

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JANUARY 6, 2011**

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

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

REGULAR MEETING

Chairman Burger called the Regular Meeting to order at 5:00 p.m. One item was added to New Business, Hidden Valley Water Company.

MINUTES OF THE DECEMBER 2, 2010 AND DECEMBER 8, 2010 MEETINGS

Director Genova moved to approve the December 2, 2010 Regular Meeting Minutes as presented. Director Peck seconded and the motion passed unanimously. Director Genova moved to approve the December 8, 2010 Special Meeting Minutes as presented. Director Hassler seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks \$130,781.42 plus HRA Disbursements of \$2,010.92 plus Benefits Checks of \$23,058.05 plus Supplemental Checks of \$117,380.08 for a total of \$273,230.47. Director Peck seconded the motion. Manager Tooker reported on the processing procedures for payments to the Clifton Sanitation District. The motion passed unanimously.

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

MANAGER'S REPORTS

Manager Tooker noted the sale of one tap for November, 2010, for a total of 31 taps year-to-date. This is a 56% reduction of tap sales since 2009. Assistant Manager Reinertsen reported that several water line leaks were identified this week and once repaired will improve the percentage between plant outflow and water sales.

EXPRESS AGENDA

The Board reviewed the Express Agenda and approved the following items by consensus:

-
1. New Water Rates Effective January 1, 2011 - New Water Service Rates go into effect for consumption beginning on January 1, 2011. Billing for the new rates will begin February 1, 2011. Each of the Board Members was contacted to confirm their understanding of when the new rates would be effective and when they would be apparent in their bills. A Press Release regarding the new water rates went out to the media on December 10, 2010 and the rates were publicized, along with Ute Water's rate increase, in the Daily Sentinel on December 6, 2010. All District customers will receive a notice of the rate increase on their bill, a rate increase insert with their bill, or a special mailing.
 2. Project 2009-04 Colorado River Intake Structure – Gould Construction has completed the concrete walls and pipe embeds for the new control building. The design is now 100% complete and one copy is being forwarded to the Colorado Department of Health and Environment for review and comment as requested last summer by the District's local Health Department representative. Overall, project construction is approximately 2 weeks behind schedule but the contractor is still committed to the July 15, 2011 completion date as per the contract.
 3. Frozen Water Service Calls – With the recent cold temperatures, the District's on-call service technician received 25 customer calls regarding frozen customer water lines over January 1st weekend. All calls have been customer related and not related to frozen District facilities.
 4. Staff Retirements – Formal recognition of District staff that retired December 31, 2010 will be scheduled in January. Carey Blount, Violet Church and David Larsen retired with 93 years of combined service to the District.

UNFINISHED BUSINESS

Health Reimbursement Arrangement - Manager Tooker presented the annual agreement with the program administrator for the District's Health Reimbursement Arrangement. Director Hassler moved to authorize Manager Tooker's signature on the Health Reimbursement Arrangement agreement with Flex Magic Consulting, Inc. for the plan year January 1, 2011 through December 31, 2011. Director Genova seconded and the motion passed unanimously.

Project 2008-04 MF/UF Pilot Testing Program Additional Services – Manager Tooker reported that Burns and McDonnell Engineering submitted a proposal to prepare additional information requested by the Board for a new building to house a Microfiltration/Ultrafiltration (MF/UF) system, an option to install a new sand filtration system, and an inflationary analysis of the option presented to the Board at the October 26, 2010 Special Meeting. The Board and staff believe the proposal will include more information than necessary at this time and staff was directed to request a proposal with less detail.

NEW BUSINESS

Resolution Designating Time, Location and Posting of Meetings – The Board agreed to continue conducting meetings at 5:00 p.m. on the first Thursday of each month at District offices, and to retain the existing meeting posting locations. Director Peck moved to adopt the Resolution Designating Time, Location and Posting of Meetings. Director Genova seconded and the motion passed unanimously.

Resolution Text inserted below:

**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 Recorders 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 6th day of January 2011.

