

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JANUARY 5, 2012**

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

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

REGULAR MEETING

Chairman Burger called to order the Regular Meeting of January 5, 2012 at 5:10 p.m. Director Norman was excused.

MINUTES OF THE DECEMBER 1, 2011 REGULAR MEETING

Director Genova moved to approve the December 1, 2011 Regular Meeting 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 \$143,951.95 plus a Special Check Run of \$2,658.99 plus a second Special Check Run of \$2,020.00 plus HRA Disbursements of \$6,599.51 plus Benefits Checks of \$18,045.96 plus Supplemental Checks of \$17,910.41 plus Additional Checks in the amount of \$66,414.53 for a total of \$257,601.35. Accountant Foster reported on payment method trends. Director Peck seconded the motion. Manager Tooker reported that the District will not meet Budget projections for 2011 Water Sales. Assistant Manager Reinertsen commented that the District has received a higher than Budgeted amount in Plant Investment Fees, which is Non-Operating Revenue. The motion passed unanimously.

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

MANAGER'S REPORTS

Manager Tooker presented the Manager's Reports. It was noted that although November 2011 water sales were significantly down from November of 2010, staff determined there were three less meter reading days in the November, 2011 billing cycle which reduced the billed consumption.

STAFF REPORTS

There were no Staff Reports.

EXPRESS AGENDA

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

1. New Water Rates Effective January 1, 2012 - New Water Service Rates go into effect for billing beginning on January 1, 2012. A Press Release regarding the new water rates went out to the media on December 2, 2012 and the rates were publicized in a front page article, along with a comparison with Ute, the City and the Town of Palisade, in the Daily Sentinel. All District customers received a notice of the rate increase via a blue insert with their bill. The bills to Clifton Sanitation District customers also included a yellow insert regarding their 2012 rate increase. We have had limited comments concerning the rate increase
2. Purchase of Water Shares - District Staff made two purchases of GVICo shares for a total of 9 shares. The Special Check Runs for each purchase is included in the Board Packet. The purchase of 9 additional shares increases the District's total shares to 1,787.
3. Mesa County 33 Road Project – Included in the Regular Check Run is a check to Mesa County in the amount of \$53,352.95. This is the District's payment as part of a cooperative agreement to install necessary water improvements during the Mesa County 33 Road Project.

UNFINISHED BUSINESS

Water Acquisition Plan/Water Rights – Manager Tooker provided the Board with a Water Rights Executive Summary document (*1/5/12 File*) and discussed the differences between domestic and irrigation water as well as what the District has the rights to divert year-round. Some of the District's water rights could potentially be more challenging to access in a dry year. Further discussion will be scheduled with the Board at future meetings.

Refinancing Colorado Water Power Resources Development Authority Loan – Manager Tooker presented a Staff Report (*1/5/12 File, 2012 Staff Reports*) and recommendation from bond counsel Joe Drew that the District would not achieve a substantial enough savings to justify refinancing the 2003 Colorado Water and Power Resources Authority Bond at this time.

NEW BUSINESS

Resolution Designating Time, Location and Posting of Meetings – Director Genova moved to adopt the Resolution Designating Meeting Time, Place and 24-Hour Posting Location for 2012. The details will remain the same in 2012 as were designated in 2011. Director Hassler seconded and the motion passed. The text of the approved Resolution is as follows:

**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 Records 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 5th day of January 2012.

Resolution Adopting Emergency Rate – Manager Tooker presented the Exhibit A to the 2009 Resolution Adopting Emergency Rate, identifying the Emergency Rates as amended for the District’s 2012 Water Rate Table. Director Hassler moved to adopt the Exhibit A to the 2009 Resolution Adopting Emergency Rate and to reaffirm the 2009 Resolution Adopting the Emergency Rate and place it on hold until further action of the Board. Director Genova seconded and the motion passed. The 2012 Exhibit A to the 2009 Resolution to Establish Emergency Rate is inserted below:

2012 Exhibit A											
2009 Resolution to Establish Emergency Rate											
Updated and Adopted January 5, 2012											
Minimum Charge	Usage 1000 gal	In-District Rate per 1,000 gal	Total Cost	Total Amount	Cost per 1000 gal	Minimum Charge	Usage 1000 gal	Rate per 1,000 gal	Total Cost	Total Amount	Cost per 1000 gal
\$14.50	3	Minimum	\$14.50	\$14.50	\$4.83						
\$14.50	4	\$11.25	\$25.75	\$25.75	\$6.44						
\$14.50	5	\$11.25	\$37.00	\$37.00	\$7.40						
\$14.50	6	\$11.25	\$48.25	\$48.25	\$8.04						
\$14.50	7	\$11.25	\$59.50	\$59.50	\$8.50						
\$14.50	8	\$11.25	\$70.75	\$70.75	\$8.84						
\$14.50	9	\$11.25	\$82.00	\$82.00	\$9.11						
\$14.50	10	\$11.25	\$93.25	\$93.25	\$9.33						
\$14.50	11	\$13.00	\$106.25	\$106.25	\$9.66						
\$14.50	12	\$13.00	\$119.25	\$119.25	\$9.94						
\$14.50	13	\$13.00	\$132.25	\$132.25	\$10.17						
\$14.50	14	\$13.00	\$145.25	\$145.25	\$10.38						
\$14.50	15	\$13.00	\$158.25	\$158.25	\$10.55						
\$14.50	16	\$13.00	\$171.25	\$171.25	\$10.70						
\$14.50	17	\$13.00	\$184.25	\$184.25	\$10.84						
\$14.50	18	\$13.00	\$197.25	\$197.25	\$10.96						
\$14.50	19	\$13.00	\$210.25	\$210.25	\$11.07	\$14.50	19	\$17.50	\$214.75	\$214.75	\$11.30
\$14.50	20	\$13.00	\$223.25	\$223.25	\$11.16	\$14.50	20	\$17.50	\$232.25	\$232.25	\$11.61
\$14.50	25	\$13.00	\$288.25	\$288.25	\$11.53	\$14.50	25	\$17.50	\$319.75	\$319.75	\$12.79
\$14.50	30	\$13.00	\$353.25	\$353.25	\$11.78	\$14.50	30	\$17.50	\$407.25	\$407.25	\$13.58
\$14.50	35	\$13.00	\$418.25	\$418.25	\$11.95	\$14.50	35	\$17.50	\$494.75	\$494.75	\$14.14
\$14.50	40	\$13.00	\$483.25	\$483.25	\$12.08	\$14.50	40	\$17.50	\$582.25	\$582.25	\$14.56
\$14.50	45	\$13.00	\$548.25	\$548.25	\$12.18	\$14.50	45	\$17.50	\$669.75	\$669.75	\$14.88
\$14.50	50	\$13.00	\$613.25	\$613.25	\$12.27	\$14.50	50	\$17.50	\$757.25	\$757.25	\$15.15
\$14.50	60	\$13.00	\$743.25	\$743.25	\$12.39	\$14.50	60	\$17.50	\$932.25	\$932.25	\$15.54
\$14.50	70	\$13.00	\$873.25	\$873.25	\$12.48	\$14.50	70	\$17.50	\$1,107.25	\$1,107.25	\$15.82
\$14.50	80	\$13.00	\$1,003.25	\$1,003.25	\$12.54	\$14.50	80	\$17.50	\$1,282.25	\$1,282.25	\$16.03
\$14.50	100	\$13.00	\$1,263.25	\$1,263.25	\$12.63	\$14.50	100	\$17.50	\$1,632.25	\$1,632.25	\$16.32
Residential Only > 18,000 gallons/month											

Out of District Rate is 150% of In-District

Resolution Setting Election for May 8, 2012 – Assistant Manager Reinertsen reported that 2012 is an election year for the District and two Board positions are up for election. Current terms are as follows:

Name/Oath of Office Date	2012 Election	10/7/2010	5/6/10	9/1/08	6/5/08	6/7/07	3/1/07	5/4/06	4/7/05
Doralyn Genova (2 terms)			Elected 4 yr					Elected 4 yr	Appointed
Robert Burger (1 term)	Pending 4 yr term				Elected 4 yr	Appointed			
Alan Hassler (1 term)			Elected 4 yr	Appointed					
Dale Peck (1 term)			Elected 4 yr						
Robert Norman	Pending 4 yr term	Appointed							

