

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, OCTOBER 3, 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;
Angie Beebe

REGULAR MEETING

Chairman Hassler called the October 3, 2013 Regular Meeting to order at 5:10 p.m. Director Genova was noted as an excused absence.

MINUTES OF THE SEPTEMBER 5, 2013 REGULAR MEETING

Director Peck moved to approve the September 5, 2013 Regular Meeting Minutes as submitted. Director Norman seconded and the motion passed. Director Burger abstained as he had not been present at the September 5, 2013 Meeting.

MINUTES OF THE SEPTEMBER 16, 2013 SPECIAL MEETING

Director Peck moved to approve the September 16, 2013 Special Meeting Minutes, as amended by Chairman Hassler to clarify on page 2 that “The motion passed unanimously on a roll call vote.” instead of itemizing the roll call within the Minutes. Director Burger 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 \$102,048.52 plus Benefits Checks of \$18,204.72 plus Supplemental Checks of \$73,046.98 plus Special Check Run Checks of \$2,180.94 for a total of \$195,481.16. Director Norman seconded the motion. Manager Tooker reported that the Colorado National Bank account remains open with a very small balance. The motion passed.

MANAGER’S REPORTS

Manager Tooker presented the Manager’s Reports for August, 2013. Water Sales and Water Production are down 9% compared to 2012. Tap Sales are 33 in 2013 compared to 45 in 2012.

Overtime hours year-to-date are 1021 hours compared with 893 in 2012. It was noted that there were two significant waterline breaks earlier in 2013 that increased the number of hours. The Board stated concern with the large number of overtime hours being worked.

EXPRESS AGENDA

Colorado River District Annual Seminar - Director Peck summarized the information that was presented at the Colorado River District Annual Seminar held in Grand Junction on Friday, September 13, 2013.

UNFINISHED BUSINESS

2003 CWPRDA Loan Refinancing – Manager Tooker presented a Staff Report summarizing the completion of refinancing of the District’s 2003 Loan with the Colorado Water and Power Resources Development Authority. The refinancing closed on October 1, 2013 and the entire process took 61 days from Board initiation to completion. The amount saved by the District over the remaining ten year loan term is \$459,994.77.

Project 2008-02 MF/UF Project Request for Proposals for Final Design and Construction – Manager Tooker reported that the District received two submittals in response to the Request for Proposals for Final Design and Construction of the MF/UF Water Treatment Plant project. He recommended that the Board conduct interviews with submitters Burns and McDonnell Engineering, and Carollo Engineering. Director Norman moved to schedule a Special Meeting of the Board of Directors for Thursday, October 24, 2013 beginning at 2:00 pm for the purpose of conducting interviews regarding the Project 2008-02 MF/UF Project Request for Proposals for Final Design and Construction. Director Peck seconded and the motion passed.

Project 2013-01 31 Road Main Line Upgrade/Replacement - Assistant Manager Reinertsen stated that there are some unresolved issues regarding asphalt amounts billed for Project 2013-01 31 Road Main Line Upgrade/Replacement. The Second Pay Application was paid at tonight’s meeting for items agreed upon in the contract. Final Advertisement will occur once the asphalt items are resolved.

Project 2013-02 New 12” 32 ½ Road Water Line Project - Assistant Manager Reinertsen reported that the re-design is complete and advertised for bid of the new 12” Water Line for 32 ½ Road, Project 2013-02, with bid opening scheduled for October 31, 2013.

SDA Annual Conference - Directors Hassler and Peck, and Assistant Manager Reinertsen commented on the presentations they attended at the SDA Annual Conference held in Keystone, Colorado September 18 – 20, 2013.

2014 Budget - The Draft FY 2014 Budget was presented to the Board. Manager Tooker reported that the Budget Committee met on September 16, September 23 and October 1, 2013. At this time the Budget is presented with Water Sales Revenue remaining the same as in 2013. The General and Administrative Budget is currently proposed with a 1.4% reduction from 2013. It was noted that 2014 is an Election year and has been considered in the Budget. The Transmission and Distribution Budget is currently proposed with a 12.3% increase primarily attributed to the Repair and Maintenance line items. Discussion ensued regarding the System Investment Fee implemented in 2013 that is intended to be used to offset depreciation addressed in the Repair and Maintenance items, and discussion regarding how the District budgets for Outside Agency Support. The Water Treatment Plant Budget is currently proposed with a 3.4% decrease in expenses from 2013. Equipment Repair and Maintenance items are still being evaluated for possible additions. The Operational Income identified on the Draft Budget is \$1,737,900 less the Bond payment and Depreciation amount of \$108,546. The Capital Budget, and Wages and Benefits Budget are still being developed. The Board discussed having the District's auditor make a presentation regarding the "how's and why's" of budgeting for depreciation.

NEW BUSINESS

Policy #420 (8) Right of Exclusive Control and (12.1) Unauthorized Water Use Penalty - A Staff Report was presented summarizing District Policy regarding the Right of Exclusive Control and penalties assessed to all customers when it is identified there has been access to their meter pit by non-District personnel. The reasons for unauthorized access to the meter pit range from a customer turning off water at the meter pit when they have water leaking into their home, when repairs need to be made, or persons accessing the meter pit to turn water on when it has been off for Discontinuation of Service. Staff has applied the penalty the same to all customers regardless of the situation, which at times causes customers to request the penalty be removed due to their defining that their issue was an emergency that required their immediate access without waiting for District personnel who are on call 24 hours a day 7 days a week to access the meter pit. Following discussion between the Board and staff regarding the various circumstances, Manager Tooker recommended that Staff further evaluate Policy and implementation to include a decision making tree when determining the application of penalties.

Bank Account – ANB Bank – 2013 Water Revenue Refunding Bonds, Series 2013 Reserve Fund – Manager Tooker reported that, as part of the 2003 CWRPDA Loan Refinancing and 2013 Water Revenue Refunding Bonds, a new bank account was established at ANB Bank to retain the Reserve Fund necessary for the 2013 Bonds. Director Burger moved to authorize the opening of an account at ANB, the account titled 2013 Water Revenue Refunding Bonds, Series 2013 Reserve Fund, and authorize the Board Secretary and District Manager to sign the required documents as presented. The motion passed. It was noted that a full set of signature documents for all Board members to sign will be obtained.

PERSONNEL

Manager's Evaluation – September is the typical month for the initiation of the District Manager's Annual Evaluation. No action was taken at this time.

ADJOURNMENT

Director Peck moved to adjourn the October 3, 2013 Regular Board Meeting. Director Burger seconded and the motion passed. The Meeting was adjourned at 8:10 p.m.

ATTEST:

Alan Hassler

Excused

Doralyn Genova

Robert K. Burger

Dale Peck

Robert Norman