

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JANUARY 7, 2010**

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

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

GUEST PRESENT: Dave Merritt, HDR Engineering

REGULAR MEETING

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

MINUTES OF THE DECEMBER 3, 2009 MEETING

Director Genova moved to approve the December 3, 2009 Minutes as submitted. Director Hassler seconded and the motion passed. Director Burger abstained as he had not been present at that meeting.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and approve Accounts Payable in the amount of \$126,093.03 Regular and Special Check Run plus \$4,287.62 HRA Disbursement plus \$26,071.44 Benefits Check Run plus \$71,989.98 Supplemental Check Run for a total of \$228,442.07. Director Woods seconded the motion. Accountant Foster reported the details of two voided checks. The motion passed unanimously.

MANAGER'S REPORTS

The Board reviewed the Manager's Report. Manager Tooker stated there are ongoing efforts to identify and correct the gap between plant outflows and water sales. He also noted that increasing numbers of accounts going to Availability of Service have influenced water sales data. No other items of significance were noted in the Reports.

David Foster exited the meeting at 5:25 p.m.

EXPRESS AGENDA

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

SB 09-087 Compliance – The Transparency Notice was published in the District’s newsletter that was mailed to customers the week of December 28, 2009. The Transparency Notice is posted on the District’s website and the Special District Association of Colorado’s website. The District’s updated service area boundary map was emailed to the State and recorded with Mesa County.

Grand Valley Irrigation Company Annual Meeting and Auction – Director Ballagh attended the Annual Meeting and Manager Tooker and Assistant Manager Reinertsen attended the Auction. The District did not purchase additional water shares. The successful bidder purchased all available shares for \$460 per share.

Vehicle Purchases – Manager Tooker purchased two fleet trucks from Fuoco Motor Company for \$42,735. Competitive bids were received from four local automotive dealers with Fuoco Motor Company providing the lowest cost for the two vehicles.

UNFINISHED BUSINESS

Project 2009-04 Colorado River Intake – Assistant Manager Reinertsen presented and summarized a Staff Report (*10 Staff Reports, Project 2009-04 Colorado River Intake Project File, 1/7/10 File*) regarding the eight Design/Build Proposals submitted for Project 2009-04 Colorado River Intake Structure. The review category given the highest weighting was Project Approach and Understanding, with the two firms submitting innovative solutions being given the highest marks. Project team experience, particularly with raw water intakes, was identified as another key factor. It was noted that only the specific details included in the proposals could be evaluated and scored. The scoring results for the eight firms were identified. Staff has conducted brief reference checks regarding the top scoring project team, Gould Construction Inc./McLaughlin Water Engineers, Ltd. Chairman Ballagh requested explanation of, and Assistant Manager Reinertsen provided, the proposed project fee structure. Manager Tooker reported that legal counsel was consulted regarding engineering and plan aspects of a Design/Build project but no written opinion has been provided. Guest Dave Merritt of HDR Engineering, one of the firms providing a proposal, commented briefly on HDR’s experience and stated regret that more details were not included in their submittal for consideration.

Director Woods moved to accept Staff’s Recommendation to select the Design/Build team of Gould Construction, Inc./McLaughlin Water Engineers, Ltd. to perform the tasks necessary to develop and implement modifications to the existing Colorado River Intake Structure. Director Genova seconded the motion. Discussion ensued regarding scoring for the top two project teams and whether the Board should interview those two teams. It was decided an interview was not necessary. The motion passed unanimously.

Guest Dave Merritt exited the meeting at 5:55 p.m.

Bill Print and Mail Services – Manager Tooker presented and summarized a Staff Report (*10 Staff Reports, Bill Print and Mail Service Outsourcing File, 1/7/10 File*) and recommendation to outsource bill print and mailing services. Following two rounds of submittals and review of vendors who work with

the District's software vendor, Staff recommends securing the services of InfoSend. The projected annualized hard cost savings for bill printing and mailing through InfoSend is \$18,000. Future options include online bill viewing and payment. The Board commented on their preference to utilize local companies but in this case the cost savings to the District cannot be ignored. Director Genova moved to authorize Staff to negotiate an agreement with InfoSend for bill printing and mailing services at an approximate savings of \$18,000 annually, and to obtain legal review of the contract prior to execution. Director Burger seconded and the motion passed unanimously.