Director Genova moved to adopt the 2012 Clifton Water District Election Resolution, setting the election for May 8, 2012. Director Genova seconded and the motion passed. The text of the approved Resolution is as follows:

2012 CLIFTON WATER DISTRICT ELECTION RESOLUTION

*WHEREAS, the term of office of Directors Burger and Norman shall expire after their successors are elected at the **regular** Special District election to be held on May 8, 2012 and take office; and*

*WHEREAS, in accordance with the provisions of the Special District Act ("Act") and the Uniform Election Code of 1992 ("Code), the Election must be conducted to elect two Directors to serve for a term of **four** years; and*

NOW, THEREFORE, be it resolved by the Board of Directors of the Clifton Water District in Mesa County, State of Colorado that:

1. *The regular election of the eligible electors of District shall be held on May 8, 2012, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, two Directors will be elected to serve a **four**-year term.*
2. *David A. Reinertsen shall be appointed as the Designated Election Official on behalf of the District and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code, or other applicable laws. The Election shall be conducted in accordance with the Act, Code, and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, appoint the Board of Canvassers, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished. The appointed person shall be appointed by the board and swear or affirm an oath of office. This document will be submitted to the Board as an official part of the election record. Exhibit A*
3. *One (1) walk-in voting place is established as set forth below:*

*David A. Reinertsen, DEO
 Clifton Water District Business Office
 510 34 Road
 Clifton, CO 81520
 District Office Telephone Number (970) 434-7328
 District Office Facsimile (970) 434-7338
 dreinertsen@cliftonwaterdistrict.org*

Office Hours: 8:00 AM to 5:00 PM, Monday through Friday – walk-in voting place will be open on election day between 7:00 am and 7:00 pm.

4. *Applications for a mail-in ballot are due to the Designated Election Official by the close of business on May 1, 2012 if the applicant wants the mail-in ballot mailed to him or her. If the applicant is willing to pick up his or her mail-in ballot, the deadline for filing the application with the Designated Election Official is the close of business on May 4, 2012.*
5. *Self Nomination and Acceptance petitions are available at the Designated Election Official's office located at the above address. All candidates must file a nomination petition with the Designated Election Official no later than 3:00 P.M. on **March 2, 2012**. A person who misses this deadline, but wishes to be a write-in candidate for office, shall file an affidavit of intent with the Designated Election Official no later than 5:00 P.M. on **March 5, 2012**.*
6. *If the only matter before the electors is the election of persons to office, and if at the close of business on **March 6, 2012**, there are not more candidates than offices to be filled at the election, including candidates filing affidavits of intent to be a write-in, the Designated Election Official shall cancel the Election and by Resolution declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with the Code.*
7. *Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, it being the Board's intention that the various provisions hereof are severable.*
8. *Repealer. All acts, orders, and resolutions, or parts thereof, of the Board which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.*
9. *Effective Date. The provisions of this Resolution shall take effect immediately.*

ADOPTED AND APPROVED this 5th day of January, 2012.

Certificate to Appoint Designated Election Official – Director Peck moved to appoint David Reinertsen as the District's Designated Election Official for 2012, and to adopt the related Certificate of Designation. Director Hassler seconded and the motion passed. The text of the approved Certificate is as follows:

CERTIFICATE OF APPOINTMENT OF DESIGNATED ELECTION OFFICIAL

THIS IS TO CERTIFY, that we have this day appointed, and do hereby appoint David A. Reinertsen as Designated Election Official for the purposes of conducting our special district regular biennial election on May 8, 2012. The appointment includes the authority to act on behalf of the board of directors in planning and implementing the duties required in the success of an election. The Designated Election Official will, with integrity and transparency, and according to law, conduct an election for the Clifton Water District, County of Mesa, State of Colorado. The Designated Election Official has full power and authority to act in an official capacity prior to, during, and until the results of the May 8, 2012 regular biennial election results are certified, unless this appointment should be sooner extended or revoked by Resolution.

WITNESS our hand and seal this 5th day of January, 2012.

