

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, MAY 3, 2012**

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; Kelly McLaughlin; Terry Sykes; Angie Beebe

REGULAR MEETING

Chairman Burger called the Regular Meeting to order at 5:10 p.m. No changes to the Agenda were noted.

MINUTES OF THE APRIL 5, 2012 REGULAR MEETING

Director Genova moved to approved April 5, 2012 Regular Meeting Minutes as presented. Director Peck seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to Accept the Financial Reports and Approve Accounts Payable Regular Checks of \$174,336.62 plus Benefits Checks of \$16,565.47 plus Supplemental Checks of \$6,169.76 for a total of \$197,071.85. Director Hassler seconded the motion. A Revised February, 2012 Statement of Cash Flow was provided to the Board along with the March, 2012 Financial Reports. The Board reviewed the Notes to Financial Statements details. The motion passed unanimously.

- Angie Beebe left the meeting at 5:30 p.m.

MANAGER'S REPORTS

Manager Tooker presented the Manager's Reports for March, 2012. The number of taps sold at the end of March were 15; this is 150% of 2011 numbers. The 2012 Water Sales are nearly equal to 2011 Water Sales through March. Overtime hours, Safety Meetings, and the Credit Card Reports were reviewed. The Board reviewed the newly created Pending Items list in the Manager's Reports.

INFORMATIONAL REPORTS

Account #12004 Hollywood Captex dba Denny's Restaurant – Manager Tooker summarized the Informational Report (*2012 Staff Reports*) regarding the back-billing of Account #12004

Hollywood Captec dba Denny's Restaurant for the total amount of \$902.50. This reflects the billing for the estimated 123,000 gallons in unbilled water usage from September 30, 2011 to January 28, 2012.

Traffic Control Cost Savings – Manager Tooker presented a Report (*2012 Staff Reports*) from Distribution Supervisor Dalley regarding options for the District to provide some of its own Traffic Control services at a total estimated savings of \$7,064 for the remainder of 2012. The Board had recently noted and stated concern regarding increasing expenditures for Traffic Control. District employees will need to attend the Traffic Control Supervisor training course in December in order to implement some of the cost savings measures and the District's insurance carrier will need to confirm coverage of District Traffic Control activities.

Health Reimbursement Arrangement (HRA) 2011 Year-End Report – Manager Tooker presented the Informational Report (*2012 Staff Reports*) summarizing the utilization of the District's Health Reimbursement Arrangement (HRA) for 2011. The total net Budget savings attributed to the HRA in 2011 was \$111,591.

EXPRESS AGENDA

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

1. Springbrook Annual Conference – April 9 – 12, 2012 – Angie Beebe and Kelly McLaughlin attended the Springbrook Annual Conference in Portland Oregon on April 9 – 12, 2012. The sessions attended by Angie focused on financial reporting and analytics, and the Purchase Orders/Accounts Payable process. The sessions attended by Kelly focused on team leadership, financial and billing reporting, and the Purchase Order process.
2. Certificate of Liability Insurance from Verizon Wireless – At the April 5, 2012 Board Meeting the Board requested confirmation of liability insurance from Verizon Wireless. The District has now received the Certificate of Liability Insurance from Cellco Partnership dba Verizon Wireless for General Liability, Automobile Liability and Workers Compensation coverage.
3. Mesa County 33 Road Upgrade Project – Ben Dowd Excavating has completed installation of the new water main and affected water services. The new waterline was placed in service on April 18, 2012. Mesa County's construction contractor is scheduled to begin the road upgrade work the week of May 7, 2012. In areas where the District had previously upgraded the water line (E ½ Road to E ¾ Road), there are six water services and two fire hydrants to be relocated to accommodate new sidewalk construction.
4. Water Conservation Plan – The public comment period has ended with no public comment or concerns received. Calendar Year 2011 water production and use data from the three entities is being collected for placement in the final document to be presented to the Board for consideration and adoption at the June 7, 2012 Regular Board Meeting.
5. Water Festival – The 2012 Children's Water Festival will be held on May 14 and 15 at Colorado Mesa University for the 19th consecutive year. Staff will participate in three separate presentation activities. If Board members would like to attend any of the festivities, please contact Kelly for additional information.

