

**MINUTES OF BOARD OF DIRECTORS MEETING  
CLIFTON WATER DISTRICT  
THURSDAY, AUGUST 5, 2010**

**BOARD MEMBERS PRESENT:** Alan Hassler, Vice-Chairman; Doralyn Genova, Secretary;  
Dale Peck, Treasurer

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

**REGULAR MEETING**

Vice Chairman Hassler called the Regular Board Meeting to order at 5:05 p.m. Chairman Burger was excused from the meeting.

**MINUTES OF THE JULY 1, 2010 MEETING**

Director Genova moved to approve the Minutes of the July 1, 2010 Meeting as presented. Director Peck seconded and the motion passed.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE**

Director Genova moved to accept the Financial Report and approve Accounts Payable Regular Checks of \$52,554.72 plus Benefits Checks of \$25,972.98 plus Supplemental Checks of \$149,615.39 for a total of \$228,143.09. The motion passed.

David Foster left the meeting at 5:15 p.m.

**MANAGER'S REPORTS**

The Board reviewed the Manager's Reports. Manager Tooker noted that year-to-date tap sales are down 54.5% from 2009. Water sales are up 1.2% from 2009. Other items of note were overtime hours for call out activities and Attorney's costs related to Project 2009-04 Colorado River Intake Structure, lien, bankruptcy and election questions.

**STAFF REPORTS**

Staff reported that two months after implementation of InfoSend bill printing and mailing, the actual cost savings is approximately \$3,000.00 per month.

**EXPRESS AGENDA**

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

1. Colorado Water Resources Authority Audit Inquiry – Following their receipt of the District's FY2009 Audit, the Colorado Water Resources Authority requested further information regarding any pending litigation due to the auditor's comment that one of the District's attorneys had not provided a signed pending litigation response letter. Staff provided a copy of the attorney's response letter to the Colorado Water Resources Authority

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## **UNFINISHED BUSINESS**

Board Member Vacancy – Interviews of potential Board members will be scheduled at the beginning of the September 2, 2010 Regular Meeting.

Bank Account Updates and Signature Cards – Manager Tooker reported that separate accounts have been newly established at American National Bank for electronic deposit of checks received, and for electronic receipt of online bill payments from customers. The use of electronic deposits has been implemented to securely and quickly deposit payments and eliminates the need to drive daily deposits to the bank. The account for electronic bill payments is not yet being used. New account signature cards were distributed to Board members and signed.

Project 2009-04 Colorado River Intake Structure – Assistant Manager Reinertsen provided and summarized a Staff Report regarding the Guaranteed Maximum Price Recommendations for construction of Project 2009-04 Colorado River Intake Structure. The 30% design milestone has been achieved and Gould Construction, Inc. proposes a Guaranteed Maximum Price of \$1,297,670 for the construction phase. Gould Construction, Inc. has also proposed a cost savings incentive program that would credit the cost savings as 60% to the District and 40% to Gould Construction. Staff believes this incentive opportunity will encourage additional cost reductions and result in a total project cost below the GMP. The construction phase will be split into work done prior to November 1, 2010 and final completion in late Spring/early Summer, 2011. A transfer from Contingency is required for full project funding, with any funds remaining in 2010 carried into the FY 2011 Budget.

Director Genova moved to transfer \$400,000 from the FY 2010 Contingency Budget Line Item to the CAS WTP Construction Expense Budget Line Item to fully fund Project 2009-04 Colorado River Intake Modifications Project in FY2010. Director Peck seconded and the motion passed.

Director Genova moved to accept the Proposed Guarantee Maximum Price (GMP) with cost savings incentive as identified in the Gould Construction, Inc. letter dated August 5, 2010 for the Colorado River Intake Modifications construction component to be incorporated into the existing Design/Build Agreement dated February 4, 2010 between the District and Gould Construction, Inc. and further authorize Staff to provide the Notice to Proceed. Director Peck seconded and the motion passed.

One Million Gallon Tank Status – Manager Tooker reported that distribution operations have not been negatively affected this summer while the One Million Gallon Tank has been drained for repairs. Capital funds necessary for tank repairs will instead be used for the Colorado River Intake Structure project and the tank repair project will be postponed until 2011.