NEW BUSINESS

Resolution Designating Time, Location and Posting of Meetings – A Resolution (*Resolutions, 1/7/10 File*) was presented and reviewed. Director Genova moved to approve the *Resolution Designating Meeting Time, Place and 24-Hour Posting Location*. Director Hassler seconded and the motion passed unanimously. Resolution text is inserted as follows:

RESOLUTION DESIGNATING MEETING TIME, PLACE AND 24-HOUR POSTING LOCATION

WHEREAS, the Clifton Water District designates that all Regular Board of Directors Meetings will be held the first Thursday of each month at 5:00 p.m. located at the Clifton Water District Office, 510 34 Road, Clifton Colorado; and

WHEREAS, the Clifton Water District designates that the posting places for all Board of Directors meetings are the Clifton Water District Office and the following three additional locations; Clifton Sanitation District Office, Clifton Fire Department, and the Mesa County Clerk and Records Office Clifton Branch; and

WHEREAS, the Clifton Water District designates that the 24-hour Agenda Notice will be posted at the Clifton Water District Office; and

BE IT FURTHER RESOLVED, that this Resolution be adopted this 7th day of January 2010.

Resolution Adopting Availability of Service Charge for 2010 - A Resolution and Staff Report (*10 Staff Reports, Resolutions, Water Rates - Availability of Service Charge, 1/7/10 File*) were presented for Board review. Director Woods moved to approve the *Resolution for the Availability of Service Charge* that establishes the In-District Availability of Service Charge for the 2010 Fiscal Year Director Genova seconded and the motion passed unanimously. Resolution Text is inserted as follows:

RESOLUTION FOR THE AVAILABILITY OF SERVICE CHARGE FOR 2010

WHEREAS, the District has reviewed the Availability of Service Charge Policy and;

WHEREAS, the Availability of Service Charges are considered to be an equitable revenue contribution toward the repayment toward debt incurred by the Clifton Water District; and

WHEREAS, the Availability of Service Charge Policy is for those customers who benefit from the immediate availability of water service even though they are currently not receiving water; and

WHEREAS, all revenue generated by the Availability of Service Charge shall be used to repay the principal and interest on bonds and other outstanding indebtedness; and

WHEREAS, in the 2010 Fiscal Year the District has indebtedness for Water Revenue Bonds; and

WHEREAS, the said percentage of the Availability of Service Charge shall be determined by the Board; and

WHEREAS, in 2009 the average water usage charge for a Clifton Water District In-District customer was \$19.44/month per customer; and

WHEREAS, in 2009 the average water usage charge for a Clifton Water District Out-of-District customer was \$31.68/month per customer.

NOW THEREFORE BE IT RESOLVED, that the Clifton Water District Board of Directors establish the In-District Availability of Service Charge for the 2010 Fiscal Year at 50% of the In-District average water bill in 2009, which equals \$9.72 per month per customer and the Out-of-District Availability of Service Charge for the 2010 Fiscal Year at 46% of the Out-of-District average water bill in 2009, which equals \$14.58/month per customer.

BE IT FURTHER RESOLVED, that this Resolution be adopted this 7th day of January 2010 and effective January 8, 2010.

Fund Transfer and Wire Transfer Authorizations (Annual Banking Authorizations) – Manager Tooker presented a Staff Report (10 Staff Reports; 1/7/10 File) and the annual documents authorizing staff to transfer to and from the District’s financial accounts. Director Genova moved to approve and authorize Board execution of the Fund Transfer and Wire Transfer Authorizations for Palisade National Bank, American National Bank and ColoTrust. Director Hassler seconded and the motion passed unanimously.

2010 Workers Comp Renewal – Assistant Manager Reinertsen presented a Staff Report (2010 Workers Comp Insurance, 10 Staff Reports, 1/7/10 File) regarding the proposal for 2010 Workers Compensation Insurance, including claims history and rating worksheets. Staff recommends Proposal #2 in order to save the District approximately \$800.00 annually. Board members stated concern that Proposal #2 includes a \$500 deductible per claim, which could quickly offset the \$800 savings. Director Hassler moved to acquire the Workers Compensation Insurance for 2010 through the Colorado Special Districts Property and Liability Pool, Proposal #1 with no deductible, at an annual cost of \$19,919.69. Director Genova seconded and the motion passed unanimously.

