water quality issue. Attorney White pointed out that we would never be any worse off than what Palisade and Orchard Mesa Irrigation Districts would be because of the stipulation which they had already entered into.

Director Ballagh asked Manager Schuster how he felt concerning the opposition and resolution. Manager Schuster stated that he had no problem with identifying our opposition in the simplest statement possible. Manager Schuster also added that he thought it would be a good idea to show unity with the City of Grand Junction with a joint resolution versus a single resolution, because he believed a joint resolution would carry more weight.

A brief discussion ensued concerning whether or not the resolution should read water quality at Moab, Utah, Dewey Bridge, or the state line. Attorney White suggested that any language using a state line standard should be avoided because it is felt that this would block all water development within the state of Colorado.

Director Lewis asked what statement the District needed to make by the November 19, 1993, deadline. Attorney White responded that the District should provide the judge with reasons why the District is still opposing the project and provide a simple request (i.e. jurisdiction and water quality) that the judge could encourage Denver to agree to.

Director Lewis moved to authorize Attorney White to file an opposition statement by November 19, 1993, setting forth the reasons for opposition and also to continue with the case through the December 3, 1993, case management meeting. His motion went on to say that we should continue negotiation with applicants in the case and prepare a stipulation that would retain jurisdiction up to twenty years so that measurements in the increase in salinity or adverse changes in water quality could be made and to also engage in discussions and reach a decision resulting in a stipulation which should be presented to the Board. Director Wheeler seconded the motion.

Director Ela asked Mr. Trainor what changed the City of Grand Junction's position in the case. Mr. Trainor stated that the City council feels that the legal reasons are strong to either kill the project completely, or negotiate to mix and match compromises. The Council questioned whether or not an increase of 20 mg/l of TDS at Cameo is worth throwing it all away. The City would reluctantly agree to the stipulation if it turned out that the increased TDS is not as high as first modeled. The City also wanted to stress that any future water development that would adversely effect water quality in the Grand Valley would be subject to stronger opposition from the City. Mr. Trainor stated that the City's attorney estimated that it would cost approximately \$75,000 to \$100,000 in legal fees to entirely eliminate the project.

Director Ela asked Attorney White for a ball-park figure for the cost to continue through the December 3, 1993, case management meeting. Attorney White estimated it would cost approximately \$3,500 to continue.

After a 40-minute discussion the question was called and it passed unanimously.

Director Ela moved for Manager Schuster, Attorney White and Mr. Trainor to cooperate on a joint resolution between the City of Grand Junction and the District to define the reasons for opposing document 91CW252 so that it will become a matter of public record. Director Lewis seconded the motion and it passed unanimously.

Director Ela asked Manager Schuster to respond to Brooks' and Hoskin's editorial that appeared in The Daily Sentinel on Sunday, October 17, 1993.

At 9:00 p.m., Director Lewis moved to adjourn the meeting. Director Wheeler seconded the motion and it passed unanimously.

ATTEST:

Secretary

John L. Ballagh
Wm. M. Ela

Director Lewis

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

Held November 17, 1993

Present were Chairman Ballagh, Vice-Chairman Ela, Secretary Wheeler, Treasurer Garber and Director Lewis. Staff present were Manager Schuster, Assistant Manager Tooker, Plant Superintendent Blount and Stenographer Day-Biondich. Ruth Hutchins, a concerned Grand Valley Irrigation Company water user, was also present.

Mrs. Hutchins informed the Board that the annual Grand Valley Irrigation Company meeting is to be held on December 4, 1993. The subject of eliminating the "C" shares is on this year's GVICO annual meeting agenda. Mrs. Hutchins gave a brief background of the Grand Valley Irrigation Company and the Kiefer Extension Ditch and how the "C" shares originated. She asked that the Water District attend the meeting to vote to keep the "C" shares. Mrs. Hutchins left the meeting after making her pitch.

