

**MINUTES OF BOARD OF DIRECTORS MEETING  
CLIFTON WATER DISTRICT  
THURSDAY, NOVEMBER 3, 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; Angie Beebe

**REGULAR MEETING**

Chairman Burger called the Regular Meeting to order at 5:00 p.m. One additional item was added to the agenda under New Business, Holiday Ham or Turkey.

**MINUTES OF THE OCTOBER 6, 2011 REGULAR MEETING**

Director Genova moved to approve the Minutes of the October 6, 2011 Meeting (*2011 Minutes*) with the correction to a typographical error on page 3 regarding Policy 8.1.1 Right of Exclusive Control. Director Hassler seconded and the motion passed. Director Burger abstained as he had not been present at the October 6, 2011 Board Meeting.

**FINANCIAL REPORT AND ACCOUNTS PAYABLE**

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$90,765.64 plus HRA Disbursements of \$10,912.40 plus Benefits Checks of \$20,168.45 plus Supplemental Checks of \$17,255.09 for a total of \$ 139,101.58. Director Peck seconded. Accountant Foster noted there was one voided check. Board members requested and received further information regarding specific Accounts Payable checks and Billed Revenue on the Statement of Cash Flow. The motion passed unanimously.

David Foster left the meeting at 5:10 P.M.

**COLORADO RIVER INTAKE STRUCTURE AND PUMP STATION**

Board Members, Manager Tooker, Assistant Manager Reinertsen and Plant Supervisor Sykes went on a site tour of the Colorado River Intake Structure and Pump Station that is now complete and fully operational.

Terry Sykes left the meeting at 6:00 p.m.

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## **MANAGER'S REPORTS**

Manager Tooker presented the Monthly Manager's Reports. One item of note was that the number of taps sold year-to-date are 34 compared to 25 for the same period of time last year.

## **STAFF REPORTS**

There were no Staff Reports for this Agenda Item.

## **EXPRESS AGENDA**

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

1. Major Capital Improvements Plan – Work on the updated Major Capital Improvement Plan has started with the FY2012 Non-Operating Budget discussions. Based on the results of the final approved 2012 Budget in December, the approved 2012 projects and budget will serve as the new baseline for developing the overall updated Plan.
2. Water Acquisition Plan – Staff plans to begin work on the Board requested Water Acquisition Plan once the FY2012 Budget cycle is completed. Progress updates will be provided at future Board Meetings.

## **UNFINISHED BUSINESS**

2012 Budget – Manager Tooker presented a Staff Report (*2011 Staff Reports, 2012 Budget*) and Draft Budget Worksheet (*2012 Budget*) with revisions as reviewed and recommended by the Budget Committee following their meetings held on October 14, 2011 and October 28, 2011. Manager Tooker reported that much work has been done to actualize Operating Expenses according to specific identified needs, resulting in a decrease of \$280,353 in Operating Expenses and a reduction of \$123,200 in Non Operating Expenses in the 2012 Budget. It was noted that by not allocating additional funds for any unplanned needs, any necessary non-budgeted expenditures would require a transfer from Contingency. The 2003 Water and Power Authority Revenue Bond payment increases \$296,836 over the 2011 repayment schedule. Director Norman noted that the Non-Operating Budget shows a \$1,007,140 loss that will need to be funded from Reserves or Excess Revenues. The Board recognizes that the efforts to more accurately project budget amounts may generate discrepancies between actual and budget amounts that will require adjustments. Two capital construction projects are planned for 2012. Manager Tooker reported that funds have not been allocated for the previously discussion acquisition of the Hidden Valley Water Company because he has been informed by a Hidden Valley Water Company representative that they plan to retain and operate it themselves.

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Angie Beebe left the meeting at 6:30 p.m.

2012 Water Rates – Manager Tooker presented a Water Rate Recommendation Memo and Revenue Scenario Summary (2011 Memos, 11/3/11 File, Budget 2012) including the Revenue anticipated from each, and the Budget Committee’s recommendation. The primary objectives of the Budget Committee’s review were to actualize the Budget to reduce unnecessary expenses and proceed to determine the most effective Water Rate increase to fund the increased Bond Payment, fund increased employee costs, and begin to recover Depreciation Expense. After review of the Budget and the Water Rate increase options, the Board stated concern that the recommended Base Rate increase of \$14.00 per unit, as recommended by the Budget Committee, was not sufficient to cover depreciation. Director Genova moved to increase the Base Rate to \$14.50, Tier 1 to \$2.25/1,000 gallons, Tier 2 to \$2.60/1,000 gallons and Tier 3 to \$3.50/1,000 gallons effective with billing beginning on January 1, 2012. Out of District rates will continue to be 150%. Director Peck seconded and the motion passed unanimously.

