

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, SEPTEMBER 2, 2010**

BOARD MEMBERS PRESENT: Robert Burger, Chairman; Alan Hassler, Vice-Chairman;
Dale Peck, Treasurer

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

REGULAR MEETING

Chairman Burger called the Regular Board Meeting to order at 5:00 p.m. Secretary Genova was excused from the meeting.

BOARD MEMBER INTERVIEWS

Mr. Bob Norman and Ms. Sam D'Angelo were interviewed for one vacancy on the Board of Directors.

MINUTES OF THE AUGUST 5, 2010 MEETING

Director Peck moved to approve the Minutes of the August 5, 2010 Meeting with one typographical correction. Director Hassler seconded and the motion passed.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Accountant Foster provided a corrected Balance Sheet. Director Peck moved to accept the Financial Report and approve Accounts Payable Regular Checks of \$56,862.68 plus HRA Disbursements of \$923.09 plus Benefits Checks of \$26,095.86 plus Supplemental Checks of \$93,175.72 for a total of \$177,057.35. Director Hassler seconded. Manager Tooker pointed out an increase in Operational and Non-Operational cash flow shown on the Statement of Cash Flow. The motion passed.

David Foster left the meeting at 6:05 p.m.

MANAGER'S REPORTS

The Board reviewed the Manager's Reports. Items discussed in detail were the process of abandoning taps and on-call scheduling. Manager Tooker also reported that the Raw Water Settling Pond Tour/Dam Inspection that was performed by the State Engineer's Office, identified some maintenance items to be addressed.

STAFF REPORTS

None.

EXPRESS AGENDA

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

1. Conversational Spanish Class – Eight District employees completed the eight week Beginning Conversational Spanish class on August 25, 2010.
2. Staff Coverage – Weekend of September 11 – Both Manager Tooker and Assistant Manager Reinertsen will be out of town from September 9 through September 14. The on-site Chain-Of-Command has identified: treatment plant operations and all things regulatory the responsibility of Dennis Carlson; distribution system operations the responsibility of Mark Dalley; and administrative operations the responsibility of David Foster and Kelly McLaughlin. Both Manager Tooker and Assistant Manager Reinertsen will be in contact via cell phone and voice mail.
3. Project 2009-04 Colorado River Intake Structure – The GMP Construction Agreement is to be signed before September 1. The Contractor, Gould Construction, Inc. plans to pick up the issued Mesa County Building Permit on Tuesday, August 31 and begin site mobilization activities on September 2, 2010.
4. Drinking Water Distribution Course – Session 1, 09-08/09-10 – The District is the host site for the next Colorado Department of Public Health and Environment sponsored training for Small System Distribution Operators. Being a host site, the District can send up to 5 employee's for no charge to these valuable training sessions.
5. Water Quality Management Course – Four District employees are enrolled in the introductory Water Quality Management class being offered this Fall Semester at the Western Colorado Community College. The cost of the introductory class for these employees is being covered by the District as part of on-going staff training.

UNFINISHED BUSINESS

Policy #420 Suppress Bill Printing and Mailing to Customers with No Forwarding Address – The proposed additional language to Policy 420 – Section 9 - Responsibility of Customer, to suppress bill printing to specific customers, was reviewed at the August 5, 2010 Board meeting and action was postponed pending inquiry to the Clifton Sanitation District regarding any opposition they would have to suppression of bill printing. Manager Tooker reported no opposition. Director Hassler moved to approve the amendment to Policy #420, Section 9 – Responsibility of Customer as presented by Staff. Director Peck seconded and the motion passed. The additional language adopted to Policy 420 Section 9.1 is as follows:

If billings are returned from the Post Office for two consecutive months with a No Forwarding Address, Attempted Unknown or similar message, the District shall

suppress the printing and mailing of billings to a customer account until a new mailing address is received.

Policy #420 – Section 12.15 Credit Card Usage Fees – Manager Tooker presented a Staff Report, dated September 1, 2010, recommending a revision to the 4% Credit Card Usage Fee adopted by the Board at its August 5, 2010 meeting. Due to transaction fee rules of the transaction processing vendors the District is working with, and the need to quickly and accurately identify the fee amount to customers, Staff now recommends the Credit Card Usage Fee be a flat amount of \$3.00 per transaction. Director Peck moved to adopt the Revised Policy 420 Section 12.15.1 Credit Card Usage Fee of \$3.00 as recommended on the Staff Report dated September 1, 2010. The fee shall be re-evaluated as necessary. Director Hassler seconded and the motion passed.

Following the approval of this motion the Board reviewed the credit card processing costs associated with the next agenda item regarding the implementation of the Interactive Voice Response (IVR) System. Based on the merchant services and IVR system costs for processing credit cards, the Board determined that the Credit Card Usage Fee would need to be \$3.25 per transaction to cover the costs to the District.

Director Hassler moved to amend Policy #420 Section 12.15.1 Credit Card Usage Fee, to be reviewed as necessary, as follows:

12.15 Credit Card Usage Fee. A Credit Card Usage Fee will be added to the transaction amount for each payment received from a customer using a District-accepted form of credit or debit card.

