

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, APRIL 7, 2011**

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

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

GUESTS: Steve Hejl, Mike Kelleher and Merritt Sixbey

REGULAR MEETING

Vice Chairman Hassler called the Regular Meeting to order at 5:00 p.m. Chairman Burger was excused.

GUESTS

Steve Hejl was present for discussion of his request for a cost recapture agreement regarding the installation of a 12 inch waterline on Coffman Road in the Whitewater area. The Board previously considered the request and directed staff to develop a cost recapture agreement at the January 6, 2011 Regular Meeting. Mr. Hejl is not satisfied with the conditions of the developed cost recapture agreement. Mike Kelleher and Merritt Sixbey commented about the need to move forward with the waterline installation for a pending development project on Coffman Road. The Board advised the guests that any cost recapture agreement is solely for the benefit of the requester(s) as the District's need for this line extension is not identified in the current District Five-Year Major Capital Improvement Plan.

Hejl, Kelleher and Sixbey exited the meeting at 5:45 p.m.

MINUTES OF THE MARCH 3, 2011 REGULAR MEETING

Director Genova moved to approve the March 3, 2011 Regular Meeting Minutes (*2011 Minutes*) as submitted. 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 \$86,970.58 plus HRA Disbursements of \$713.92 plus Benefits Checks of \$18,944.52 plus Supplemental Checks of \$210,539.95 for a total of \$ 317,168.97. Director Peck seconded

the motion. Director Hassler noted a net decrease in the Cash Flow that was attributed to capital expenditures. Director Norman suggested that the Health Reimbursement Arrangement (HRA) report be provided as a summary rather than a detailed report. The motion passed.

MANAGER'S REPORTS

Manager Tooker summarized the Manager's Report. It was noted that overtime hours have increased. The Board commented that some of this may be attributed to reduced staffing levels requiring more hours of current employees.

STAFF REPORTS

Water Issues: Colorado River Basin Proposal Update – Manager Tooker provided an update of ongoing mediation between Western Slope and Front Range water users involved in the Colorado River Basin Proposal.

Colorado Basin Roundtable Letter of Appreciation – Manager Tooker was recognized by the Office of the Governor for his five-year participation in the Colorado Basin Roundtable.

NEW BUSINESS

2010 Audit Issues – The Board moved this agenda item up so Accountant Foster could participate. Manager Tooker reported that auditor Mary Brenes, CPA has requested clarification regarding the categorization of certain Project 2008-02 MF/UF Pilot Study project costs. The Board concurred with Staff's recommendation to depreciate the 2010 expenditures as intangible assets over five years.

David Foster left the meeting at 6:25 p.m.

EXPRESS AGENDA

The Board agreed, by consensus, to approve the Express Agenda items as follows:

1. Western Slope Communications Agreement Termination – As per the termination of the lease agreement between the District and Western Slope Communications/Four Corners Broadcasting, all equipment belonging to the lessee was removed on March 28, 2011. The tower previously used for the antenna remains on the building.
2. David Durham Bray and Company Realtors Request – Following David Durham's meeting with the Board on March 3, 2011, regarding billings on foreclosed properties represented by himself, Staff developed an option to suppress bill printing to a property owner while

retaining the bill printing to the Third Party. Mr. Durham has been provided the revised Third Party Notification Authorization Form to select this option.

3. Palisade Wastewater Treatment Facility – A letter of comments was sent to the Colorado Department of Public Health and Environment on March 29 regarding the Town of Palisade's plans for wastewater treatment. A copy of the letter is provided in the Board's packet.
4. Project 2009-04 Colorado River Intake Structure – Contractor has completed the block walls of the new Controls Building. The concrete walls and lid have been placed for the new pump well structure. Final tie in to the original pump well/river intake structure is scheduled to take place as soon as the District's raw water source changes to the Grand Valley Irrigation Canal, anticipated for the second week of April.
5. Project 2008-02 MF/UF Pilot Testing Program Additional Services – Burns & McDonnell Engineering Company has the additional scope items in final design review and plan to provide the rough draft for District Staff review the second week of April. Final presentation to the Board will occur at a future Board Meeting.

