

**MINUTES OF BOARD OF DIRECTORS MEETING  
CLIFTON WATER DISTRICT  
THURSDAY, AUGUST 1, 2013**

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

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

**GUESTS:** Bryce Palo, Gary Curtis, Joey Brennen, John Dyer

Joe Drew

**REGULAR MEETING**

Chairman Hassler called the meeting to order at 5:10 p.m. Director Burger was excused from attendance at the meeting.

**MINUTES OF THE JULY 11, 2013 REGULAR MEETING**

Director Genova moved to approve the July 11, 2013 Regular Meeting Minutes as submitted. Director Peck seconded and the motion passed.

**CONSIDERATION OF PLANT INVESTMENT FEE FOR A FIRELINE TAP**

Guests Bryce Palo, Gary Curtis, Joey Brennen and Jon Dyer were present to provide their input on their request for the District to review and revise its existing Policy regarding the cost for a Plant Investment Fee and a wet tap to serve a fire suppression system being installed at 545 31 Road, Tax Parcel ID #2943-094-00-167. Documents (*8/1/13 File, Customer File, 2013 Staff Reports*) provided in the Board Packet included the email request from Bryce Palo, and a Staff Report "District Fire Line Policy". Mr. Palo summarized his request for revisions to the Plant Investment Fee structure and a reduction in cost from the estimated \$50,000 stated in his request. He suggested that the designed fire suppression system would put out a fire quicker than water obtained from fire hydrants, resulting in less impact to the overall water distribution system. Gary Curtis described the fire suppression system being installed in the building and its requirement of a 4" water line to service the system. He stated that the fire suppression system does not require a constant flow from the District's distribution system. Manager Tooker stated the importance of collecting Plant Investment Fees for the ongoing maintenance of District infrastructure, and the need to prevent a fireline from being used for other domestic use. Staff developed three fee structure options in response to the request. The applicants stated their concurrence with Staff Recommended Option #1, the assessment of a Plant Investment Fee that better reflects costs associated with system demand and capacity of a fire line. Board members stated concern with a request to amend Policy for a specific situation, without Policy Committee

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review. Due to the length of this discussion item and another Guest scheduled to make a presentation, the Board stated they would further discuss this item later in the meeting. Contact information was obtained for the Guests making this presentation in the event the Board had further questions.

- Guests Palo, Curtis, Brennen and Dyer exited the meeting at 6:08 p.m.

### **FINANCIAL CONSULTING CONTRACT – JOE DREW**

Guest Joe Drew was present and summarized his professional experience in bond financing, including previous work on behalf of the District. A contract for his services to work on the District's refunding of the 2003 Bond, and financing of the MF/UF Project, had been reviewed by the Board at the July 11, 2013 Regular Meeting. Mr. Drew clarified his hourly rates for a maximum cost of \$6,500 per issue, and summarized the insurance coverage he maintains. Director Peck moved to approve the Financial Consulting Contract with Joe Drew at a cost not to exceed \$6,500 per issue. Director Norman seconded and the motion passed.

### **REQUEST FOR PROPOSALS FOR 2003 CWPRDA LOAN REFINANCING**

Guest Joe Drew summarized his review included in his Memo dated 7/24/13, (*8/1/13 File, 2003 CWPRDA Loan File*) evaluating the three submittals received by the District in response to the Request for Proposals for Refinancing the 2003 CWPRDA Loan. The proposals were received from: Stifel, George K. Baum, and Baird and Company. Mr. Drew summarized his experience with all three companies; and his evaluation of each based upon their experience in the State of Colorado, demonstration of understanding of the District's needs, fees, and marketing experience. The anticipated net savings to the District with refinancing is \$25,000 - \$40,000 per year. After reviewing the proposals, Director Genova moved to accept the Proposal submitted by Stifel for the Refinancing of the 2003 CWPRDA Loan. Director Peck seconded and the motion passed. Director Peck moved to establish a gross savings of at least \$200,000 to proceed with the refinancing. Director Genova seconded and the motion passed.

- Guest Joe Drew exited the meeting at 6:50 p.m.

### **FINANCIAL REPORT AND ACCOUNTS PAYABLE**

Director Genova moved to Accept the Financial Reports and Approve Accounts Payable Regular Checks of \$93,191.13 plus Benefits Checks of \$17,196.43 plus Supplemental Checks of \$27,459.27 for a total of \$137,846.83. Director Peck seconded and the motion passed unanimously. There were no items of question by the Board or additional notation from Staff.

### **MANAGER'S REPORTS**

Manager Tooker commented that Plant production is down 10%, and Water Sales is down 12% through June, 2013, as compared to the same period in 2012.

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## **INFORMATIONAL REPORTS**

Financial Discrepancies Restitution Report - Manager Tooker summarized the Informational Report (8/1/13 File, 2013 Staff Reports) itemizing the Insurance Claim amount of \$8,325.04, and the Restitution Claim amount of \$3,442.25, that were received earlier in 2013 pertaining to the Financial Discrepancies court case against a former employee.

Refunds to Accounts with Mismatched 1” Head on 5/8” Meter – An Informational Report (8/1/13 File, 2013 Staff Reports) was reviewed by the Board itemizing the refunds to three accounts, totaling \$9,447.45, that were processed due to overbilling associated with the incorrect installation of 1” Heads on 5/8” Meters in February of 2007.

