

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, DECEMBER 7, 2017**

BOARD MEMBERS PRESENT: Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Doralyn Genova; Treasurer, Secretary; Dan McElley, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Angie Beebe; Brian Sheley; Melissa Lemke, Lacey Bouton, Amanda Fleming and Isaac Brown

GUEST PRESENT: Mr. Jamie Hamilton, Home Loan and Investment

PUBLIC HEARING

Chairman Peck called to order the Public Hearing at 5:00 p.m. regarding the District's Proposed FY2017 Budget, in accordance with C.R.S. 29-1-106 *Et. Seq.* The Notice of Public Hearing (12/7/17 File, 2018 Budget File, Daily Sentinel Legal Notices) was confirmed as published in the Grand Junction Daily Sentinel in accordance with C.R.S. 29-1-106(3)(a). Manager Tooker reported that no comments have been received regarding the Proposed Budget from members of the public. No members of the public were present. Chairman Peck closed the Public Hearing at 5:01 p.m.

REGULAR MEETING

Chairman Peck called the December 7, 2017 Regular Meeting to order at 5:01 p.m.

GUEST PRESENTATION

Manager Tooker introduced Jamie Hamilton of Home Loan and Investment. Mr. Hamilton summarized the District's 2018 Property Casualty and Liability Insurance (12/7/17 File, Insurance – 2018 Property, Casualty). Mr. Hamilton explained that the District's insurance rates have increased 5.19%, up \$4,400 primarily as a result of nationwide flood and fire events. Mr. Hamilton also reviewed the District's Worker's Compensation policy (12/7/17 File, Insurance – Workers Comp), stating the District has a very low Experience Modification of .70, indicating the District's commitment to safety and proactive approach to providing a safe work place.

MINUTES OF THE NOVEMBER 2, 2017 REGULAR MEETING

Director Genova noted she was abstaining from discussion and action on the November 2, 2017 Meeting Minutes due to her absence from that meeting. Director Diffendaffer moved to approve

the November 2, 2017 Regular Meeting Minutes. Director McElley seconded and the motion passed unanimously with Director Genova abstaining.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$188,618.78 plus Supplemental Checks of \$8,951.15 plus Benefits Checks of \$23,750.85 plus HRA Disbursements of \$4,214.91, plus Board Payroll Checks of \$6,116.53 for a total of \$231,652.22. Director Diffendaffer seconded and the motion passed unanimously.

MANAGER'S REPORT

Manager Tooker reviewed the October 2017 Manager's Report. He noted that the raw water river flow water quality has been noticeably better when compared to the measured water quality values of 2016.

INFORMATIONAL REPORT

None presented.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda item as presented. Director Diffendaffer seconded the motion which passed unanimously. The Express Agenda (*File 12/7/17*) items are as follows:

Colorado River Basin Round Table Meeting – The November meeting of the Colorado River Basin Roundtable was hosted by the District. The meeting was held in the training room of the Water Treatment Plant. There were 35 attendees along with three District staff members attending. Once the meeting was over, Treatment Plant Staff led tours of the new MF/UF facility for the attendees. This was a unique opportunity to showcase our state-of-the-art filtration facility and help educate key representatives dealing with basin-wide water issues.

2017 Children's Water Festival Recap – In this month's payables, the District's cost share of the 2017 Children's Water Festival is included. This year's total expenses were \$22,810.66 with \$16,600 cash donations received leaving \$2,070.22 as the District's share of the remaining balance. This year's festival was the 24th consecutive one held, and had over 2,500 5th graders in attendance representing 115 different elementary school classrooms (including schools from Cedaredge and Delta to Rifle, Silt, and Glenwood Springs), with over 50 different presentation classes, and over 375 volunteers (presenters and staff). This Children's Water Festival continues to be the premier water festival in the State of Colorado.

2017 DRIP Recap – The 2017 DRIP activities included several DRIP Tips classes held this summer covering various water conservation topics presented by DRIP members and the CSU Extension Service, an informational booth at a Palisade Sunday Market, a water and information giveaway at the Mesa County Fair, and a water giveaway at the Grand Junction Airshow. A new marketing plan was considered and will be launched in 2018. The District's share of the 2017 total expenditures of \$10,841.14 was \$3,535.69 and was included in this month's payables.

