

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, OCTOBER 4, 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

Chairman Hassler called the October 4, 2012 Regular Meeting to order at 5:05 p.m. No changes were noted to the Agenda.

MINUTES OF THE SEPTEMBER 6, 2012 REGULAR MEETING

Director Genova moved to approve the September 6, 2012 Regular Meeting Minutes with the addition of text in the section regarding the 2011 Audit to note that the auditor provided an unqualified opinion. Director Burger seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to Accept the Financial Report and Approve Accounts Payable Regular Checks of \$125,512.87 plus Benefits Checks of \$16,013.22 plus Supplemental Checks of \$5,987.43 for a total of \$147,513.52 with the exception of Check #30293 to Jamie Richardson scheduled for action under New Business. Director Burger seconded the motion. It was noted that the Profit and Loss Statement has been updated to include all Budget Transfers that were approved through August. A positive cash flow was also noted. The motion passed unanimously.

MANAGER'S REPORTS

Manager Tooker summarized tap purchases, water sales, water production, water quality, and overtime hours in the Manager's Report. Staff members participating in DRIP projects were noted. No changes were made to the Pending Items list.

INFORMATIONAL REPORTS

Single Family Residential Customer Consumption Trends – Manager Tooker summarized the Informational Report showing the number of single family customers in each consumption range

for 2010 – 2012. The consumption above 18,000 gallons, the highest rate tier, has not decreased. The conclusion is that the current rate structure has not reduced usage. This information will be utilized as Water Rates are developed for 2013.

EXPRESS AGENDA

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

- 1) Colorado River Intake Structure Maintenance Status – The replacement trash grate and slide gate have been fabricated and are ready for installation. Installation was delayed due to river water level rises resulting from additional reservoir releases upstream. River levels appear to have stabilized and Sorter Construction is planning on installation activities the week of October 8. All maintenance work is now scheduled to be completed prior to the week of October 22nd.
- 2) Project 2012-02, I-70 Business Loop New 12” Main Line Construction – The project pre-construction meeting is scheduled for Monday, October 1, 2012 with construction work to start on Tuesday, October 2nd. The Contractor, Polaris Drilling Inc., has proposed some changes to the construction sequencing identified in the design that should further minimize disruptions to the businesses located adjacent the construction zone. Contractor schedule indicates project completion by October 30th.
- 3) DRIP Participation – 2012 Grand Junction Airshow – Five District staff members (and three spousal units) helped run the DRIP water booth at the airshow. DRIP provided free drinking water to airshow attendees. The DRIP received many compliments regarding the water booth and service provided.
- 4) Regional Water Conservation Plan Approval – The District has received the Final Approval letter from the Colorado Water Conservation Board for the Grand Valley Regional Water Conservation Plan. A copy of the letter is included in the Board Packet.
- 5) Colorado River Cooperative Agreement – Dale Tooker and Kelly McLaughlin attended the Colorado River District meeting held at Ute Water on September 26. The Colorado River Cooperative Agreement (CRCA) was discussed along with the Green Mountain Reservoir Administrative Protocol. The River District plans to request the parties to sign the CRCA in October. A copy will be provided to the Board once it is available. Staff continues to recommend that the District not sign the CRCA due to potential injury to the District.

UNFINISHED BUSINESS

SDA Annual Conference – September 19 – 21, 2012 – Director Peck reported that there were a number of good speakers and classes he attended at the SDA Annual Conference. Assistant Manager Reinertsen discussed a presentation he attended regarding water rights issues on the eastern plains affecting a large irrigation district. Director Hassler provided copies of handouts he received at the Conference. He also reported that there is a 7 – 10% increase in 2013 premiums projected for the Property and Liability Pool. Workers Compensation could have larger increases.

2013 Budget – Manager Tooker reported that the Budget Committee met on September 28, 2012 to review the 2013 Draft Budget and develop Water Rate recommendations. The Personnel Committee will need to schedule a meeting to discuss 2013 Labor Costs. The 2013 Draft Budget and Budget Explanation were distributed and discussed. Items with increased costs were reviewed. The Budget as drafted does not result in sufficient operating income to achieve the District’s bond covenants, and no depreciation is included in the Budget.