MINUTES OF OCTOBER 20, 1993: Director Garber moved to accept the minutes of the October 20, 1993, meeting. The motion was seconded by Director Wheeler. On page one under **OTHER OLD BUSINESS** it should read "...District wanted the work on the rock structure completed by November 1, 1993." On page two under **PROPOSAL TO JOHN WHITING** it should read "...family to lose controlling..." instead of loose. On page three the second heading down should read **"PURDY MESA WATER USERS:"** and also in that paragraph it should read "as a matter of information, a City staff person was quoted in this meeting as saying . .". The motion to accept the minutes as corrected passed unanimously.

MINUTES OF OCTOBER 27, 1993: Director Lewis moved to accept the minutes of the October 27, 1993, meeting. The motion was seconded by Director Ela. On page one in the fifth paragraph down it should read "Director Lewis stated that he had no problems with development NOT on the main STEM (not the main stream) as long as the ...". Two paragraphs below that previously mentioned it should read "...City of Grand Junction with a joint resolution versus two separate resolutions, because he believed...". The motion to accept the minutes as corrected passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Lewis moved to approve the financial report paying the \$112,375.99 as shown on the report, paying the \$1,022.32 as shown on the supplemental report as well as a \$195,974.92 transfer of funds. The motion was seconded by Director Wheeler. The motion passed unanimously.

VALLE VISTA SUBDIVISION: Manager Schuster presented to the Board the "Note Purchase Agreement" and the "Partial Release Statement" sent to him by Valle Vista Homeowners Association Attorney Mark Hermundstad. The papers were written as agreed in the last meeting between the Board, Attorney Beckner and Attorney Hermundstad. Director Garber moved to sign the "Note Purchase Agreement" and "Partial Release Statement". Staff was to check to see that the Norwest Bank had a "Prime Rate". Director Lewis seconded the motion and it passed unanimously.

WOLFORD MOUNTAIN RESERVOIR: Director Ela moved to ratify the signatures on the joint resolution and instructed Manager Schuster to ask the other water users in the Grand Valley in the name of the Directors to unite together in the future to oppose similar developments. Director Lewis seconded the motion and it passed unanimously.

Director Lewis noted a "typo" in paragraph 7 of the stipulation. Director Lewis moved to authorize Attorney White to attach the corrected stipulation to the joint resolution and submit to the Water Court in Glenwood Springs. Director Ela seconded the motion and it passed unanimously.

LOGO ON WEST TANK: Manager Schuster reported to the Board that the Central High School Logo had been painted on the West Tank by David Payne, an employee at the treatment plant.

BUDGET RESOLUTION: Director Wheeler moved to adopt the following resolution.

WHEREAS, the DIRECTORS have adopted the annual budget for 1994 in accordance with the Local Government Budget Law, on the 17th day of November, 1993, and;

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

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

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

ESTIMATED EXPENDITURES:

General Expenses	\$ 319,525
Wages & Benefits	
Exempt Personnel Wages	63,654
Non-Exempt Personnel Wages	315,400
Hourly Personnel Wages	39,200
Overhead & Benefits	141,760
Directors Fees & Overhead	4,871
Professional Fees	9,500
Operating Expenses	90,900
Office Expenses	68,900
Plant #2 Expenses, less Wage & Benefits	298,850
Water Quality Betterment	70,000
Reserves	1,721,280
Emergency Fund	15,065
Contingency Fund	68,790

TOTAL ESTIMATED EXPENDITURES \$ 3,227,695

ESTIMATED REVENUES:

Sale of Water	\$ 1,140,915
Sanitation District	9,000
City of Grand Junction	75,000
Penalty & Turn Fees	38,000
Plant Investment Fees	150,000
Interest	90,000
Property Taxes	0
Miscellaneous	3,500
TOTAL ESTIMATED REVENUE	\$ 1,506,415
From Reserves	1,721,280
TOTAL FUNDS AVAILABLE	\$ 3,227,695

IT IS FURTHER RESOLVED, that there is appropriated from the funds of the DISTRICT, Three Million, Two Hundred Twenty Seven Thousand, Six Hundred Ninety Five Dollars (\$3,227,695) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 1994 or thereafter.

