

**MINUTES OF BOARD OF DIRECTORS MEETING  
CLIFTON WATER DISTRICT  
THURSDAY, NOVEMBER 1, 2012**

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

**STAFF MEMBERS PRESENT:** Dale Tooker; David Reinertsen; Kelly McLaughlin; Brian Sheley; Angie Beebe

**REGULAR MEETING**

Vice-Chairman Peck called the Regular Meeting to order at 5:08 p.m. It was noted that Chairman Hassler would be arriving to the meeting late.

**MINUTES OF THE OCTOBER 4, 2012 REGULAR MEETING**

Director Genova moved to approve the Minutes of the October 4, 2012 Regular Meeting (*2012 Minutes*) as submitted. Director Burger 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 \$225,146.91 plus Benefits Checks of \$17,198.76 plus Supplemental Checks of \$30,486.62 for a total of \$272,832.29. Director Burger seconded the motion. Manager Tooker provided a report from the District's third party accountant regarding some minor discrepancies in the reconciliation of monthly reports that were resolved by Accounting Technician Beebe. It was noted that the Construction Line Upgrades year-to-date budget is underutilized, however, several large project expenditures are occurring at the end of the year. The motion passed.

**MANAGER'S REPORTS**

Manager Tooker presented the monthly Manager's Reports (*11/1/12 File*) for the period ending in September. Tap sales are up 44% from 2011, and water sales are 7.6% above 2011. Influent water quality has been lower due to reduced river flows.

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## **INFORMATIONAL REPORTS**

Obsolete Check Stock and Deposit Slip Destruction Manager Tooker provided an Informational Report (2012 Informational Reports) regarding the destruction of obsolete and deposit slips by a third party document destruction company, and witnessed by two District staff members.

## **EXPRESS AGENDA**

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

- 1) Colorado River Intake Structure Maintenance – Sorter Construction completed installation of the new trash grate and new slide gate to the Colorado River Intake Structure on October 12.
- 2) Project 2012-03 16 inch North Tank Waterline – Bid advertising is scheduled for three separate dates in November with the mandatory pre-bid tour scheduled for December 5, 2012. The public Bid Opening will be held at 4:00 pm on Thursday, December 20, 2012. The Construction Award recommendation will be presented to the Board at the January 4, 2013 Regular Meeting.

## **UNFINISHED BUSINESS**

Project 2012-02, I-70 Business Loop New 12” Main Line Construction – Assistant Manager Reinertsen reported that this project is due to be completed November 5. He requested authorization to begin advertisement for Final Payment so funds can be expended before the end of the year. Director Genova moved to authorize advertisement for Final Payment for Project 2012-02, I-70 Business Loop New 12” Main Line Construction. Director Burger seconded and the motion passed.

MF/UF Project Engineering Services – Manager Tooker distributed a Staff Report (2012 Staff Reports, CWD Project 2008-02 File) summarizing the Scope of Services proposal for 10% Design of the MF/UF Membrane Facility by Burns & McDonnell Engineering. The Scope of Services includes additional alternatives not included in the previous design proposal. Funds were included in the 2012 Budget for this project. Director Genova moved to authorize an amendment to the October 23, 2008 contract with Burns & McDonnell Engineering to achieve a 10% design level and decision making options for the MF/UF Project, at a cost not to exceed \$86,620 with a deliverable date of January 10, 2013. Director Norman seconded and the motion passed.

- Chairman Hassler arrived to the meeting at 5:45 p.m.

Set Date for 2013 Budget Hearing – Director Genova moved to set the Public Hearing for the 2013 Budget for 5:00 p.m. on Thursday, December 6, 2012. Director Burger seconded and the motion passed unanimously.

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2013 Budget - Water Rate Scenarios – An Informational Report (2012 Staff Reports) was provided to the Board identifying the Budget Committee’s recommendations regarding Water Rates for 2013, as the result of the Budget Committee’s October 22, 2012 meeting. In addition to a Base Rate and Tiered Rates based on consumption, the Budget Committee proposes the implementation of a \$2.50/month per unit fee to be used solely for facility and line replacements and upgrades. In addition, the Budget Committee recommends that Commercial accounts pay the same rate as Residential accounts which includes three consumption Tiers. Sample annual cost increases for high usage Commercial accounts, and for School accounts, were provided for review. The Budget Committee proposed that Schools should continue to pay the existing Commercial rate structure, which does not charge the Tier 3 rate for usage above 18,000 gallons. Projected Revenue associated with the proposed Water Rates was provided for Board review.

