

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, NOVEMBER 7, 2013**

BOARD MEMBERS PRESENT: Alan Hassler, Chairman; Dale Peck, Vice-Chairman; 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 November 7, 2013 Regular Meeting to order at 5:10 p.m. Director Genova was noted as an excused absence.

MINUTES OF THE OCTOBER 3, 2013 REGULAR MEETING

Director Peck moved to approve the October 3, 2013 Regular Meeting Minutes (*11/7/13 File, 2013 Minutes*) with one change to amend the last line in the Manager's Reports regarding the Board's concerns with the number of overtime hours worked. Director Norman seconded and the motion passed.

MINUTES OF THE OCTOBER 24, 2013 SPECIAL MEETING

Director Burger moved to approve the October 24, 2013 Special Meeting Minutes (*11/7/13 File, 2013 Minutes*) as distributed. Director Peck seconded and the motion passed.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Peck moved to Accept the Financial Report and Approve Accounts Payable Regular Checks of \$103,808.05 plus Benefits Checks of \$19,768.91 plus Supplemental Checks of \$27,361.54 plus Special Check of \$8,955.00 for a total of \$150,938.20. Director Burger seconded the motion. Discussion ensued regarding the review of Accounts Payable including Petty Cash and customer refunds; and the identification of depreciation as an operational expense on the Profit and Loss Statement. It was also noted that the Budget Committee met with the District's auditor on November 4, 2013 to discuss the method to budget for depreciation. The motion passed.

MANAGER'S REPORTS

Manager Tooker summarized the Manager's Reports for September, 2013. Effluent production and water sales continue to be down by nearly 10%. The Board requested that the date an item is added to the Pending Items page be provided in the future.

INFORMATIONAL REPORTS

Colorado River Headwaters Tour – Water Treatment Plant Supervisor Sheley presented an Informational Report (*11/7/13 File, 2013 Informational Reports*) regarding his participation in the Colorado River Headwaters Tour conducted October 3-4, 2013.

Health Insurance – Manager Tooker presented a Memo to the Board (*11/7/13 File, 2013 Memos*) identifying that the District's health insurance premiums are going down slightly in 2014, and underutilization of the District's Health Reimbursement Arrangement Plan continues. Recommendations for 2014 Employee Wages and Benefits will be finalized within the upcoming weeks for review by the Board.

Unauthorized Water Use – Assistant Manager Reinertsen summarized the Informational Report (*11/7/13 File, 2013 Informational Reports*) as a follow up item to the October 3, 2013 Board Meeting discussion regarding penalties associated with Unauthorized Access and Water Use. The review criteria utilized by the District Manager or Assistant Manager for considering customer requests to adjust the penalties were identified.

UNFINISHED BUSINESS

2014 Budget – Manager Tooker presented an updated Budget worksheet and narrative to the Board replacing the same items that were included in the Board Packet. The updated information includes depreciation as discussed by the District's auditor and the Budget Committee on November 4, 2013. The Board agreed to identify depreciation as discussed with the auditor, and to move Distribution Line Replacement expense from Operating to Non-Operating. After review of the Budget, Director Norman moved to set the Budget Hearing regarding the District's FY2014 Budget for Thursday, December 5, 2013 at 5:00 p.m. Director Burger seconded and the motion passed.

The Board discussed conditions pertaining to the MF/UF Project and future debt service and the need to adjust the District's current water rate structure. The Budget Committee and Staff will present recommendations for water rate adjustments at the December 5, 2013 Regular Meeting with a suggestion to hold a Special Meeting in December. Director Norman moved to set a Special Meeting for Tuesday, December 10, 2013 at 5:00 p.m. to discuss the water rate structure, MF/UF State Revolving Loan, future debt service and final adoption of the 2014 Budget. Director Burger seconded and the motion passed.

The Board requested that a new Pending Item be added to the Manager's Report to develop a Policy to allow Board participation via phone.

Project 2008-02 MF/UF Request for Proposals – Design Build Selection – Manager Tooker presented a Memorandum to the Board (11/7/13 File, 2013 Memos, Project 2008-02 MF UF Design Build) summarizing Staff review and recommendations regarding the Request for Proposals for Project 2008-02 MF/UF Design Build. The Board conducted interviews, at a Special Meeting on October 24, 2013, of the two firms submitting proposals – Carollo Engineering, and Burns and McDonnell Engineering. Staff Review focused on the following areas: 1) Project Approach; 2) Project Team; 3) Start-up Team; 4) Design Option; and 5) Concept, Chlorine Contact Basin, Permits and Approvals. Staff recommended Carollo Engineering for completion of the project. Staff further recommended that Burns and McDonnell be retained as the Owner's Representative to administer the project. Manager Tooker reported that Director Genova provided him with her comments before the meeting due to her planned absence.

Director Burger moved to accept Staff's Recommendation regarding Project 2008-02 MF/UF Design Build and name Carollo Engineering as the Design Build firm for completion. Director Norman seconded. The Board acknowledged Staff's expertise in reviewing the technical, administrative and financial matters included in the Recommendation. It was noted that the next step would be for Carollo to reach 40% Design for Board review. The motion passed.