## **EXPRESS AGENDA**

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

- 1) FY2012 Audit – The District’s FY2012 Audit was submitted electronically to the State Auditor and the Colorado Water and Power Resources Development Authority on July 17, 2013.
- 2) DRIP Booth at the Mesa County Fair – A total of thirteen District Staff members provided coverage for a number of time slots at the DRIP Booth at the Mesa County Fair from Tuesday, July 16 through Saturday, July 20, 2013. The DRIP presence at the Mesa County Fair was an effort to continue the public awareness campaign “Join the Flock”, and to provide the valuable community service of free chilled water to Fair attendees.
- 3) SDA Annual Conference – This year’s SDA Annual Conference is being held in Keystone, Colorado. The SDA University is Wednesday, September 18 with the remainder of the Conference on Thursday, September 19 and Friday, September 20. A preliminary conference agenda is included in the Board Packet. Please notify Kelly McLaughlin by August 23, 2013 if you wish to attend the Conference, and which nights you would like lodging reservations.

Director Peck stated he would like to attend the SDA Annual Conference.

- 4) Historical Pitcher Pump Donated to District from Charles Strain Family – In 1984 the District’s Board of Directors presented former District Manager Charles Strain with a historic Pitcher Pump that belonged to the family who homesteaded Gunderson Island, where the District facilities are now located. This pump was restored by District staff and mounted on an oak platform. The Strain Family has now donated this Pitcher Pump back to the District for display in the front lobby. A copy of the 1984 presentation document, from the Board to Charles Strain, is included in the Board packet.
- 5) Project 2013-01 31 Road Main Line Upgrade/Replacement – The Notice to Proceed has been provided to M.A. Concrete, with a start date on this Project scheduled for no later than August 2, 2013.

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- 6) Drought Response Plan – A Staff Report is included in the Board Packet identifying the current status of water storage conditions in the Colorado River Basin and summarizing District water rights in use. Staff recommendation is that no updates are currently necessary to the Drought Response Plan or to Drought Stage restrictions.
  - 7) Relief Request for 3178 ½ E Road – Account #009191 Joan Anderson – This item is included on the Express Agenda because Staff has been unable to talk with Ms Anderson and at this time, no action is requested.

### **UNFINISHED BUSINESS**

The first two Agenda Items, Financial Consulting Contract with Joe Drew, and the Request for Proposals for 2003 CWPRDA Loan Refinancing were completed earlier in the meeting.

Project 2008-02 MF UF Project Financing – Manager Tooker stated that no action is needed at this time. Joe Drew has provided an initial review of financing options for Board discussion at the September 5, 2013 Regular Meeting.

### **NEW BUSINESS**

Consideration of Plant Investment Fee for a Fireline Tap – The Board continued consideration of the request from the property owner, presented earlier in the meeting, regarding a fireline tap needed for 545 31 Road. The Board also stated concern with establishing a change in Policy regarding firelines for this specific request. Manager Tooker suggested the Board direct Staff to develop Policy changes regarding firelines, for Board review and consideration, separate from today's specific request. Manager Tooker advised the Board that current District Policy requires Board approval for the sale of any tap greater than 3" in size. The fireline tap being requested for 545 31 Road is 4" in size. The Staff recommended Option 1 for fees associated with dedicated private fire lines was reviewed. The Fire Line Plant Investment Fee, 5% of the current Fee for a 4" Domestic Use Tap, would be \$2,300, plus \$2,000 for a 4" Double Check Detector Meter with Radio Read Capability, for a total of \$4,300. This recommendation takes into consideration a demand on the system that is not constant. A \$1,000 Wet Tap Fee and all other meter installation costs would be assessed in addition to the identified \$4,300. Manager Tooker pointed out that the Board can take this action without changing current District Policies.

Director Genova moved to authorize a 4" Fireline Tap for the property at 545 31 Road, at the identified Fire Line Plant Investment Fee of \$2,300 plus the Meter of \$2,000, and , further, that all other Policies currently approved by the Board shall be applicable. The fireline shall not be allowed for any domestic use, and misuse of this fireline service shall be fined to the maximum extent allowable under Policy. Director Peck seconded and the motion passed.

Designate Person to Prepare 2014 Budget – Director Genova moved to designate Manager Dale Tooker as the Person to Prepare the 2014 Budget. Director Peck seconded and the motion passed.

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Request for Budget Transfer to Purchase Membranes – Manager Tooker presented a Staff Report (8/1/13 File, 2013 Staff Reports) and summary of the request for a Budget Transfer to Purchase Nano Filtration/Reverse Osmosis Membranes in 2013. The 2013 Budget included \$70,000 for membranes which was completed in May with the replacement of membranes in Skid # 1. Staff has evaluated the current operating costs of Skid #4 and has determined that Skid #4 is not producing the desired water quality, and is operating at a cost to the District of \$1,966 per month in electrical, chemical cleaning, labor and water quality costs. Director Genova moved to authorize a Budget Transfer of \$70,000 from Contingency to WTP Equipment Repair and Maintenance to fund the Membrane replacement of Skid #4. Director Peck seconded and the motion passed.

Audio Visual System Presentation – Assistant Manager Reinertsen and Administrative Coordinator McLaughlin provided the Board with a brief presentation regarding the capabilities of the recently installed Audio Visual System in the Board Meeting Room

**ADJOURNMENT**

The August 1, 2013 Regular Meeting was adjourned at 8:20 p.m. by consensus.

**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

*Excused*

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Robert K. Burger