Director Garber seconded the motion and it passed unanimously.

With \$70,000 of the 1994 budget set aside for a reverse osmosis (RO) pilot plant, Manager Schuster was asked to prepare a memorandum-type report of the District's needs and the District's benefits of a RO plant.

PURDY MESA WATER USERS: Director Lewis stated that if the Purdy Mesa residents come to the Clifton Water District asking for water service that the Directors should consider serving them at that time. Director Garber stated that he was very unhappy with the comments from the City about the control that they have over the District as far as who the District can serve water to. Director Ela suggested that Director Garber convey that feeling to Purdy Mesa water users. Director Lewis suggested passing a resolution that states that in view of the number of parcels the District has recently included within their service area that in the future, requests for inclusion into the District will be considered by the Board of Directors. Director Garber will inform Mr. Bradbury with Purdy Mesa that Clifton is an independent entity and will operate as such and not as a pawn of the City.

WILLIAMS' INCLUSION: Directors Ballagh and Wheeler signed the certificate for inclusion on the Williams' property to be sent to Attorney Bechtel for submission to the District Judge.

OTHER OLD BUSINESS: Director Ela asked whatever happened to the proposal that Manager Schuster had made to Mesa County to trade some property by the West Tank for the property the District owns in Valle Vista. Manager Schuster stated that he had talked with both Mike Serra and Commissioner Genova about this matter, but they never responded to this proposal.

SDA "MEET YOUR LEGISLATORS DINNER": Manager Schuster stated that he needed to get reservations made for those Directors planning to attend the SDA of Mesa County "Meet your Legislators Dinner" which costs \$10 per person and is being held on December 9, 1993, starting at 6:30 p.m. at the Redlands Community Center. Directors Lewis, Wheeler and Garber will attend.

GRAND VALLEY IRRIGATION COMPANY: Director Garber stated that if the GVICo did away with the "C" shares that it could cost the District approximately \$800 extra for the assessment of its "B" shares. If the Clifton Board voted against eliminating the "C" shares the District could create an adversarial position with the GVICo Board. Director Garber moved to support Mrs. Hutchins' stand by voting against eliminating the "C" shares. Director Ela seconded the motion stating that anyone's position like Mrs. Hutchins' bears depth of consideration on the part of the attendee. The motion was defeated. Director Garber moved to give Director Lewis the authority to vote his conscience when he attends the GVICo annual meeting on December 4, 1993. Director Wheeler seconded the motion and it passed unanimously. No action was taken by the Board as for the GVICo's annual auction, which is also in December.

TINO VILLARREAL: Manager Schuster reported to the Board that Tino Villarreal, an employee of Ben Dowd Excavating who works closely with the District, had been injured in a hunting accident and lost his right eye. A fund for him has been set up at Colorado State Employees Credit Union.

AMERICAN WATER WORKS ASSOCIATION CUSTOMER SURVEY: Assistant Manager Tooker presented to the Board a short video on the customer survey which the AWWA had taken in March of 1993. Their findings were similar to the questionnaire which the District had completed in March of 1993. The AWWA findings will be kept on file at the District office.

CLIFTON COMMUNITY PARK: Manager Schuster read a letter which he had received from Ron Rowley, who is the President of the Clifton Elementary School PTO. Mr. Rowley encouraged the Board to attend a meeting scheduled for 7:00 p.m. on Thursday, November 18, 1993, at the Clifton Elementary to show their support for a Community Park somewhere in the Clifton area. Director Ela stated that he thought the Board should keep abreast of the development in this area and not oppose any work in that direction.

OTHER NEW BUSINESS: Director Garber asked that the main streets be identified on the wall maps to assist people with locating certain points. Director Garber also commended the staff on the Whitewater map.