Resolution Adopting Availability of Service Charge for 2011 – Manager Tooker presented a Staff Report summarizing 2010 water sales data used to determine the In-District and Out-of-District Availability of Service charge for 2011. Director Hassler moved to adopt the Resolution for the Availability of Service (AOS) Charge for 2011. The Resolution establishes the In-District AOS at \$9.76 / month (50% of the 2010 average usage/month) and the Out-of-District AOS at \$14.64/ month (45% of the 2010 average usage/month or 1.5 times the In-District AOS). Director Genova seconded and the motion passed unanimously.

Resolution Text inserted below:

RESOLUTION FOR THE AVAILABILITY OF SERVICE CHARGE FOR 2011

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 2011 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 2010 the average water usage charge for a Clifton Water District In-District customer was \$19.52/month per customer; and

WHEREAS, in 2010 the average water usage charge for a Clifton Water District Out-of-District customer was 32.85/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 2011 Fiscal Year at 50% of the In-District average water bill in 2010, which equals \$9.76 per month per customer and the Out-of-District Availability of Service Charge for the 2011 Fiscal Year at 45% of the Out-of-District average water bill in 2010, which equals \$14.64/month per customer.

BE IT FURTHER RESOLVED, that this Resolution be adopted this 6th day of January 2011 and is effective January 7, 2011.

Colorado Counties Officials and Employees Retirement Association (CCOERA) Roth 457 – Manager Tooker reported on the additional benefit available to District employees for a Roth 457, and presented the relevant agreement with CCOERA to add Roth 457 as an optional contribution. Director Genova moved to authorize execution of the agreement with Colorado County Officials and Employees Retirement Association regarding Roth 457 contributions. Director Burger seconded and the motion passed unanimously.

Western Slope Communications Agreement Termination – Manager Tooker presented an agreement and correspondence with Western Slope Communications representatives regarding an FM antenna housed at the District's Plant #1 site that will expire on April 17, 2011. The District receives no benefit from this agreement, the location of the antenna hinders District access, and the District has not received proof of Commercial Liability Insurance from Western Slope Communication's successor Four Corners Broadcasting. Manager Tooker recommends not renewing the agreement for another term. Director Hassler moved that the District shall notify the successor to Western Slope Communications LLC that the April 17, 2001 agreement is ending and the tenant shall quit the premises by that date. Director Genova seconded and the motion passed unanimously.

Whitewater Development LLC Request – Assistant Manager Reinertsen presented a Staff Report and letter regarding a request from Steve Hejl for a District cost-share participation in the installation of 3,080 feet of water main to serve a proposed development on 400 acres on Coffman Road in Whitewater. There are currently no plans for the District to extend a mainline in this area but if the District were to extend a line in this area it would be a 12" water line rather than an 8" line that Hejl believes is adequate. Previously, the Board has directed Staff to inform developers that if they want to develop a site that needs infrastructure improvements ahead of the District's capital improvement plans, the developer can accelerate the District's schedule by funding those improvements for their present time use. Steve Hejl has requested that the District cover the additional cost of a 12" line above his cost for an 8" line. Board consensus was that a 12" line is the proper size for extension of a water line in this area, and directed Staff to continue discussions with Hejl regarding the project and to develop a cost recapture agreement if the project will provide benefit to the District.

Transfer of Funds from Contingency to Purchase Water Shares – Manager Tooker summarized the recent purchases of Grand Valley Irrigation Company water shares. Director Genova moved to authorize a Budget Transfer of \$14,853 from Contingency to Purchase Water Shares. Director Norman seconded and the motion passed unanimously.

Hidden Valley Water Company – Manager Tooker reported that the representatives of the Hidden Valley Water Company, a consecutive water system serving approximately 25 homes in the Whitewater area, have asked the District to take over the water system. These properties are currently not located within the In-District or Out-of-District service areas. Prior to further consideration of the request, District staff will need to evaluate the condition of the system and map the locations of infrastructure. In addition, legal authority for actions of the Hidden Valley Water Company, including the right to convey the system, must be determined. By Board consensus, Staff will continue to evaluate the existing system, will obtain a legal opinion regarding the authority of the Hidden Valley Water Company representatives, and a legal opinion on options for transfer of the system to the District.

ADJOURNMENT

Director Genova moved to adjourn the meeting. Director Peck seconded and the motion passed unanimously. The meeting was adjourned at 6:55 p.m.

ATTEST:

Robert Burger

Alan Hassler

Doralyn Genova

Dale Peck

Robert Norman