Resolution Adopting Availability of Service Charge for 2012 – Manager Tooker presented the Resolution to adopt the District’s Availability of Service Charge for 2012. This charge is calculated based on the average customer bill in 2011. Director Hassler moved to adopt the Resolution Adopting Availability of Service Charge for 2012. Director Genova seconded and the motion passed. The text of the Resolution and the adopted Availability of Service Charges for in-District and Out-of-District customers is as follows:

RESOLUTION FOR THE AVAILABILITY OF SERVICE CHARGE FOR 2012

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 2012 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 2011 the average water usage charge for a Clifton Water District In-District customer was \$21.43/month per customer; and

WHEREAS, in 2011 the average water usage charge for a Clifton Water District Out-of-District customer was 36.40/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 2012 Fiscal Year at 50% of the In-District average water bill in 2011, which equals \$10.72 per month per customer and the Out-of-District Availability of Service Charge for the 2012 Fiscal Year at 44% of the Out-of-District average water bill in 2011, which equals \$16.08/month per customer.

BE IT FURTHER RESOLVED, that this Resolution be adopted this 5th day of January 2012 and is effective January 5, 2012.

2012 Workers Compensation Renewal – Assistant Manager Reinertsen presented a Staff Report (*2012 Staff Reports*) and Recommendation to renew the 2012 Workers Compensation coverage with the \$500 Claims Deductible the same as 2011. There were three minor claims filed in 2011 with a total expenditure of \$280. The premium for 2012 is \$1,120.17 less than the 2011 premium. Director Peck moved to approve the 2012 Workers Compensation Renewal as presented with an annual premium of \$16,234.23 and to approve the check payable to Colorado Special Districts Property and Liability Pool for the 2012 premium. Director Genova seconded and the motion passed.

2012 General Liability and Property Insurance Renewal – Manager Tooker recommended continuation of the District's General Liability, Property and Casualty Insurance coverage through the Colorado Special Districts Property and Liability Pool. Coverage is the same as 2011 except the values of some vehicles were adjusted. He noted that the District's policy also includes identity theft coverage for the Board members and staff. Director Peck moved to approve the 2012 General Liability, Property and Casualty Insurance, as recommended, in the amount of \$49,503 and approve the check payable to Colorado Special Districts Property and Liability Pool. Director Genova seconded and the motion passed.

2011 Audit Request for Proposals – Manager Tooker presented a Staff Report (*2012 Staff Reports, 2011 Audi*) summarizing the four submittals received in response to the District's 2011 Audit Request for Proposals. Proposals were received from: Chadwick, Steinkirchner, Davis & Co; Dalby Wendland & Co; Rubin Brown; and Jeff Wendland CPA. Director Genova declared a Conflict of Interest due to having a relative that is a partner with Chadwick, Steinkirchner, Davis & Co. and she abstained from any further discussion during this agenda item. The Board reviewed the cost, experience, audit approach and audit staff summaries of the four firms. Director Peck moved to award the 2011 Audit preparation to Chadwick, Steinkirchner, Davis and Company based on the firm's demonstrated professionalism, Special District governmental experience, presentation of the audit approach, specific audit personnel identified and their reporting commitment. Further, this selection is not based on the lowest cost proposal. The lowest cost proposal did not meet the overall expectations of the District. Director Hassler seconded and the motion passed. Director Genova abstained due to her stated Conflict of Interest.

2012 Health Reimbursement Arrangement Plan Documents – Manager Tooker reported that the District's Health Reimbursement Arrangement has been amended to include two separate plans; one plan for full-time employees and one plan for part-time employees. Contracts for each plan have been received for the 2012 year. He further reported that through the end of 2011 there has been approximately a 60% utilization rate of the Health Reimbursement Arrangement as budgeted. Employees have a 90-day period to finalize submittals for the 2011 Plan Year. Director Peck moved to approve the Health Reimbursement Arrangement Agreements for Full-Time Employees and for Part-Time Employees and authorize Manager Tooker to execute those documents. Director Genova seconded and the motion passed.

MANAGER’S EVALUATION

Director Burger requested that each Board member complete a written evaluation of Manager Tooker and individually provide their evaluation to him for compilation prior to the February 2, 2012 Meeting.

ADJOURNMENT

Director Genova moved to adjourn the meeting. Director Peck seconded and the motion passed. The meeting was adjourned at 6:40 p.m.

ATTEST:

Robert Burger

Alan Hassler

Doralyn Genova

Dale Peck

- excused -

Robert Norman