UNFINISHED BUSINESS

Water Rates 2018 – Manager Tooker presented and explained the 2017 Cost of Service Analysis (12/7/17 File and Cost of Service Analysis). The Analysis is used by the Board to evaluate revenue and expense projections for upcoming fiscal year. The information and data in the Executive Summary was reviewed and the recommendation was made that no water rate increase was necessary for 2018. Manager Tooker also identified that 2018 would be the second consecutive year that Water Rates remained the same. He further recommended that the Board continue monitoring the decline in excess revenue held in reserve for Depreciation and future System Replacements. Director Diffendaffer moved to retain the current Water Rate Structure with no rate increase for 2018. Director McElley seconded and the motion passed unanimously.

Adoption of FY 2018 District Budget – Manager Tooker presented the Final 2018 Budget for discussion. Director McElley moved to approve the 2018 Budget and adopt the Appropriation Resolution (*Resolutions, 2018 Budget, 12/7/17 File*) of the Clifton Water District Board of Directors Acting By and Through Its Water Activity Enterprise for the 2018 Budget Year; and further resolve that there is appropriated funds of the District Acting By and Through its Water Activity Enterprise, Seventeen Million Six Hundred Eighteen Thousand and Forty Four Dollars (\$17,618,044) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2018 or thereafter. Director Genova seconded and the motion passed unanimously.

The Resolution Text is inserted as follows:

APPROPRIATION RESOLUTION OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE FOR THE 2018 BUDGET YEAR

A resolution appropriating sums of money to the various accounts, in the amounts and for the purposes as set forth below, for the Clifton Water District Acting By and Through its Water Activity Enterprise, Mesa County, Colorado, for the 2018 Budget Year.

WHEREAS, the Directors have adopted the annual Budget for 2018 in accordance with the Local Government Budget Law, on the 7th day of December, 2017, and;

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

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

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

ESTIMATED BEGINNING BALANCE \$10,490,224

ESTIMATED EXPENDITURES

Operating Expenses
Source of Supply \$31,559
Water Treatment \$819,211
Transmission & Distribution \$489,669
General & Administrative \$407,804
Labor Expenses \$2,294,443
Total Operating Expenses \$4,042,686

Non-Operating Expenses
Capital Expenses \$3,452,650
Bond Principal & Interest \$1,050,268
Emergency Fund \$374,768
Reserve Fund \$436,000
Contingency \$8,261,672
Total Non-Operating Expenses \$13,575,358

TOTAL ESTIMATED EXPENDITURES \$17,618,044

ESTIMATED REVENUES

Operating Revenue
Sale of Water \$5,680,286
System Fees \$419,280
Sanitation District \$37,860
Penalty and Fees \$109,050
Turn Fees \$90,600
Total Operating Revenue \$6,337,076

Non-Operating Revenue
Plant Investment Fees \$585,000
Main Line Extension Fees \$20,000
Disposal of Assets \$6,000
Availability of Service \$49,700
Interest \$105,000
Bond/Grant Proceeds \$0
Property Taxes \$0
Lease Income \$12,444
Construction Reimbursements \$0
Tap Installation \$1,600
Miscellaneous \$11,000
Total Non-Operating Revenue \$790,744

TOTAL ESTIMATED REVENUE \$7,127,820
Estimated From Reserves \$10,490,224

TOTAL FUNDS AVAILABLE \$17,618,044
ESTIMATED ENDING BALANCE (\$0)

IT IS FURTHER RESOLVED, that there is appropriated from the funds of the District Acting By and Through its Water Activity Enterprise, Seventeen Million Six Hundred Eighteen Thousand and Forty Four Dollars (\$17,618,044) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2018 or thereafter.

I hereby certify the forgoing is a true copy of a Resolution adopted by the Board of Directors of the Clifton Water District Acting By and Through its Water Activity Enterprise at the Regular Board of Directors Meeting held on December 7, 2017. Said Budget was displayed for inspection and notice of said display for inspection was duly published in accordance with C.R.S. § 29-1-106.

Director McElley then moved to direct Staff to process the 2018 Budget documents to the appropriate reporting entities. Director Genova seconded and the motion passed unanimously.

