

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, FEBRUARY 3, 2011**

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

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

REGULAR MEETING

Vice Chairman Hassler called the Regular Meeting to order at 5:05 p.m. Chairman Burger was excused and Director Norman was present via phone.

MINUTES OF THE JANUARY 6, 2011 MEETING

Director Genova moved to approve the January 6, 2011 Regular Meeting Minutes with a correction to clarify the number of taps as year-to-date in the Manager's Report, and to correct a typographical error in the Resolution text on page 4. 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 \$205,243.71 plus HRA Disbursements of \$3,644.74 plus Benefits Checks of \$17,860.71 plus Supplemental Checks of \$23,065.97 for a total of \$249,815.13. Director Peck seconded the motion. Accountant Foster noted that there were three payroll periods in December plus the payout of accumulated leave for three retiring and one resigning employee, resulting in higher payroll expenses for the month. The year-end totals on the Statement of Cash Flow were reviewed. The motion passed.

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

MANAGER'S REPORTS

Manager Tooker reviewed the year-end tap sales, water sales, plant production and water quality data. Tap sales for 2010 totaled 35, a 53% reduction from 2009. Accounts billed as Availability of Service at year-end of 352 is a 30% increase from 2009. Despite the increased number of accounts that are off, total water sales increased by 3.2% which is attributed to the meter reading and billing corrections made in early 2010. Total water production decreased by 4.7% from 2009. Further in the Manager's Report it was noted that overtime hours for the month of

December, 2010 were increased primarily due to weather-related call outs and repairs, including 25 frozen water call-outs over the New Year's weekend.

STAFF REPORTS

Credit Card Transactions Report – Administrative Coordinator McLaughlin presented the year-end summary of the number of credit card transactions and costs to the District for processing these transactions. Customer usage of credit cards went down 45% following the October 1, 2010 implementation of the \$3.25 Credit Card Usage Fee.

InfoSend Bill Print and Mailing Report – Administrative Coordinator McLaughlin reported that the implementation of bill printing and mailing through InfoSend from May through December, 2010 resulted in an actual cost savings of \$17,634.00, which is an annualized savings of \$28,215.00. The partnership with InfoSend will be expanded in 2011 to utilize their services for web bill presentation, online bill viewing, and online web payments.

Customer Trends – Administrative Coordinator McLaughlin summarized year-end customer account data showing increased numbers of customer accounts with Discontinuation of Service, Availability of Service, and Third Party billing. The District also processed 90 property transfers related to Foreclosure in 2010.

EXPRESS AGENDA

Following brief discussion, the Express Agenda items were approved by Board consensus as follows:

1. Project 2009-04 Colorado River Intake Structure – Gould Construction continues backfill and concrete foundation/slab work on the new Control Building. Groundwater de-watering wells have been installed and are functioning. Staff has been in communications with the local Colorado Department of Health and Environment project engineer concerning review and approval of the final project design. At present, the project continues to be two weeks behind schedule but the contractor is confident that schedule recovery will occur once foundation and slab concrete work is complete.
2. Project 2011-01 I-70B Main Line Bore (Checker Auto) – Rolland Consulting Engineers has completed the project design drawings. Staff has been meeting with adjacent property owners to discuss the project details in an effort to minimize negative impacts to their property uses. Staff is also finalizing identified new and amended water line and construction easements necessary to complete the project. Once those easements are in place, Staff will present this project to the Board for construction contract considerations.
3. Hidden Valley Water Company – Distribution staff met with Steve Whiting to identify and and GPS the locations of meter pits, valves, pump stations and water storage tanks.

UNFINISHED BUSINESS

Western Slope Communications Agreement Termination – Manager Tooker stated that a certified letter was mailed to Four Corners Broadcasting, Western Slope Communications' successor, followed by a phone call regarding the District's non-renewal of the current lease agreement on April 1, 2011. Four Corners Broadcasting has commenced the process to obtain a new FCC license to relocate their transmitter.

Project 2008-02 MF/UF Pilot Testing Program Additional Services – Assistant Manager Reinertsen presented a Staff Report and summary of Burns and McDonnell's amended proposal to accommodate the Board's request for evaluation of new construction compared to the presented retrofit evaluation, evaluation of existing sand filter upgrades, and to perform a more thorough inflationary cost analysis. The Board asked if this review would need to be done again if the project does not move forward in the near future. Manager Tooker reported that this evaluation is necessary in order to determine the District's direction, and to prepare for project financing. Director Genova moved to approve the Staff Recommendation to accept the proposal from Burns & McDonnell Engineering to provide the additional evaluations in order to finalize the previously submitted MF/UF Membrane Pilot Testing Program Report for a not-to-exceed cost of \$29,152 and the delivery schedule of May, 2011. Director Peck seconded and the motion passed.

Whitewater Development LLC Request – Assistant Manager Reinertsen presented a Staff Report and reported that Whitewater Development LLC's representative Steve Hejl has submitted his proposal for a cost recapture agreement for the installation of a 12" main line to serve his 400 acre development in the Whitewater area. As per Board discussion at the January 4, 2011 meeting, the District would consider a cost recapture agreement to reimburse Hejl for the additional costs of upgrading to the 12" line necessary for District purposes. Board members suggested a willingness to participate in a cost recapture agreement for installation of a line that would eventually be needed to loop the District's system in that area. Hejl's proposal is that upon sale of the first four taps the District will pay the developer \$7,500 for each tap sold. District Staff has recommended the amount of the recapture agreement to be \$2,000 per tap sold for a maximum of 15 taps during a five year period of time. It was also noted that the current Plant Investment Fee for the Whitewater area is \$7,500. Director Genova moved to decline the cost recapture agreement proposal from Whitewater Development LLC of \$7,500 each from the first four taps sold. Director Norman seconded and the motion passed.

Palisade Wastewater Treatment Project – Manager Tooker provided the Board with a copy of a letter sent from the Town of Palisade to the Clifton Sanitation District (CSD) regarding Palisade's possible withdrawal of plans to pump sewage to CSD and instead install a less expensive diffuser system to reduce ammonia in the effluent. This effluent goes into the Colorado River a upstream from the Water District's intake structure. Due to water quality concerns, the District has strongly supported the Town of Palisade's plans to replace its existing wastewater treatment system with the use of the regional wastewater treatment facility at the Clifton Sanitation District. The Board directed Manager Tooker to prepare a letter, for Board

review, to the Town of Palisade that identifies the District's issues with their wastewater treatment plans.

NEW BUSINESS

GVICO Water Shares Purchase – Manager Tooker stated that the developer of Chatfield IV has offered to sell the District 23 Grand Valley Irrigation Company (GVICO) shares. The District has \$7,500.00 in the Water Shares Purchase budget and would need an additional \$5,000.00 from Contingency to acquire all 23 shares. Assistant Manager Reinertsen added that he has also been contacted by another developer regarding the possible sale of water shares. He also provided the Board with a draft Water Shares Development Policy that was prepared in 2008 and should be considered by the Board further as more water shares become available. Director Genova moved to approve the purchase of 23 Grand Valley Irrigation Company Shares as presented, and to approve the transfer of \$5,000.00 from Contingency for this purpose. Director Peck seconded and the motion passed.

ADJOURNMENT

Director Genova moved to adjourn the meeting. Director Peck seconded and the motion passed. The meeting was adjourned at 7:05 p.m.

ATTEST:

--Excused--

Robert Burger

Alan Hassler

Doralyn Genova

Dale Peck

Robert Norman