ANB Bank Account – 2013 Water Revenue Refunding Bonds, Series 2013 Reserve Fund – The Board completed signature of documents associated with the ANB Bank Account – 2013 Water Revenue Refunding Bonds, Series 2013 Reserve Fund, the account that was authorized at the October 3, 2013 Regular Meeting.

Project 2008-02 MF/UF State Revolving Loan Fund Process – Manager Tooker reported that the status of the State Revolving Loan Fund application process for Project 2008-02 MF/UF is:

- The Eligibility Assessment and Preliminary Engineering Report (PER) Submittal requirements and transmittal was completed on October 29, 2013, in advance of the November 1, 2013 deadline.
- Technical, Financial and Managerial Assessment – Staff continue to finalize the information required in this Assessment document and will transmit the documents to the State prior to the December 15, 2013 deadline.
- Public Meeting – A Public Meeting will need to be completed as part of the State Revolving Loan Fund Process. That date will be determined at a later time.

Project 2013-01 31 Road Main Line Upgrade/Replacement Final Payment – Assistant Manager Reinertsen presented a Staff Report (11/7/13 File, 2013 Staff Reports, Project 2013-01 File) summarizing the final costs associated with Project 2013-01, 31 Road Main Line Upgrade/Replacement, totaling \$199,800.36. Final Payment has been advertised and no payment contest notices were received.

One item that had delayed project close-out, was regarding Final Volume Summary for asphalt. Resolution has been reached and the Project is now considered final and complete. Director Peck moved to authorize Final Payment of \$8,955.00. Director Norman seconded and the motion passed.

Project 2013-02 New 12" 32 ½ Road Water Line Project Bid – Assistant Manager Reinertsen presented a Staff Report (*11/7/13 File, 2013 Staff Reports, project 2013-02 File*) summarizing the October 31, 2013 Bid Opening results for Project 2013-02 New 12" 32 ½ Road Water Line, and the six bids received. This project is part of the District's efforts to enhance the distribution system delivery to Whitewater and the D Road service corridor. This project was originally bid in August with one bid submitted that was not accepted by the Board. At the September 5, 2013 Regular Meeting, the Board requested to have the project re-designed to reduce the original directional bore length. The project was re-advertised for Bid with an October 31, 2013 public bid date. Six bids were received and reviewed by the District's consulting engineer on the project. Director Peck moved to Award the construction contract for Project 2013-02, New 12" Water Line Installation – 32 ½ Road, to Dirtworks Construction LLC, in the amount of \$249,502.52, with an additional \$25,000 in budgeted funds available for construction contingencies should they arise during the course of construction. Director Burger seconded. The motion passed unanimously.

NEW BUSINESS

Chlorine Incident – Assistant Manager Reinertsen reported to the Board on the chlorine incident that occurred on Friday, October 11, 2013, during a routine change-out of chlorine containers. An incident investigation revealed a failure to follow established Standard Operating Procedures as the root cause. Subsequent events identified additional areas in need of additional staff training and further development of Standard Operating Procedures. Since this incident was considered minor, responding agencies (Clifton Fire and Grand Junction Fire Hazardous Material Responders) performed their actions as a training drill for their staff. One District employee did receive medical observation at the emergency room due to the initial exposure during the incident. Following the incident, Staff has identified equipment and procedural improvements needed to prevent or respond to future incidents involving chlorine.

Clifton Christian Church Water Tap Fees Request – Assistant Manager Reinertsen presented a letter from Clifton Christian Church representative Bob Lee, requesting a reduction in the fees paid in July (2013) for a 1" x 4" combination meter for domestic and fire line service, and a Staff Report (*11/7/13 File, 2013 Staff Reports, Customer File*) summarizing the discussions related to that purchase. It was noted that the Board made a decision, on August 1, 2013, regarding a different property owner and fire line service connection, a decision that Clifton Christian Church would like to be considered as precedence in calculating their fees. Staff advised the Board that the August 1, 2013 decision was for a fire line service only, whereas the Clifton Christian Church had both, domestic and fire line, needs. The Board asked about the differences in meters and whether the Church had other options, such as installing a separate domestic line and a separate fire line. Director Peck moved to table the Clifton Christian Church Water Tap Fees Request, to

the December 5, 2013 Regular Meeting, and direct Staff to discuss additional options with the Clifton Christian Church representatives. Director Burger seconded and the motion passed.

Holiday Turkey or Ham – Director Peck moved to continue the District’s long-standing tradition of providing each employee and Board member with their choice of a turkey or a ham for their choice of the Thanksgiving holiday or the Christmas holiday. Director Norman seconded and the motion passed.

PERSONNEL

Manager Tooker reported that one Distribution Technician has left the District to begin employment at Ute Water District.

Manager’s Evaluation – Director Burger moved to table to Manager’s Evaluation to the December 5, 2013 Regular Meeting. Director Peck seconded and the motion passed.

ADJOURNMENT

Director Burger moved to adjourn the November 7, 2013 Regular Meeting. Director Peck seconded and the motion passed. The meeting was adjourned at 9:25 p.m.

ATTEST:

Alan Hassler

Excused

Doralyn Genova

Robert K. Burger

Dale Peck

Robert Norman