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6. State of the River Meeting – The Colorado River District’s annual “State of the Rivers” meeting will be held on Wednesday, May 2, 2012 from 6:30 to 8:30 p.m. at the Colorado Mesa University Center Ballroom. An agenda is included in the Board Packet.
 7. Energy Use Audit – Staff continues to work with Johnson Controls, Inc. representatives as they work towards completion of the Preliminary Assessment evaluation report. The final report is scheduled for completion by May 18, 2012. Staff will present the report and recommendations at the June 7, 2012 Regular Board Meeting.
 8. ANB Reception – All Board Members have been invited to a VIP Reception to be hosted by ANB on Friday, May 4, 2012 from 6:30 to 9:30 p.m. at ANB’s main office located downtown. Invitations are included in the Board Packet.

UNFINISHED BUSINESS

Project 2012-01 3rd Street Main Line Upgrade/Replacement – Assistant Manager Reinertsen presented a Staff Report summarizing the Bid Opening Results for project 2012-01 3rd Street Main Line Upgrade/Replacement. Five sealed bids were received by the advertised deadline of April 26, 2012. The Engineer’s Estimate for the project was \$74,556.00. Director Genova moved to approve Staff’s Recommendation to award Project 2012-01 to the low bidder, Ben Dowd Excavating, at a cost not to exceed \$82,580.85. Director Hassler seconded and the motion passed unanimously. The project is expected to commence after Memorial Day.

District Bank Accounts – Manager Tooker presented a Staff Report regarding the centralization of District Bank Accounts to ANB Bank, and a letter from ANB regarding the protection of District funds by the combination of FDIC and the Regulatory requirements of ANB Bank to pledge dedicated securities to the State in excess of the District funds. The Board accepted this letter as the sufficient collateralization information previously requested from ANB.

Financial Reporting and Discrepancies – Manager Tooker reported that a letter was sent to the District’s insurance carrier regarding a possible claim. The 2011 Audit fieldwork will begin on May 7, 2012 and will also include an evaluation by the Auditors of segregated duties and dual controls. Manager Tooker presented a cost estimate from the Value Enhancement Group to provide dual review of the District’s monthly Bank Reconciliations and Financial Reports. Director Peck moved to authorize Staff to negotiate an Agreement for the Scope of Work necessary to review the Bank Reconciliations and Financial Reports on a monthly basis at a cost not to exceed \$500 per month, and to discuss confidentiality issues with them related to the vendor’s provision of similar accounting services to the Clifton Sanitation District. Director Genova seconded and the motion passed unanimously. The Board further discussed the need to obtain the Auditor’s Report at the June 7, 2012 Regular Meeting prior to proceeding with actions related to financial reporting discrepancies.

NEW BUSINESS

Colorado Mesa University Request for Out-of-District Service – Parcel 2967-033-00-927 – Assistant Manager Reinertsen presented a Staff Report, letter from Colorado Mesa University, Mesa County Tax Assessor property record, and three site maps regarding a request from Colorado Mesa University for Out-of-District water service to a 35 acre parcel in the Coffman

Road Whitewater area of Mesa County (2012 Staff Reports, Out-of-District Service Requests). Colorado Mesa University intends to construct a facility for the Electric Lineman School and a facility for the Forensics Anthropology Program. Director Genova moved to approve the request from Colorado Mesa University to have the 35 acre parcel northeast of Coffman Road, also known as Tax Schedule ID 2967-033-00-927 (described as: All that portion of the NW ¼ SW ¼ and all that portion of the SW ¼ SW ¼ both in Section 3 in Township Two South, Range One East of the Ute Meridian in Mesa County, Colorado – 35.0 Acres.) served by the District as an Out-of-District water account. The service shall be contingent upon Colorado Mesa University providing for the required main line extension(s) in accordance with applicable District Policies. Additionally, service shall be provided only to that portion of the parcel that is confirmed as being situated below the 4,800 foot contour line. Director Hassler seconded and the motion passed unanimously.

2012 Drought Potential – Manager Tooker provided a copy of the Drought Response Plan, dated April 2003, that was cooperatively developed by the District, Town of Palisade, City of Grand Junction and Ute Water following the 2002 Drought. This Plan includes specific actions to be taken during escalating levels of Drought. Some components of the Plan need to be updated due to operating parameters that have changed since 2003. Staff will work with the other entities to develop proposed amendments and present those to the Board at a future meeting.

Colorado River Roundtable Meetings – Manager Tooker stated that his involvement in the Colorado River Roundtable meetings has declined during the past year as staffing issues have required his attention, but he intends to re-escalate his participation in these important meetings regarding statewide water issues.

ADJOURNMENT

Director Genova moved to adjourn the May 3, 2012 Regular Meeting. Director Norman seconded and the motion passed unanimously. The meeting was adjourned at 7:30 p.m.

ATTEST:

Robert Burger

Alan Hassler

Doralyn Genova

Dale Peck

Robert Norman