Standby/Emergency Generator – Manager Tooker noted the Staff Report regarding Plant Generator Replacement (10 Staff Reports, 1/7/10 File) for information to the Board. No discussion or action needed at this time. The Board suggested further evaluation of options to include fuel type, performance, permitting, and capacity prior to further consideration.

Resolution Setting Election for May 4, 2010 – Director Genova moved to approve and execute the 2010 Clifton Water District Election Resolution and the Certificate of Appointment of Designated Election Official as presented by Staff, noting that Assistant Manager David Reinertsen is the Designated Election Official for the election of May 4, 2010. Director Burger seconded and the motion passed unanimously. Resolution text is inserted as follows:

2010 CLIFTON WATER DISTRICT ELECTION RESOLUTION

*WHEREAS, the term of office of Directors Ballagh, Genova, Woods and Hassler shall expire after their successors are elected at the **regular** Special District election to be held on May 4, 2010 and take office; and*

*WHEREAS, in accordance with the provisions of the Special District Act ("Act") and the Uniform Election Code of 1992 ("Code), the Election must be conducted to elect three Directors to serve for a term of **four** years; and one Director to serve for a term of **two** years.*

NOW, THEREFORE, be it resolved by the Board of Directors of the Clifton Water District in Mesa County, State of Colorado that:

- 1. The regular election of the eligible electors of District shall be held on May 4, 2010, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, three Directors will be elected to serve a **four**-year term and one Director will be elected to serve a **two**-year term.*
- 2. David A. Reinertsen shall be appointed as the Designated Election Official on behalf of the District and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code, or other applicable laws. The Election shall be conducted in accordance with the Act, Code, and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, appoint the Board of Canvassers, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished. The appointed person shall be appointed by the board and swear or affirm an oath of office. This document will be submitted to the Board as an official part of the election record. Exhibit A*
- 3. One (1) walk-in voting place is established as set forth below:
David A. Reinertsen, DEO
Clifton Water District Business Office
510 34 Road
Clifton, CO 81520
District Office Telephone Number (970) 434-7328
District Office Facsimile (970) 434-7338
dreinertsen@cliftonwaterdistrict.org
Office Hours: 8:00 AM to 5:00 PM, Monday through Friday – walk-in voting place will be open on election day between 7:00 am and 7:00 pm.*
- 4. Applications for mail-in ballots may be filed with the Designated Election Official at 510 34 Road, Clifton, CO 81520, not earlier than January 1, 2010, nor later than 5:00 P.M. on April 30, 2010.*
- 5. Self Nomination and Acceptance petitions are available at the Designated Election Official's office located at the above address. All candidates must file a nomination petition with the Designated Election Official no later than 3:00 P.M. on **February 26, 2010**. A person who misses this deadline, but wishes to be a write-in candidate for office, shall file an affidavit of intent with the Designated Election Official no later than 5:00 P.M. on **March 1, 2010**.*
- 6. If the only matter before the electors is the election of persons to office, and if at the close of business on **March 2, 2010**, there are not more candidates than offices to be filled at the election, including candidates filing affidavits of intent to be a write-in, the Designated Election Official shall cancel the Election and by Resolution declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with the Code.*
- 7. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, it being the Board's intention that the various provisions hereof are severable.*

8. *Repealer. All acts, orders, and resolutions, or parts thereof, of the Board which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.*

9. *Effective Date. The provisions of this Resolution shall take effect immediately.*

ADOPTED AND APPROVED this 7th day of January, 2010.

Certificate to Appoint Designated Election Official – Approval of the Certificate to Appoint Designated Election Official as David Reinertsen was included in the previous agenda item.

Water Rights – This item was removed from the agenda at this time.

Chairman Ballagh exited the meeting at 6:50 p.m.

Customer Bankruptcy Issues and Legal Counsel – The Board noted receipt of and accepted a report from legal counsel marked “Confidential” regarding customer bankruptcy issues. General discussion ensued without the need to conduct an Executive Session. Manager Tooker stated the District does not currently have a Policy addressing how to handle customer balances when a bankruptcy occurs. The Board requested that Staff work with legal counsel and the Policy Committee to draft a Policy for consideration.

ADJOURNMENT

By mutual consent the regular meeting adjourned at 7:05 p.m.

ATTEST:

John L. Ballagh

Doralyn Genova

Brian Woods

Alan Hassler

Robert Burger