- Accounting Technician Beebe left the meeting at 6:55 p.m.

Manager Tooker distributed Cost of Service allocation tables for Board review. The calculations are developed utilizing the 2013 Draft Budget to determine the appropriate Base and Consumption rate structures needed to cover water service. Three Water Rate scenarios recommended by the Budget Committee were presented to the Board. Additional options were discussed and will be provided to the Board for consideration at the November Regular Meeting.

MF/UF Project – Manager Tooker reported that Burns and McDonnell Engineering have developed a revised cost estimated based on the Board’s request for design of a reduced capacity facility than previously proposed. In order to proceed with the project, design and financing would need to be completed in 2013 for possible construction in 2014. More information will be provided at the November Regular Meeting.

NEW BUSINESS

Water Quality Violation Public Notice – Following the Pine Ridge Fire flash flooding in July, the District experienced periods of time from July 6 through July 14 when chlorine disinfectant residuals dropped below 0.2 mg/L. Additional bacteriological monitoring was implemented during that time and did not indicate the presence of bacteria in the water. The District notified the State of this issue in July. State regulations considered this to be a Tier II violation and the State notified the District in mid-September that a Public Notice was required to be mailed to every customer. A copy of the Notice was provided for Board review, and will be included in all customer mailings through the month of October.

Refund to Account #5131 – Richardson – Regarding Incorrect Billing – Assistant Manager Reinertsen presented a Staff Report regarding the overbilling of Account #5131, a duplex at 485 Tracy Street, from November, 2008 through June of 2012. The duplex had been incorrectly billed as a 4-unit property. Recalculation of the amount that should have been billed resulted in the need to refund the customer \$786.10 for water and \$2,026.80 for sewer. Clifton Sanitation District has been advised of this issue and concur with the need to refund the customer. The total refund, less the customer’s current account balance, results in a refund check of \$2,504.15. A release of any further claims will need to be signed by the customer. Director Genova moved to authorize release of Check #30293 to Jamie Richardson/Bantam Rooster Holdings LLC in the amount of \$2,504.15. Director Burger seconded and the motion passed unanimously.

Project 2012-03 16 inch North Tank Waterline – Assistant Manager Reinertsen described the project to install a 16 inch line to the North Tank. Design will be completed by the end of

October. The scope of the project will require a formal Bid Advertisement, with anticipated Bid Award in January of 2013. Director Peck moved to authorize staff to proceed with the Bid Package and advertisement for Project 2012-03 16 inch North Tank Waterline. Director Genova seconded and the motion passed unanimously.

Manager's Evaluation – Director Hassler circulated an evaluation form to all Board members as initial preparation for District Manager Tooker's annual evaluation.

EXECUTIVE SESSION

Water Acquisition Plan – Director Hassler announced that the Board should go into Executive Session to discuss the District's Water Acquisition Plan. Director Norman moved to go into Executive Session to discuss the Water Acquisition Plan, as per C.R.S. 24-6-402(4)(a) concerning the purchase, acquisition, lease, transfer or sale of any property interest, with the following persons present: Director Hassler, Director Genova, Director Burger, Director Peck, Director Norman, Manager Tooker, Assistant Manager Reinertsen, Administrative Coordinator McLaughlin, and Interim Water Treatment Plant Supervisor Sheley. Director Genova seconded and the motion passed unanimously. The Executive Session commenced at 8:34 p.m.

The Board came out of Executive Session at 9:10 p.m. Director Hassler stated that all persons identified as attendees at the Executive Session remained.

Director Peck moved to table further discussion of the Water Acquisition Plan until the November Regular Meeting. Director Burger seconded and the motion passed unanimously.

ADJOURNMENT

Director Burger moved to adjourn the meeting. Director Genova seconded and the motion passed unanimously. The October 4, 2012 Regular Meeting was adjourned at 9:12 p.m.

ATTEST:

Alan Hassler

Dale Peck

Doralyn Genova

Robert Norman

Robert K. Burger