Personnel Manual Section 2 – General – Manager Tooker reported that Attorney Santo has provided a draft revision to Personnel Manual Section 2 – General. This draft revision will be reviewed by the Personnel Committee in early 2018. After review, the Committee will present to the Board for consideration and approval. No action required at this time.

Operating Policy #420 – Section 10 Leak Adjustment – Manager Tooker reported that the Policy Committee will convene in early 2018 to review possible Policy changes and then present to the Board for change considerations and approvals. No action required at this time.

NEW BUSINESS

2018 Property and Casualty and Liability Insurance Renewal – Manager Tooker reviewed the 2018 Property Casualty and Liability Insurance Renewal Staff Report (12/7/17 File, 2017 Staff Reports) with the Board and identified that the quoted 2018 premium increased by 5.19% and the 2018 Budget is adequate to fund the \$89,352.00 expense. Director Diffendaffer moved to approve the 2018 Property Casualty and Liability Insurance Renewal with Colorado Special Districts Property and Liability Pool and authorize payment on January 2, 2018 in the amount of \$89,352.00. Director Genova seconded and the motion passed unanimously.

2018 Workers Compensation Insurance Renewal – Assistant Manager Reinertsen reviewed the 2018 Workers' Compensation Renewal Staff Report (12/7/17 File, 2017 Staff Reports) with the Board. Director Diffendaffer moved to approve the 2018 Workers Compensation Insurance with Colorado Special Districts Property and Liability Pool with the \$1,000 Deductible and authorize payment on January 2, 2018 in the amount of \$11,604.00. Director Genova seconded and the motion which passed unanimously.

24-Hr Flex – Third Party Administration of HRA Evaluation and 2018 Agreement – Manager Tooker reviewed the renewal of the **24-Hr Flex** as the District's Third Party Administrator of the 2018 Health Reimbursement Arrangement and Section 125 program. No Agreement changes are proposed and the service **24-Hr Flex** has provided the District has been excellent. Staff recommended continuation with **24-Hr Flex** as the District's Third Party Administrator for the 2018 Health Reimbursement Arrangement and Section 125 program. Director Genova moved to approve **24-Hr Flex** as the District's Third Party Administrator and authorize the Manager to sign the Third Party Agreement for 2018. Director Diffendaffer seconded the motion which passed unanimously.

Budget Transfer from Contingency to Water Treatment Plant Chemicals (WTP) Chemicals – Manager Tooker reviewed the Staff Report (12/7/17 File, 2017 Staff Reports) requesting a Budget Transfer of \$15,000 from Contingency to WTP Chemicals. The 2017 Budget amount under-projected the amount of Nanofiltration cleaning chemicals needed for 2017. Director Diffendaffer moved to authorize the \$15,000 Budget Transfer from Contingency to WTP Chemicals. Director Genova seconded the motion which passed unanimously.

EXECUTIVE SESSION

At 6:31 p.m., Director Peck moved to go into Executive Session, as per C.R.S. 24-6-402 (4)(f) for the purposes of discussing personnel matters. Director Genova Seconded and the motion passed unanimously.

Staff members, Reinertsen, Sheley, Beebe, Lemke, Bouton, Brown and Fleming exited the meeting. Directors Peck, Sparks, Diffendaffer, Genova, and McElley and Manager Tooker remained for the Executive Session.

The Board exited the Executive Session at 7:03 p.m.

After exiting the Executive Session, it was Board consensus to approve a 3% salary increase for the Manager, retroactive to December 1, 2017.

ADJOURNMENT

The Regular Meeting was adjourned at 7:06 p.m. by the Chairman.

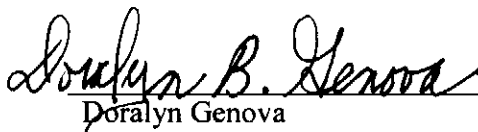
ATTEST:



Dale Peck



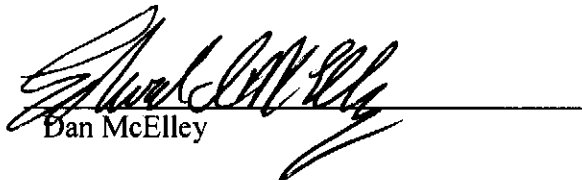
Stan Sparks



Doralyn Genova



Melvin Diffendaffer



Dan McElley