

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, FEBRUARY 2, 2012**

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 to order the Regular Meeting of February 2, 2012 at 5:06 p.m. Three additions were made to the Agenda. One item was added to the Express Agenda: 2012 Water Course – presented by The Water Center at Colorado Mesa University and The Mesa County Water Association. One item was added to Unfinished Business: Front Office Security. One item was added to New Business: Account #12004 Hollywood Captec dba Denny's Restaurant Metering Issue.

MINUTES OF THE JANUARY 5, 2012 REGULAR MEETING

Director Genova moved to approve the January 5, 2012 Regular Meeting Minutes with an amendment to add a chart identifying the terms of the Board of Directors on Page 4. Director Hassler seconded and the motion passed. Director Norman abstained as he had not been present at the January 5, 2012 Meeting.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and approve Accounts Payable Regular Checks of \$58,470.93 plus HRA Disbursements of \$3,434.88 plus Benefits Checks of \$15,408.02 plus Supplemental Checks of \$31,249.21 for a total of \$108,563.04. Director Hassler seconded the motion. Accountant Foster noted that this set of Financials includes the Quarterly and Year-End Balance Sheet. It was noted that Credit Card Fees is included in the General and Administrative Insurance line item on the Profit and Loss Statement. Chairman Burger requested that the record reflect that the financial institution identified as Colorado National Bank in the Financial Reports was previously known as Palisade National Bank. The motion passed unanimously.

David Foster and Angie Beebe left the meeting at 5:20 p.m.

MANAGER'S REPORTS

Manager Tooker presented the Manager's Reports and noted that 2011 ended with a total of 49 taps sold, an increase of 44% over 2010. The year ended with the number of Availability of Service accounts down by 9.9% from the end of 2010. Water Sales were down 4.9% at the end of 2011 compared with the end of 2010. Water Quality data showed an overall reduction in Total Dissolved Solids (TDS) requiring treatment in 2011. Staff overtime hours for 2011 ended slightly below the 2010 number. No Capital project costs or Attorney Fees were paid for the reporting month of December, 2011.

STAFF REPORTS

2011 Customer Trends Data – A Staff Report (2/2/12 File, 2011 Staff Reports) summarizing Billing and Customer trends through 2011 was presented and discussed. Information only, no action was necessary.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda Items 1 through 3 as presented. Director Norman seconded and the motion passed unanimously. The Express Agenda items are as follows:

1. InfoSend Bill Printing and Mailing – The total cost for InfoSend Bill Printing and Mailing in 2011 was \$70,899.00. This amount included the additional costs association with the distribution of two Billing Inserts (one for the water rate increase and one announcing the IVR payment option) and the cost for reprogramming of the Bills for the Springbrook Version 7 migration. The total cost of \$70,899 was \$23,570 less than the annual cost of Bill Printing and Mailing prior to implementation of InfoSend. The 2011 annual cost for Infosend to process, print and mail each Bill or Discontinuation of Service Notice calculates to \$0.48 per piece mailed including the additional inserts and programming.
2. 2011 4th Quarter SILLs Staff Recognition Luncheon – The 2011 4th Quarter SILLs staff recognition luncheon is scheduled for Wednesday, February 1 at 12:00 pm in the Board Room. This recognition will highlight the implemented Simple Improvements at the Local Level (SILL) that staff member identified during October through December of 2011. Board members are invited to attend.
3. 2012 Water Course – presented by The Water Center at Colorado Mesa University and The Mesa County Water Association. The 2012 Water Course sponsored by The Water Center at Colorado Mesa University will take place on three consecutive Thursdays in February, starting on February 9th. The three, three-hour presentations will start at 6 pm at the Ute Water facilities located at 22 and H ¼ Roads. Session One will cover Water Law and the Roles of Local Agencies. Session Two will cover Water Supply and Planning, and Session Three will cover

Water Quality. If interested please let the office know so registration forms can be completed for any session Board Members would like to attend.

UNFINISHED BUSINESS

2011 Audit – Engagement Letter – Manager Tooker presented the Audit Engagement Letter for preparation of the 2011 Audit by Chadwick, Steinkirchner, Davis & Co. Director Genova abstained from participation in this agenda item due to the conflict of interest disclosed at the January 5, 2012 Regular Meeting. It was noted that the 2012 Budget was adopted with less funding allocated to Audit Expenses than the proposal submitted by Chadwick, Steinkirchner, Davis & Co. Director Hassler moved to authorize the transfer of \$4,200 from Contingency to the Operational Budget for Audit Services in order to proceed with the 2011 Audit. Director Norman seconded and the motion passed. Director Genova abstained. Director Hassler moved to approve the Audit Engagement Letter for preparation of the 2011 Audit by Chadwick, Steinkirchner, Davis & Co. at a not to exceed amount of \$9,100, and authorize Manager Tooker to sign the Letter. Director Norman seconded and the motion passed. Director Genova abstained.

Water Acquisition Plan/Water Rights – Manager Tooker presented a document “Water Rights Executive Summary, Part II – Available Water Sources, Prepared February 2, 2012”. (2/5/12 File) He summarized water acquisition issues including Grand Valley Irrigation Shares, Colorado River Direct Flow ownership, Colorado River Contract Pools purchases, and various options requiring significant capital expenditures to develop and transport water. The advantages of cooperative efforts could also be explored. The Board will consider this information in the creation of a strategic plan for water acquisition and development.

