

**MINUTES OF BOARD OF DIRECTORS MEETING  
CLIFTON WATER DISTRICT  
THURSDAY, DECEMBER 1, 2011**

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

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

**PUBLIC HEARING**

Chairman Burger called to order the Public Hearing regarding the 2012 Budget at 5:00 p.m. The Public Hearing Notice (*Legal Notices*) was advertised in the Grand Junction Daily Sentinel on November 20, 2011 and November 27, 2011. No members of the public were present and Manager Tooker reported that no comments had been received. Director Genova moved to close the Public Hearing. Director Peck seconded and the motion passed. The Public Hearing was closed at 5:00 p.m.

**REGULAR MEETING**

Chairman Burger called to order the Regular Meeting of December 1, 2011 at 5:02 p.m. Director Norman had not yet arrived at the meeting. One additional item was added to Agenda under Unfinished Business: Budget Transfer – Labor/Overtime and one additional item was added to the Agenda under New Business: Budget Transfer – Purchase of GVICO Water Shares.

**MINUTES OF THE NOVEMBER 3, 2011 REGULAR MEETING**

Director Hassler moved to approve the November 3, 2011 Regular Meeting Minutes (*2011 Minutes*) with one typographical correction on page 4 in the Holiday Ham or Turkey agenda item. Director Genova seconded and the motion passed unanimously.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE**

Director Hassler moved to Accept the Financial Report and Approve Accounts Payable Regular Checks of \$91,372.76 plus HRA Disbursements of \$5,957.56 plus Benefits Checks of \$18,295.12 plus Supplemental Checks of \$14,765.93 for a total of \$130,391.37. Director Genova seconded. Accountant Foster noted that the Statement of Cash Flow showed a positive balance for the month of October, 2011. The motion passed.

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Director Norman arrived at the meeting at 5:08 p.m.

David Foster left the meeting at 5:10 p.m.

### **MANAGER'S REPORTS**

Manager Tooker presented the Manager's Reports. There were no items of significant discussion.

### **MINUTES OF THE NOVEMBER 3, 2011 REGULAR MEETING**

Director Norman had not been present when the November 3, 2011 Minutes had been approved at the beginning of the Meeting and requested one item of clarification. Director Hassler moved to amend the November 3, 2011 Minutes by adding the following phrase within the 2012 Budget item on page 2 "The Board recognizes that the efforts to more accurately project budget amounts may generate discrepancies between actual and budget amounts that will require adjustments." Director Genova seconded and the motion passed unanimously.

### **STAFF REPORTS**

There were no Staff Reports.

### **EXPRESS AGENDA**

Director Genova moved to approve the Express Agenda Items as presented. Director Norman seconded and the motion passed unanimously. The approved items are as follows:

1. Mesa County 2012 Capital Improvement Plan Projects List – On November 8, 2011, staff attended the annual Mesa County Capital Improvement Plan Project presentation for planned 2012 activities. The District's Proposed 2012 Budget includes funding for District support on the identified planned projects within the District's service area. Staff sent a letter to the Mesa County Public Works Department stating that any other projects pursued by the County in 2012 that were not identified at the Planning Meeting will not be funded by the District. Affected District infrastructure would need to be addressed through County funding mechanisms. A copy of the letter is included in the Board Packet.
2. Partnership for Safe Water 2011 Director's Award – The District recently received the 2011 Director's Award from the Partnership for Safe Water. This is the fifth consecutive year the District has received this award. The award recognizes the efforts of the Treatment Plant to maintain the highest water quality standards possible.
3. Xcel Energy's Energy Efficiency (EE) Program – Staff is reviewing information received from Xcel Energy concerning energy audits and engineering assistance rebates as they apply to the River Pump Station Modifications and Water Treatment Plant's utility bill.

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**UNFINISHED BUSINESS**

2012 Budget – The 2012 Budget Worksheet and the Budget Explanation (12/1/11 File; 2012 Budget) dated November 30, 2011, were reviewed with the Board. Manager Tooker stated that projected revenue from the 2012 Water Rate Increase adopted by the Board at the November 3, 2011 Meeting is now included in the Budget. The only other substantive changes in the Budget since November 3 are the recommendations of the Personnel Committee regarding wages and benefits. The Board reviewed and concurred with the Personnel Committee’s recommendations. Total Operating Expenses for 2012 have decreased 6% from 2011. The Non Operating Budget shows a one million dollar deficit that will require the use of Reserves. Manager Tooker stated that some of the Non Operating projects planned for 2012 can be postponed if Non Operating Revenues do not meet the Budget projections. Director Hassler moved to adopt the Clifton Water District 2012 Budget, as presented, and to make the appropriate filings to the State and the issuance of notices to customers. Director Genova seconded and the motion passed unanimously. 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 2012 Budget Year, and to appropriate Nine Million Four Hundred Fifty Eight Thousand and Thirty Two Dollars (\$9,458,032). Director Peck seconded and the motion passed unanimously. Resolution Text inserted below:

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***APPROPRIATION RESOLUTION OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS  
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE FOR THE  
2012 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 2012 Budget Year.*

*WHEREAS, the Directors have adopted the annual Budget for 2012 in accordance with the Local Government Budget Law, on the 1st day of December, 2011, 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:*