12.15.1 The Credit Card Usage Fee is \$3.25 on each payment transaction.

Director Peck seconded and the motion passed.

Interactive Voice Response System – Manager Tooker presented a Staff Report dated September 2, 2010 requesting implementation of an Interactive Voice Response System designed to process credit card payments and to provide incoming and outgoing automated customer notifications and account information. The IVR system would reduce staff time associated with processing credit card transactions, improve the security of credit card transactions, and provide 24-hour customer payment ability and access to their account information. The Board stated concern with entering into a contract with the vendor, Tele-Works, for a twelve month period without the ability to discontinue use of the service if revenues do not support the costs. Manager Tooker will work with the vendor regarding contractual term details. Director Hassler moved to approve and authorize Staff to proceed with the IVR System and to sign all applicable documents to secure the services. The cost of the IVR System will be recovered by the Credit Card Usage Fee and will also provide a tool to assist with the reduced staffing in the Business Office. The Board further finds that the Credit Card Usage Fee shall reflect the costs of the service to those using the convenience of credit/debit card transactions. Use of the IVR System will be reviewed as necessary, at least annually. Director Peck seconded and the motion passed.

Board Member Vacancy – The Board agreed that both candidates, Mr. Bob Norman and Ms. Sam D'Angelo, had positive characteristics to offer as Board members for the District. Director

Peck nominated Bob Norman to fill the vacancy on the Board of Directors, for a term expiring May of 2012. Director Hassler voted yes. Director Peck voted yes. Director Burger voted yes. The Oath of Office will be administered to Bob Norman at the October 7, 2010 Regular Meeting. The Board directed Staff to notify the candidates of the decision and to thank Ms. D'Angelo for her interest in serving on the Board.

Project 2009-04 Colorado River Intake Structure – Assistant Manager Reinertsen reported that the contract with Gould Construction for Project 2009-04 Colorado River Intake Structure is finalized. Signature was authorized by the Board at the August 5, 2010 meeting. The contract was signed by the Board.

Mesa County Pedestrian/Utility Colorado River Bridge Project at Clifton Sanitation – Assistant Manager Reinertsen reported that the Bid Alternate to include a pipeline on the Mesa County Pedestrian Utility Bridge at Clifton Sanitation resulted in a bid cost of \$180,000. The District cannot consider participating in this project in the current budgetary conditions particularly since the pipeline is not needed by the District at this time. Staff advised Mesa County the District would not be participating except to cover the cost of including abutment penetrations that could be used at some future date for pipeline installation. Manager Tooker advised the Board he will be meeting with the Mesa County Commissioners next week and will advise them of the number of unplanned in 2010 projects the District has been required to expend unbudgeted funds for.

Operating Expenses and Revenues – Staff Recommendations – Manager Tooker reviewed the Confidential Memo provided in the Board Packet regarding proposed due to Operational Fund budgetary shortfalls. The Board initially discussed the proposed changes at the August 5, 2010 Meeting. Although Operational Revenues have recovered somewhat in recent months and non-essential expenditures continue to be curtailed, Staff believe efforts to reduce spending by delaying capital improvements, repair and maintenance is a dangerous trend and is not an effective long term solution.

Director Hassler commented that the budget could be further negatively impacted in 2011 if Proposition 101, Amendment 60 and/or Amendment 61 pass on the November ballot. Manager Tooker emphasized that no operational changes are proposed that would compromise on water quality or customer service. Staff recommendations are to avoid layoffs, re-structure health insurance coverage, and evaluate the rate structure. Layoffs are avoidable at this time because one full-time and one part-time Customer Service Representative position have been vacated in recent months and have not been replaced with new staff members. Further, due to reduced Non-Operational revenues, two Non-Operational positions have been reassigned duties within the Operational Fund. Extended discussion ensued regarding a proposed Early Retirement Incentive for employees that have worked full-time for the District twenty-five years or more. Five employees would qualify. The District could expect to save money in 2011 on the salaries of any qualifying employees that elect to retire.

Director Hassler moved that the Clifton Water District will accept offers from up to three employees, that have 25 years of continuous full-time service to the District and are in good standing, to voluntarily separate from employment on or before December 31, 2010 from the

Clifton Water District in exchange for 26 weeks of Gross Wages payable in 2011 as one lump sum or on the District's bi-weekly regular pay schedule during the first 26 weeks of 2011. Employee offers to voluntarily separate from employment must be made to the District Manager by 5:00 pm MST on Friday, September 24, 2010. If more than three employees offer to voluntarily separate their employment, a selection of three will be made by a lottery. This opportunity to voluntarily separate employment is a one-time opportunity. Manager Tooker was directed to seek legal counsel regarding the appropriate documents necessary regarding this offer. Director Peck seconded and the motion passed.

NEW BUSINESS

Audit Services – By consensus, this agenda item was postponed to the October 7, 2010 Regular Meeting.

Manager's Evaluation – By consensus, this agenda item was postponed to the October 7, 2010 Regular Meeting.

ADJOURNMENT

By consensus, the meeting was adjourned at 9:08 p.m.

ATTEST:

Robert Burger

excused

Doralyn Genova

Alan Hassler

Dale Peck