Water Conservation Plan – Assistant Manager Reinertsen presented a summary document of the Draft Grand Valley Regional Water Conservation Plan (2/5/12 File, Grand Valley Regional Water Conservation Plan). The Plan is ready for the required 60-day public comment period. The Plan is available for public review on the Drought Response Information Program (DRIP) website, www.thedripwebsite.com. The Plan is scheduled for final adoption in May by the governing Boards of Clifton Water District, Ute Water Conservancy District and the City of Grand Junction.

Grand Valley Water Quality Project – Manager Tooker presented a Staff Report (2/5/12 File, 2012 Staff Reports) regarding the Scope of Work, Schedule and 2012 Cost Allocation for the Grand Valley Water Quality Project which the District is a participant in. The focus of the Project is the development of a comprehensive database of water quality data to be utilized by the cooperating entities in responding to future water quality issues.

Front Office Security – Assistant Manager Reinertsen reported that Staff are evaluating whether there continues to be a need for uniformed security positioned in the Office Lobby during

Discontinuation of Service Days since the security glass was installed in the Customer Service windows. The evaluation will be presented at the March 1, 2011 Regular Board Meeting.

NEW BUSINESS

On-Call Status and Personnel Policies 8.9 On-Call Requirements and Policy 21 Vehicle Use – Manager Tooker presented copies of Personnel Policy Section 21 – Vehicle Use and Personnel Policy Section 8.9 On Call Requirements (*Personnel Policy*) and reported that he has received a number of requests from employees to transport family members while driving a District vehicle when on-call, as is defined as exceptions in Personnel Policy Section 21.3.2 regarding Vehicle Use. Exceptions were to be allowed for the occasional instance when no other options were available, however, current requests appear to be for routine transport while an employee is on-call. Manager Tooker noted that, as per Personnel Policy 8.9, on-call personnel are not required to drive a District vehicle when on call. Board members stated strong concern with employees transporting family members in District vehicles for any reason. The Board requested that the Policy Committee review current Policy language and recommend changes as appropriate for Board consideration.

Operating Policy #410 Water Usage Fees Third Party Notification – A Staff Report (*2/2/12 File, 2012 Staff Reports*) was presented regarding current and proposed processes used to charge a Third Party Notification Fee to a customer account. Staff recommends changing the current Fee from an annual assessment based on the month the original agreement was signed to a monthly assessment in order to reduce staff time required for processing annual assessments. The Board requested that the Policy Committee review the Policy and recommend changes as appropriate for Board consideration.

Account #12004 Hollywood Captec dba Denny's Restaurant Metering Issue – Manager Tooker advised the Board that District staff found that the meter installed to service the Denny's Restaurant on October 7, 2011 was tampered with resulting in water bypassing the meter. No water usage has been recorded or billed to the Account since the meter installation. A summary of the estimated unmetered water use was provided to the Board (*2/2/12 File*) along with text from Policy #420 Water Usage Fees, Section 2.4, Section 8, and Section 12.9 pertaining to penalties associated with tampering and unauthorized use. If these Fees were applied as per Policy for every day since October 7, 2011 when the meter was installed, Account #12004 would be assessed penalties of approximately \$107,000 plus the estimated unmetered water use charges of \$605.80. It is unknown who may have tampered with the meter. The Board stated the need for the District to assess penalties for this incident but suggested that the District could have identified there was no usage on the account after billing occurred the first month, therefore, penalties should not be applied for each day since October 7, 2011. The Board identified penalties to be charged as follows: 1) One incident of tampering at \$1,000 as per Policy 8.1 – Right of Exclusive Control; 2) 30 days of Unauthorized Water Use at \$50.00 per day as per Policy 12.9.1 – Unauthorized Water Use; and, 3) the estimated water use since October 7, 2011 of \$605.80 as calculated by Staff based on average water use of 2,900 gallons per day since the tampering was identified and corrected. Manager Tooker will contact the representative of Denny's Restaurant to clarify the actions the District will take regarding this situation.

PERSONNEL

Staffing Changes and Manager's Evaluation – Director Hassler moved to go into Executive Session as per C.R.S. 24-6-402 (4)(f) for the purpose of discussing the identified Personnel matters. Present in the session will be Directors Burger, Hassler, Genova, Peck and Norman, with Staff being excused. Director Genova seconded and the motion passed unanimously. The Board went into Executive Session at 8:04 p.m.

Director Hassler moved to exit the Executive Session. Director Norman seconded and the motion passed unanimously. The Board exited the Executive Session at 8:24 p.m.

Upon completing the Manager's Evaluation the Board increased the District Manager's salary by 3%, retroactive to January 1, 2012.

ADJOURNMENT

Director Peck moved to Adjourn the February 2, 2012 Regular Meeting. Director Norman seconded and the motion passed unanimously. The Meeting was adjourned at 9:10 p.m.

ATTEST:

Robert Burger

Alan Hassler

Doralyn Genova

Dale Peck

Robert Norman