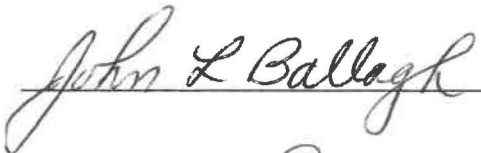
Assistant Manager Tooker received a memo from the Perry Park Water and Sanitation District requesting input regarding setting up a regulatory agenda for the next Special District Association Conference. Director Lewis inquired about the County Clerk's Election Workshop and about what the District could do to get a rebate on its Workers' Compensation payments. Schuster said he would look into both items.

MANAGER'S PERFORMANCE: Director Lewis moved to go into executive session for discussion with Manager Schuster about his job performance. Director Ela seconded the motion and it passed unanimously. Tooker, Blount and Day-Biondich left the meeting, Schuster stayed. The Board went into executive session at 10:25 p.m. The Board emerged from the executive session at 11:35 p.m. Director Ela moved to increase Schuster's salary by 3% effective September 1, 1993. The motion was seconded by Director Lewis and it passed unanimously.

The meeting adjourned at 11:48 p.m.

ATTEST:


Secretary









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

Held December 15, 1993

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

MINUTES OF NOVEMBER 17, 1993: Director Wheeler moved to accept the minutes of the November 17, 1993, meeting. The motion was seconded by Director Garber. The motion to accept the minutes passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE: Director Garber moved to approve the financial report paying the \$68,736.33 as shown on the report, paying the \$6,960.90 as shown on the supplemental report as well as a \$46,000.00 transfer of funds. The motion was seconded by Director Wheeler. After a twenty minute discussion, the motion passed unanimously.

MANAGER'S REPORT: Manager Schuster pointed out to the Board the new format for the Manager's report and asked them if that satisfied the "project completion date" requirement of his annual review. Director Ballagh stated that the District might want to consider increasing Plant Investment and Water Usage Fees a small amount to cover increases in cost rather than to put off increases to the point where it has to be raised a large amount. Director Ela stated that he felt the report covered the necessary information as well as keeping the Board up-to-date on projects.

MANAGER'S MEMO ON WATER RATES: Manager Schuster asked if the memo he put out on Water Rates fulfilled the request from Director Wheeler for a report on said topic. Director Wheeler stated that an increase in rates may be in order since construction and water treatment were costing the District more. Director Garber said that perhaps the Board should look at an increase in rates since they had not been raised since October 1, 1989. Schuster's memo stated that all current District expenditures were being met by the revenue from existing water rates.

MANAGER'S REVERSE OSMOSIS MEMO: Director Wheeler questioned feasibility of using RO units in houses rather than a large RO plant. Assistant Manager Tooker stated that the EPA does not acknowledge "point of use" devices, and therefore the home units would not fulfill the regulations. Manager Schuster stated that with RO removing inorganics as well as organics, RO treatment, in his opinion, was the thing of the future and thought Clifton should be one of the first to use it to meet the Enhanced Surface Water Treatment Rule requirements. The Directors discussed the exploration of less expensive treatment methods to accomplish the same purpose. Schuster said he had explored all avenues of treatment and recommended using RO to treat Colorado River water and to construct a pilot RO unit in 1994 to establish design criteria for the large RO plant to be designed and built in 1995. Director Ballagh asked that the Board be kept up-to-date on the reverse osmosis treatment method.

BOARD LETTER TO GRAND VALLEY WATER INTERESTS: The Board wanted to know if Manager Schuster had received any responses to the Board's letter asking for cooperation and support in opposing the Denver Water Exchanges. Manager Schuster stated that the only responses he had received were from Mark Achen,

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City Manager; Greg Trainor, City Utilities Director; and Linda White, the District's water attorney. The responses were positive.