Budget Transfer – General & Administrative, Printing – Assistant Manager Reinertsen presented a Staff Report (2011 Staff Reports) and request to transfer funding from Contingency to General and Administrative Printing Expense due to an error in the amount included in this budgeted line item for 2011 (\$9,000 instead of \$19,000). Director Genova moved to approve the requested transfer of \$10,000 from Contingency to General and Administrative Printing Expense to ensure sufficient funds to complete FY2011 activities. Director Peck seconded and the motion passed unanimously.

Budget Transfer – CASWTP Construction Expense, Project 2009-04 Colorado River Intake Pump Station Modification – Assistant Manager Reinertsen presented a Revised Staff Report (2011 Staff Reports and 2009-04 Project File) requesting a transfer of funds from Contingency to the CASWTP Construction Expense line item. This project spanned two budget years and \$447,888.21 budgeted in 2010 but unspent on the project by the end of the year was spent to reserves. Actual project spending in 2011 is projected to be \$207,375 over the 2011 project budget. Director Genova moved to authorize the transfer of \$207,500 from Contingency to the CASWTP Construction Expenses 2011 Budget Line Item. Director Norman seconded and the motion passed unanimously.

Project 2009-04 Colorado River Intake Structure, Final Payment – Assistant Manager Reinertsen presented two different Staff Reports (2011 Staff Reports and Project File) regarding the outcome of the Project Cost Savings Program and the Final Project Cost Summary. The Project Cost Savings Program resulted in a total savings of \$76,397.44 of which \$30,558.98 was the Gould Construction, Inc share as per the Contract documents. The remaining \$45,838.46 in savings was utilized for other direct District expenditures in support of the project. Director Genova moved to authorize payment of \$30,558.98 to Gould Construction, Inc. as their share of the Project Cost Savings Program. Director Hassler seconded and the motion passed unanimously.

After review and discussion of the final Project Cost Summary, Staff recommended release of 50% of the total retainage withheld, \$42,049.09, to the Contractor and Board authorization to begin the advertising process to make final payment to Gould Construction, Inc. of the remaining \$42,049.09 in retained funds. Director Hassler moved to release \$42,049.09 of the retained

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funds to the contractor, Gould Construction, Inc. from the District's Water Activity Enterprise Fund, at this time. Director Genova seconded and the motion passed unanimously. Director Hassler further moved to authorize staff to begin the process to make final payment to Gould Construction, Inc. at the December 1, 2011 Regular Board Meeting. Director Genova seconded and the motion passed unanimously.

Health Reimbursement Arrangement (HRA) – Manager Tooker reported that he has worked with the District's Health Reimbursement Arrangement administer, FlexMagic, to develop two separate plans, one for full time employees and one for part-time employees, that will comply with new Health Care Legislation. Additional discussion of HRA benefits will be scheduled at an upcoming Personnel Committee meeting.

### **NEW BUSINESS**

American National Bank Checking Account – Manager Tooker advised the Board that following a recent issue with the financial institution utilized for the District's Payroll Account, he has secured a new account with American National Bank. After discussion, it was the consensus of the Board to open a new payroll account with American National Bank. The Board provided copies of their driver's licenses and signed the Corporate Authorization Resolution to initiate the new Payroll Account at American National Bank.

Holiday Ham or Turkey – Director Genova moved to continue the District's tradition of providing one ham or one turkey to District Staff and Board Members, for either Thanksgiving or Christmas. Director Peck seconded and the motion passed unanimously.

Colorado River Water Users Association Annual Conference – Manager Tooker provided the Board with the conference program for the Colorado River Water Users Association Annual Conference to be held in Las Vegas, Nevada December 14 – 16, 2011.

### **ADJOURNMENT**

Director Genova moved to adjourn the November 3, 2011 Regular Meeting. Director Hassler seconded and the motion passed unanimously. The meeting was adjourned at 7:55 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