

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, DECEMBER 3, 2009**

BOARD MEMBERS PRESENT: John Ballagh, Chairman; Doralyn Genova, Vice-Chairman
Brian Woods, Treasurer; Alan Hassler, Director

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Kelly McLaughlin;
David Foster

REGULAR MEETING

Chairman Ballagh called the regular Board meeting to order at 5:00 p.m. Director Burger was excused.

GUESTS

Jamie Hamilton of Home Loan and Investment was present to summarize the 2010 General Liability, Property and Casualty insurance proposals obtained from the Colorado Special Districts Property and Liability Pool (*2010 Insurance File, 12/3/09 File*) and the Rural Special Districts. The cost submitted by the Colorado Special Districts Property and Liability Pool is \$44,203.47. Rural Special Districts submitted a cost in the amount of \$53,715. Differences in coverage between the two carriers were summarized by Hamilton. Board action is scheduled during New Business. Jamie Hamilton exited the meeting at 5:20 p.m.

MINUTES OF THE NOVEMBER 5, 2009 REGULAR MEETING

Director Genova moved to approve the November 5, 2009 Regular Meeting Minutes with corrections to the 2010 Budget section. Director Hassler seconded and the motion passed.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and approve Accounts Payable in the amount of \$86,976.65 Regular Check Run plus \$25,020.00 Special Check Run plus \$2,304.70 HRA Disbursement plus \$24,384.34 Benefits Check Run plus \$100,870.66 Supplemental Check Run for a total of \$239,556.35. Director Woods seconded the motion. A discrepancy on the Transaction Types Report was noted for staff investigation and correction. The motion passed.

MANAGER'S REPORT

The Manager's Report was reviewed with the Board. Manager Tooker reported that the continued gap between water sales and water production has led to the identification and repair of several leaks and meter malfunctions.

STAFF REPORTS

Personnel Policy Section 21 Vehicle Use – Manager Tooker reported the Personnel Committee met and identified the use of electronic devices, alcohol and drug usage/testing, annual validation of drivers licenses, personal vehicle use, and on-call vehicle use as areas for possible revision in Section 21 of the Personnel Policy. Legal counsel will also be consulted. Proposed amendments will be presented to the Board at a future meeting.

Developer Water Share/Rights Acquisition – Staff will develop a policy for Board consideration that addresses potential opportunities to purchase and develop additional water rights.

Construction Committee – Project 2008-02 MF/UF – Manager Tooker, Assistant Manager Reinertsen, Treatment Plant Supervisor Dennis Carlson, and Board members Ballagh and Hassler met in Denver last week with Burns and McDonnell Engineering to discuss recommendations developed from the MF/UF Pilot Testing Program. The trip also included the tour of a treatment plant that is currently using the recommended equipment. Chairman Ballagh and Director Hassler noted there would be operational efficiencies associated with a new system but stated concern with the high costs involved in installing a new MF/UF membrane treatment system given the current economy. Manager Tooker stated the intent of the MF/UF Pilot Testing Program was to evaluate options to address capacity and efficiency issues with the existing sand filtration system and the next step is to compile final information from Burns and McDonnell for the Board's long-range planning.

Project 2008-01 North Raw Water Settling Pond – Manager Tooker and Assistant Manager Reinertsen met in Denver last week with URS Engineering to review the preliminary design of the North Raw Water Settling Pond. Due to issues with groundwater and pumping on the proposed site URS was asked to conduct a brief evaluation of an option to locate a pond on the District's island property.

EXPRESS AGENDA

The Board reviewed the Express Agenda and accepted the items as presented:

1. Memorandum of Agreement with Colorado River Water Conservation District - The Agreement between the District and the Colorado River District for funding toward the 10825 NEPA Process has been fully executed.
2. Project 2009-03 One Million Gallon Tank – The project is complete with final payment advertising in the Daily Sentinel being certified as published on November 18 and 20, 2009. Final payment will be made at the meeting unless a formal unpaid claim is received prior to payment authorization at this meeting. No disputes were received and payment is authorized for release.
3. Project 2009-04 Colorado River Intake – Advertising for the Design/Build Request For Proposal has been completed and the District has received strong interest in the project. A mandatory pre-proposal/site visit meeting is scheduled for December 9, 2009 at 10:00 a.m. Proposals are due in the District's main office by 4:00 p.m., December 22, 2009.

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4. Grand Valley Irrigation Company (GVICo) Share Purchase – The District purchased two shares of GVICo for \$700.
 5. Bill Print and Mail Services – Staff revised the Request For Proposal for Bill Print and Mail services and submitted it to the interested vendors. Proposals will be received by December 11, 2009 and a full report will be presented to the Board.
 6. Clifton Water District Christmas Party – The Christmas party is scheduled for 6:30 p.m. on December 11 at the Distribution Shop. This year’s theme is “South of the Border” with Mexican food and entertainment provided along with the traditional white elephant gift exchange. If you have not already responded, please let Kelly know if you and guest(s) will be attending.