Policy #420 Water Usage Fees – Staff provided three Staff Reports and proposed Policy text amendments to sections within Policy #420 – Water Usage Fees. The Board reviewed the Staff Report, revised from the July 1, 2010 Regular Meeting, regarding proposed increases in the Discontinuation of Service and Connect Fees and a new Final Payoff Cancellation Fee. The Board reviewed the Staff Reports proposing a new Credit Card Usage Fee and the proposal to

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suppress bill printing and mailing to customers with mail returned from the Post Office with no forwarding address for two consecutive months. The proposed Credit Card Usage Fee would add 4% to the transaction and would offset the actual cost charged to the District for processing VISA and MasterCard payments. The Board directed Staff to find out if the Clifton Sanitation District requires an amendment to their Policies before proceeding to allow suppression of bill printing and mailing to specific accounts.

Director Peck moved to adopt the amendments to Policy #420 – Water Usage Fees, effective October 1, 2010, as follows:

Policy #420 – 12.6 Connect Fee In-District \$30.00 Out-of-District \$45.00

Policy #420 – 12.7 Discontinuation of Service Fee In- District \$50.00 Out-of-District \$75.00

Policy #420 – 12.14 Final Payoff Cancellation Fee In-District \$30.00 Out-of-District \$45.00

Policy #420 – 12.15 Credit Card Usage Fee 4% of the dollar amount of the payment transaction

Director Genova seconded and the motion passed.

## **NEW BUSINESS**

Colorado Special Districts Property and Liability Pool Representative – By consensus Director Hassler was designated as the District’s voting representative for the Colorado Special Districts Property and Liability Pool at the Special District Association’s annual meetings in September.

Amendment 60, Amendment 61 and Proposition 101 – Manager Tooker alerted the Board to ballot questions that could negatively impact the District’s future funding options. Staff will find out if the Special District Association is taking an official position.

Request from Daniel K. Brown for Out-of-District Service to Tax Parcel #2969-313-00-450 and Tax Parcel #2969-313-00-451 – Manager Tooker summarized the Staff Report and request submitted by Daniel K. Brown for water service to two parcels in the Whitewater area. The parcels are proposed for development into fifteen residential lots. A topographical map showing the location, and a parcel development layout were reviewed. The applicant understands that the District is not currently in a position to provide water service to the parcels but he needs to provide information regarding future water availability for the Mesa County development review process. Director Genova moved to direct Staff to provide Daniel K. Brown with a letter stating the District approves the request for Out-of-District Service to Tax Parcel #2969-313-00-450 and Tax Parcel #2969-313-00-451 with the following conditions:

1. No water tap can be purchased until the infrastructure improvements have been completed.
2. Service is limited to 15 service connections.
3. The Mainline crossing of Highway 50 at 32 Road must be completed.
4. The Mainline crossing of Highway 50 at Reeder Mesa Road must be completed.
5. The Desert Road Pump Station project improvements to increase pump capacity and upsize feed lines must be completed.
6. The Mainline installation from Highway 50 to Coffman Road must be completed
7. The Finished Water Storage Tank on the Desert Road Pump Station System must be completed.

Final approval of the development is contingent upon Board approval following the successful completion of infrastructure improvements. No commitment is being made regarding the timing and

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responsibility of the District to provide the infrastructure improvements that would allow water service to the proposed development. Timing of the infrastructure improvements may be accelerated by developer participation or cost sharing. Director Peck seconded and the motion passed.

Appoint Person to Prepare the 2011 Budget – Director Peck moved to appoint Manager Tooker to prepare the FY2011 Budget. Director Genova seconded and the motion passed.

Operating Expenses and Revenues – Manager Tooker distributed a Confidential Memo to the Board regarding year-to-date operational deficits and four options to reduce personnel-related operational expenses through the end of the year and carried into the FY 2011 Budget. The Board acknowledged the need to reduce expenses and directed Staff to present a detailed plan at the September 2, 2010 Meeting.

Mesa County Pedestrian/Utility Colorado River Bridge Project at Clifton Sanitation – Assistant Manager Reinertsen reported that the County’s project to extend sewer between Clifton Sanitation and the Whitewater area requires the construction of a new bridge over the Colorado River. The District has the opportunity to have a water line installed on the bridge during that construction. Although a new line is not currently needed, installation during construction would be more cost effective than incurring the cost in the future. This line installation was not budgeted in 2010 and Staff will evaluate further once the bids are received.

Manager Tooker advised the Board that he has talked with Mesa County representatives regarding several grant-funded projects they have initiated this year that require the District to participate in the project and expend capital funds that were not anticipated and budgeted for. He asked the County to include funding for supporting entities when applying for grant revenue.

**ADJOURNMENT**

Director Genova moved to adjourn the meeting. Director Peck seconded and the motion passed. The meeting was adjourned at 8:35 p.m.

**ATTEST:**

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Robert Burger

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Alan Hassler

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Doralyn Genova

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Dale Peck