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	\$4,925,805
<i>ESTIMATED BEGINNING BALANCE</i>	
<b><u>ESTIMATED EXPENDITURES</u></b>	
<i>Operating Expenses</i>	
<i>Source of Supply</i>	\$25,220
<i>Water Treatment</i>	\$840,396
<i>Transmission &amp; Distribution</i>	\$607,850
<i>General &amp; Administrative</i>	\$276,245
<i>Labor Expenses</i>	\$1,701,739
<i>Total Operating Expenses</i>	\$3,451,450
<i>Nonoperating Expenses</i>	
<i>Capital Expenses</i>	\$1,384,380
<i>Bond Principal &amp; Interest</i>	\$556,186
<i>Emergency Fund</i>	\$241,792
<i>Reserve Fund</i>	\$862,862
<i>Contingency</i>	\$2,961,362
<i>Total Nonoperating Expenses</i>	\$6,006,582
<b><i>TOTAL ESTIMATED EXPENDITURES</i></b>	<b>\$9,458,032</b>
<b><u>ESTIMATED REVENUES</u></b>	
<i>Operating Revenue</i>	
<i>Sale of Water</i>	\$3,962,467
<i>Sanitation District</i>	\$34,320
<i>Penalty and Fees</i>	\$59,200
<i>Turn Fees</i>	\$99,000
<i>Total Operating Revenue</i>	\$4,154,987
<i>Nonoperating Revenue</i>	
<i>Plant Investment Fees</i>	\$200,000
<i>Main Line Extension Fees</i>	\$4,000
<i>Disposal of Assets</i>	\$3,000
<i>Availability of Service</i>	\$40,000
<i>Interest</i>	\$117,000
<i>Bond/Grant Proceeds</i>	\$0
<i>Property Taxes</i>	\$0
<i>Lease Income</i>	\$8,640
<i>Construction Reimbursements</i>	\$0
<i>Tap Installation</i>	\$1,600
<i>Miscellaneous</i>	\$3,000
<i>Total Nonoperating Revenue</i>	\$377,240
<b><i>TOTAL ESTIMATED REVENUE</i></b>	<b>\$4,532,227</b>
<b><i>Estimated From Reserves</i></b>	<b>\$4,925,805</b>
<b><i>TOTAL FUNDS AVAILABLE</i></b>	<b>\$9,458,032</b>
<b><i>ESTIMATED ENDING BALANCE</i></b>	<b>\$0</b>

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*IT IS FURTHER RESOLVED, that there is appropriated from the funds of the District Acting By and Through its Water Activity Enterprise, Nine Million Four Hundred Fifty Eight Thousand and Thirty Two Dollars (\$9,458,032) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2012 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 1, 2011. 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 1, 2011*

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Project 2009-04 Colorado River Intake Structure – Final Payment - Assistant Manager Reinertsen reported that the Notice of Contractor's Settlement (*Legal Notices*) regarding project 2009-04 Colorado River Intake Structure was published in The Daily Sentinel on November 20, 21 and 22, 2011. No comments or claims were received. Director Peck moved to approve the release of Final Payment to Gould Construction for Project 2009-04 Colorado River Intake Structure. Director Genova seconded and the motion passed unanimously.

Regional Water Conservation Plan Update – Manager Tooker referenced the letter in the Board Packet (*12/1/11 File, Regional Water Conservation Plan*) from the Colorado Water Conservation Board stating conditional approval of the Draft Grand Valley Regional Water Conservation Plan. Approval of the plan is an important prerequisite to the District receiving any funding from the Colorado Water Resources and Power Development Authority. The Board acknowledged the Draft Grand Valley Regional Water Conservation Plan as conditionally approved by the Colorado Water Conservation Board.

Budget Transfer – Distribution/Vehicle Expense – Assistant Manager Reinertsen presented a Staff Report (*12/1/11 File, 2011 Staff Reports*) and request to transfer funds from Contingency to Distribution – Vehicle Expense. This Budget item will be over expended by the end of the year due to unanticipated vehicle expenditures necessary for the Spring flood preparation in 2011. Director Genova moved to transfer \$2,000 from Contingency to Distribution – Vehicle Expense to cover the remaining FY2011 expense items. Director Hassler seconded and the motion passed unanimously.

Budget Transfer – Labor Expense/Overtime – Manager Tooker reported that the Labor/Overtime Budget line item will also be overspent for FY2011 due to the Spring flood preparation activities earlier in the year, and he requested a transfer of \$5,000 from Contingency. Director Hassler moved to transfer \$5,000 from Contingency to Labor Expense/Overtime to fund this line item for the remainder of the year. Director Genova seconded and the motion passed unanimously.

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**NEW BUSINESS**

Grand Valley Irrigation Company Annual Shareholders Meeting and GVICO Auction – Manager Tooker reported that the Grand Valley Irrigation Company Annual Shareholders Meeting is December 3, 2011 and requested proxy voting authority. He stated that the GVICO annual assessments are not increasing for 2012. Director Hassler moved to designate Dale Tooker as the District’s representative to vote on matters of business at the Grand Valley Irrigation Company Annual Shareholders Meeting. Director Genova seconded and the motion passed unanimously. Manager Tooker further reported that the GVICO Auction is scheduled for December 8, 2011. The District has already expended its FY2011 Water Shares Acquisition funds. He requested the transfer of additional funds in the event that additional shares become available at the auction or through individual sellers before the end of the fiscal year.

Budget Transfer – Water Shares Acquisition – Director Genova moved to approve the transfer of up to \$3,500 from Contingency to Water Shares Acquisition. Director Norman seconded the motion for discussion. Director Norman stated a District Water Acquisition Plan should be in place to guide Board decisions regarding purchases of water shares. The motion passed 4 – 1. Burger – yes, Hassler – yes, Genova – yes, Peck – yes. Norman – no.

**EXECUTIVE SESSION**

Manager’s Evaluation – Manager Tooker and the Board were not yet prepared to proceed with the Manager’s Evaluation at this time and the agenda item was postponed to the January 5, 2012 Meeting.

**ADJOURNMENT**

Director Peck moved to adjourn the meeting. Director Norman seconded and the motion passed unanimously. The meeting was adjourned at 6:40 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

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Robert Norman