UNFINISHED BUSINESS

Central Grand Valley Sanitation District IGA - Manager Tooker presented the agreement with the Central Grand Valley Sanitation District regarding the Discontinuation of Service to shared customers that are delinquent on their sewer account. The District will receive \$50 from Central Grand Valley per Discontinuation. Director Genova moved to approve the Intergovernmental Agreement between Clifton Water District and Central Grand Valley Sanitation, and to authorize the signatures of Manager Tooker and Board members. Director Peck seconded and the motion passed.

Whitewater Development LLC Request - Manager Tooker stated that the location of the waterline discussed earlier in the meeting with guests Hejl, Kelleher and Sixbey is not currently a District project priority. Staff does not recommend a change in the District's previous cost recapture proposal to credit the developer \$2,000 per tap sold for five years, as credit toward the additional cost of the line borne by the developer for the increase from an 8" line to a 12" line.. Assistant Manager Reinertsen commented that before the District can consider any arrangement the property owner would need to request water service as an Out-of-District customer. The length of time for cost recapture agreements was discussed, and the District's prioritization of line extensions based on the number of customers served. The Board directed Staff to develop a draft policy, for review by the Policy Committee, which defines cost recapture agreements to be a maximum credit amount of \$2,500 and a maximum timeframe of 7.5 years.

Hidden Valley Water Company – Director Hassler submitted a letter to the Board regarding his potential personal or private interest pertaining to Hidden Valley Water Company matters due to his provision of legal services to the Estate of John Whiting which held as an asset the Hidden Valley Water Company, Inc.

Director Hassler left the room at 7:05 p.m.

Manager Tooker reported that he has received documents regarding the legal authority of representatives for Hidden Valley Water Company and he recommends continuing with the evaluation of the District's potential acquisition of that water system. The Board directed staff to have the District's attorney review the documents and options and to report the findings back to the Board.

Director Hassler returned to the room at 7:10 p.m.

2011 Flood Potential - Manager Tooker reported that the Colorado River Basin snowpack is currently at 130% and weather conditions will affect runoff and potential risks to District property. Conditions will continue to be monitored along with any need for additional flood insurance.

NEW BUSINESS

Customer Complaint/Water Quality Investigation – Manager Tooker summarized the in-depth water testing conducted by the District and the results obtained as a result of a water quality complaint from a customer residing at 313 5th Street. No issues of concern were identified and test results were provided to the customer.

Emergency Water Rate – The Board reviewed the Resolution adopted by the Board in 2009 regarding the District's Emergency Water Rate, and Exhibit A showing the chart of the updated Emergency Water Rate based on the January 1, 2011 rate increase. Director Norman moved to approve and adopt Exhibit A to 2009 Resolution to Establish Emergency Rate, the Emergency Rate Updated and Adopted April 7, 2011. Director Peck seconded and the motion passed. Director Peck moved to put the Emergency Rate on hold until further action. Director Norman seconded and the motion passed.

Project 2009-04 Colorado River Intake Structure - Assistant Manager Reinertsen requested additional discussion on this Express Agenda item and provided a Staff Report outlining a request from contractor Gould Construction for a reduction in the remaining pay request retention. C.R.S. 24-91-1003 allows a reduced retainage once 50% of the work has been completed satisfactorily. Staff finds the work of Gould Construction to be satisfactory and have established a good working relationship. No sub-contractor complaints have been received. Director Norman moved to authorize Staff to notify the Contractor, Gould Construction, that based on their written request, additional retainage will not be withheld for remaining pay requests as long as progress towards completion continues unabated, and as per the provisions of C.R.S. 24-91-1003. Director Peck seconded and the motion passed.

PERSONNEL

Manager Tooker advised the Board that the recruitment of a Water Treatment Plant Supervisor was not successful. As a result, Manager Tooker has reassigned himself to temporarily serve as

the Water Treatment Plant Supervisor and to promote Ben Hoffman to Water Treatment Plant Foreman. An advertisement will be placed for the open position of Water Treatment Plant Operator.

ADJOURNMENT

Director Genova moved to adjourn the meeting. Director Peck seconded and the motion passed. The April 7, 2011 Meeting was adjourned at 8:02 p.m.

ATTEST:

Excused

Robert Burger

Alan Hassler

Doralyn Genova

Dale Peck

Robert Norman