WOLFORD MOUNTAIN RESERVOIR PROJECT: Manager Schuster informed the Board that at the Management conference held December 3, 1993, on 91CW252 (the Wolford Mountain Reservoir case) Judge Ossola gave the concerned parties until March 14, 1994, to respond to Denver's suggested agreement on 91CW252 before he would rule on it. The judge questioned whether he had jurisdiction over this case or not since the parties believed it should go to the U.S. Supreme Court. Attorney White stated in her letter of December 7, 1993, that Denver Water would be presenting a new decree and another agreement before January 7, 1994, that would address the objectors concerns. Manager Schuster also told the Board that Denver Water had petitioned the water court to hold in abeyance five other unconstructed reservoir projects until Case No. 91CW252 is settled.

SDA DINNER: The SDA "Meet Your Legislators Dinner" was discussed. The dinner was more social than political since this is a non-political year.

GVICo ANNUAL MEETING: Director Lewis informed the Board that he had attended the annual Grand Valley Irrigation Company meeting held on December 4, 1993. Director Lewis pointed out that the meeting was disorganized and that the GVICo Board never presented its position on eliminating the "C" shares even though that was the major item on the agenda. The GVICo Board apparently had no plan how they would raise the additional \$25,000 generated by "C" share assessments. Director Lewis said that he had voted all of the Clifton Water District shares in the "Nay" area since the GVICo Board left so many of the questions about the "C" share elimination unanswered.

OTHER OLD BUSINESS: Director Garber wanted to thank the responsible party for identifying the Mesa County street grid on the large map on the north wall of the Board room.

SALE OF GUNDERSON ISLAND: Manager Schuster told the Board that he had an inquiry as to whether or not the District would sell the South part of Gunderson Island to the Bureau of Reclamation. This would enable the School District to have less red tape to go through for their "Outdoor Classroom". After twenty minutes of discussion Director Garber moved to reject the request to sell part of Gunderson Island to the Bureau of Reclamation. Director Lewis seconded the motion and it passed unanimously.

AUTHORIZE BIDS FOR 1994 PICKUP: Director Lewis moved to authorize Manager Schuster to seek bids for a 1994 pickup for the District. Director Wheeler seconded the motion. Manager Schuster will use the same specifications as was used last year. The motion passed unanimously. Director Ballagh suggested that when a two way radio is purchased for the vehicle, one that has public address (P.A) capabilities may want to be considered.

POLICY BOOK: The Board asked that a policy for administrative costs and copying costs for extraordinary information to individuals from the District records be drafted. Manager Schuster will prepare such a policy for Attorney Bechtel's review and for presentation at the January, 1994 meeting. The Board wanted to make sure that a policy was available. A book containing all District policies will be made available to the Board of Directors at the

regular scheduled board meetings and at all other times. Separate books with District policy for each Board member is not required.

CONSTRUCTION POLICY: Manager Schuster submitted a new "Construction Policy" to the Board for approval. The policy changes the construction policy adopted August 17, 1988. The Directors suggested changing some of the language for presentation at the January, 1994 Board meeting. Director Ela moved to table the discussion of the revised Construction Policy to the next regular meeting. Director Lewis seconded the motion and it passed unanimously.

SDA ELECTION WORKSHOP: Manager Schuster informed the Board that the SDA Election Workshop would be held on January 25, 1994. The place and time have not yet been decided.

PURCHASES: Director Ela moved to approve the expenditure against the office appropriated budget to purchase a Dictaphone and a new telephone system for the office. Director Lewis seconded the motion. Director Ballagh stated that he supported the idea but saw no reason that the Board should slide into micromanagement by approving each purchase. Rather, Director Ballagh said, the Board would just like the information. The motion passed unanimously.

OTHER NEW BUSINESS: Director Wheeler inquired about District charges vs. District cost to do the billing for the Clifton Sanitation District. Manager Schuster thought the charges vs. the cost were in line but would conduct a study and prepare a memo to the Board with his findings. Director Lewis questioned if Ute Water had a water line across "P" Mountain south of Talbott's place. Manager Schuster told him that they did, but he did not know what size or the exact location.

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

The meeting adjourned at 9:58 p.m.

ATTEST:


Secretary