Director Burger moved to increase the Base Rate for consumption between 0 and 3,000 gallons per month from \$14.50 per month to \$17.50 per month, effective with the Billing beginning on January 1, 2013. Director Genova seconded and the motion passed unanimously.

Director Norman moved to increase the monthly Tier 1 Water Rate for consumption between 3,001 gallons and 10,000 gallons from \$2.25 to \$2.50 per 1,000 gallons; to increase the monthly Tier 2 Water Rate for consumption between 10,001 gallons and 18,000 gallons from \$2.60 to \$3.35 per 1,000 gallons; and to increase the monthly Tier 3 Water Rate for consumption above 18,001 gallons per month from \$3.50 to \$4.50 per 1,000 gallons effective with Billing beginning on January 1, 2013. Director Genova seconded and the motion passed unanimously.

Director Genova moved to establish a unified Water Rate Structure for all account types, effective with the Billing beginning on January 1, 2013. Director Norman seconded and the motion passed unanimously. It was reiterated that no account type, including Schools, will be charged a different Water Rate Structure than other accounts.

Director Genova moved to establish a \$2.50 per month per unit System Investment Fee, effective with the Billing beginning on January 1, 2013. Director Peck seconded and the motion passed unanimously.

Director Genova moved that the System Investment Fee would be used for facility and waterline non-operational expenses, effective January 1, 2013. Director Norman seconded and the motion passed unanimously.

2013 Budget – The Board reviewed Non-operational Expenses included in the Draft 2013 Budget. Two major capital projects are included in the Budget for 2013. Staff will evaluate utilizing lease agreements for large equipment versus purchase.

2013 Budget - Labor Costs – Manager Tooker presented a Memorandum outlining staffing changes, wages and employee benefits discussed with the Personnel Committee on October 30, 2012. Director Hassler stated that the Personnel Committee is supportive of the proposed wage increases but feel that additional work is needed on an overall salary plan. Director Hassler

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moved to send to the Personnel Committee the undertaking in 2013 of a study of overall wages and benefits. Director Norman seconded and the motion passed unanimously. Manager Tooker noted that for the first time in a number of years, health insurance premiums are reduced in 2013. Discussion ensued regarding the under-utilization of the Health Reimbursement Arrangement, and the need for the Personnel Committee to also evaluate options for use of the cost savings associated with the under-utilization.

- Angie Beebe left the meeting at 7:55 p.m.

## **NEW BUSINESS**

Holiday Turkey or Ham – Director Burger moved to continue the District’s annual tradition to provide each employee and Board Member with their choice of either a Turkey or a Ham for Thanksgiving or Christmas. Director Genova seconded and the motion passed unanimously.

Audit Engagement Letter – Director Norman moved to approve the Audit Engagement Letter (2012 Audit) with Chadwick, Steinkircher, Davis and Co, P.C. for preparation of the District’s 2012 Audit at a cost not to exceed \$9,100. Director Burger seconded and the motion passed. Director Genova declared a conflict of interest and abstained.

Distribution Line Replacement Project (LRP) 2013-2020 – Manager Tooker provided the Board with a copy of the Distribution Line Replacement Project (LRP) for the prioritization of distribution line replacements that are projected to be completed from 2013 – 2020 and funded as an operational expense.

Major Capital Improvement Plan (MCIP) 2013-2020 – Manager Tooker reported that Staff has also drafted a Major Capital Improvement Plan for the years 2013-2020. The Plan will be presented to the Board at the December 6, 2012 Regular Meeting.

- Brian Sheley left the meeting at 8:50 p.m.

## **EXECUTIVE SESSION**

Chairman Hassler announced that the next agenda items, Legal Matters, Manager’s Evaluation, and Water Acquisition Plan, should be conducted as an Executive Session.

Director Genova moved to go into Executive Session as per C.R.S. 24-6-402(4)(c)Matters required to be kept confidential and C.R.S. 24-6-402 (4) (f) Personnel matters. Director Norman seconded and the motion passed unanimously. The Board went into Executive Session at 8:56 p.m. with the following persons present: Directors Hassler, Peck, Genova, Norman and Peck; Manager Tooker, Assistant Manager Reinertsen, and Administrative Coordinator McLaughlin.

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At 9:03 p.m. the Board exited the Executive Session. Chairman Hassler announced that no decisions were made during the Executive Session and all persons identified at the beginning of the Executive Session remained at the conclusion.

**ADJOURNMENT**

Director Genova moved to adjourn the November 1, 2012 Regular Meeting. Director Peck seconded and the motion passed unanimously. The Meeting was adjourned at 9:05 p.m.

**ATTEST:**

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Alan Hassler

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Dale Peck

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Doralyn Genova

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Robert Norman

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Robert K. Burger