UNFINISHED BUSINESS

2010 Budget - A Public Hearing regarding the proposed 2010 Budget was conducted on November 5, 2009. No public comments have been received. Following the November 5 meeting Staff amended the proposed Budget regarding the Health Reimbursement Arrangement, vehicle, distribution and treatment plant equipment expenditures and the Budget Committee met for final review and recommendations on the Budget.

The Board reviewed the Budget Explanation, Budget Worksheet, Budget Summary, Budget Message, Appropriation Resolution, Public Notice of Budget, and Memorandum of Funds Received from Taxable Property (*2010 Budget, 12/3/09 File*).

Director Genova moved to adopt the *Appropriation Resolution of the Clifton Water District Board of Directors Acting By and Through Its Water Activity Enterprise For the 2010 Budget Year* in the amount of Ten Million, One Hundred Thirty Three Thousand and Seventeen Dollars (\$10,133,017) for the general expenses of the District, and that this appropriation be a continuing appropriation whether said funds be expended during 2010 or thereafter. Director Woods seconded and the motion passed.

Resolution text as follows:

**APPROPRIATION RESOLUTION OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE FOR THE
2010 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 2010 Budget Year.

WHEREAS, the Directors have adopted the annual Budget for 2010 in accordance with the Local Government Budget Law, on the 3rd day of December, 2009, 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:

2010 Budget

ESTIMATED BEGINING BALANCE \$5,983,777

ESTIMATED EXPENDITURES

Operating Expenses

Source of Supply	\$18,365
Water Treatment	\$863,840
Transmission & Distribution	\$394,690
General & Administrative	\$305,260
Labor Expenses	\$1,559,015
<i>Total Operating Expenses</i>	<i>\$3,141,170</i>

Nonoperating Expenses

Capital Expenses	\$2,360,588
Bond Principal & Interest	\$259,350
Emergency Fund	\$275,088
Reserve Fund	\$622,386
Contingency	\$3,474,435
<i>Total Nonoperating Expenses</i>	<i>\$6,991,847</i>

TOTAL ESTIMATED EXPENDITURES \$10,133,017

ESTIMATED REVENUES

Operating Revenue

Sale of Water	\$3,327,100
Sanitation District	\$21,600
Penalty Fees	\$30,800
Turn Fees	\$38,000
<i>Total Operating Revenue</i>	<i>\$3,417,500</i>

Nonoperating Revenue

Plant Investment Fees	\$500,000
Main Line Extension Fees	\$4,000
Disposal of Assets	\$2,500
Availability of Service	\$30,000
Interest	\$182,000
Bond/Grant Proceeds	\$0
Property Taxes	\$0
Lease Income	\$8,640
Construction Reimbursements	\$0
Tap Installation	\$1,600
Miscellaneous	\$3,000
<i>Total Nonoperating Revenue</i>	<i>\$731,740</i>

TOTAL ESTIMATED REVENUE \$4,149,240
Estimated From Reserves \$5,983,777

TOTAL FUNDS AVAILABLE \$10,133,017
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, Ten Million, One Hundred Thirty Three Thousand and Seventeen Dollars (\$10,133,017) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2010 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 3, 2009. Said Budget was displayed for inspection and notice of said display for inspection was duly published in accordance with C.R.S. § 29-1-106.

Dated December 3, 2009

2009 Audit Services - Manager Tooker presented the letter (2009 Audit, 12/3/09 File) from Mary Brenes, CPA, proposing to conduct the District's 2009 Audit for the fee of \$4,675 which is the same as her services in preparing the 2008 Audit. Director Genova moved to secure the services

of Mary Brenes, CPA for the 2009 Audit and to authorize execution of the engagement letter as presented. Director Hassler seconded and the motion passed.

NEW BUSINESS

Transfer of Funds from Contingency to Purchase of Water Shares – The Grand Valley Irrigation Company’s Annual Shareholder Meeting and Auction is scheduled for December 10, 2009. Director Woods moved to authorize the transfer funds from Contingency to Purchase of Water Shares if shares are available at the Auction. Director Genova seconded and the motion passed.

2010 Property, Casualty and Liability Insurance – Director Woods moved to accept the proposal submitted from Colorado Special Districts Property and Liability Pool for Property, Casualty and Liability Insurance for the January 1, 2010 to January 1, 2011 policy period and to authorize Staff to issue payment for this coverage prior to the next Board meeting in the amount of \$44,203.47. Director Genova seconded and the motion passed.

David Foster exited the meeting at 7:10 p.m.

Colorado Riverfront Trail – Assistant Manager Reinertsen advised the Board that he continues to participate in discussions with Mesa County regarding their planning for the extension of the Colorado Riverfront Trail near District property.

ADJOURNMENT – By consensus, the Board meeting adjourned at 7:20 p.m.

ATTEST:

John L. Ballagh

Doralyn Genova

Brian Woods

Alan Hassler

excused

Robert Burger