

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, SEPTEMBER 5, 2013**

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

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

GUESTS: Joe Drew

REGULAR MEETING

Chairman Hassler called the September 5, 2013 Regular Meeting to order at 5:17 p.m. Director Burger and Director Genova were excused from attendance at the meeting.

UNFINISHED BUSINESS

2003 CWPRDA Loan Refinancing – By Board consensus, this Agenda Item was moved to the beginning of the Meeting. Guest Joe Drew was present for discussion and Board action. Manager Tooker provided the Board with a Memorandum Summarizing the Action Items needed for the 2003 CWPRDA Loan Refinancing, a copy of the Preliminary Official Statement, a Memorandum Regarding Debt Service Reserve Fund Options, and a Memorandum from Joe Drew titled Refinancing Update. *(9/5/13 File, 2003 CWPRDA Loan Refinancing)* Joe Drew advised the Board that the interest rate on refinancing will not be final until the proposed October 3, 2013 marketing date, however the projected net interest cost is currently projected to be 2.54%, with a total savings on the remainder of the 2003 Loan to be nearing \$400,000. An October 17, 2013 closing date is proposed.

Four options for the Debt Service Reserve Fund were discussed. 1) No Debt Service Reserve Fund; 2) Purchase a Bond; 3) Increase Bond proceeds to fund Debt Service Reserve Fund; and 4) Fund Debt Service Reserve Fund using “restricted cash”. The first three options would be an additional expenditure to the District. Option #4 would require that an additional \$455,000 of existing District funds become restricted. Joe Drew and Manager Tooker recommended Option #4. The status of the District’s current Unrestricted and Restricted Cash Balances was discussed. Director Norman moved that the District Fund the Debt Service Fund through identifying existing Reserves as Restricted Cash. Director Peck seconded and the motion passed.

The Preliminary Official Statement was prepared by Sherman and Howard, LLC, Bond Counsel, with information provided by District Staff. A review of the Preliminary Official Statement scheduled for September 6, 2013 between District Staff, Joe Drew, and representatives of Sherman and Howard, and Stifel Nicolaus is scheduled. Chairman Hassler stated that he would also like to participate in that review call. Discussion ensued regarding items in the Preliminary

Official Statement pertaining to official representatives, allocation of Plant Investment Fees, a correction needed in payroll costs being mis-stated as retirement funds, and the need to eliminate reference to Clifton Sanitation District revenues the District bills but does not retain.

A Standard and Poor's credit rating necessary for rating of the Bonds requires an engagement letter to proceed. The cost of the rating service, \$13,000, is to be included in the costs of the Bonds. Director Peck moved to approve the Standard and Poor's Rating Services Letter as requested, with the \$13,000 cost to be included in the Bond costs. Director Norman seconded and the motion passed.

A Special Meeting was requested for the purpose of Board adoption of the Resolution specifying certain parameters required to complete the 2003 CWRPDA Loan Refinancing. Director Norman moved to set a Special Meeting for September 16, 2013 at 5:00 p.m. for the purpose of adopting a Resolution establishing parameters and other documents required to proceed with the 2003 CWRPDA Loan Refinancing. Director Peck seconded and the motion passed.

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

MINUTES OF THE AUGUST 1, 2013 REGULAR MEETING

Director Peck moved to approve the August 1, 2013 Regular Meeting Minutes with the suggestions from Director Norman identified in red on the Draft Minutes provided. Director Norman 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 \$334,265.11 plus Special Check Run Checks of \$72,912.00 plus Benefits Checks of \$17,196.43 plus Supplemental Checks of \$22,061.43 for a total of \$446,434.97. Director Norman seconded the motion. A summary of Credit Card Expenses, and Convenience Fee Revenues offsetting Credit Card Expenses, was noted on the Notes to Financials. The Board was advised that the System Investment Fees Revenue is over Budget year-to-date primarily due to the Fees being budgeted using the number of customers rather than the number of units. The motion passed.

MANAGER'S REPORTS

The Manager's Reports for July, 2013 were reviewed. The one item of discussion was that water sales are down 10% from last year, which could be a combination of weather conditions, water conservation efforts, and rate increases.

INFORMATIONAL REPORTS

Middle 3.7MG Tank Mixer – An Informational Report (9/10/13 File, 2013 Staff Reports) was reviewed summarizing the efforts completed by the District to install a tank mixer at the Middle 3.7MG Tank to resolve chlorine stratification issues, and to improve the ability to effectively add chlorine to the tank in emergency conditions.

Vehicle Purchases – An Informational Report (9/10/13 File, 2013 Staff Reports) was presented itemizing the three new service trucks purchased by the District after obtaining price quotes and delivery details.

EXPRESS AGENDA

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

- 1) SDA Annual Conference – The Special District Association (SDA) Annual Conference is being held September 18 – September 20, 2013 in Keystone, Colorado. Directors Hassler and Peck are registered to attend. The SDA Annual Business Meeting will be conducted on Thursday, September 19, 2013 beginning at 1:45 p.m. at the Keystone Conference Center. The Annual Business Meeting Agenda, 2012 Annual Business Meeting Agenda Minutes, and Voting Proxy are copied in the Board Packets. The Voting Proxy does not require Board action unless a Board Member is unable to attend and vote on behalf of the District.
- 2) Colorado River District Annual Seminar – The Colorado River District 2013 Annual Seminar in Grand Junction is scheduled for Friday, September 13, 2013 from 9:00 am to 3:30 p.m. in the Two Rivers Convention Center. A Press Release summarizing the seminar topics is included in the Board Packet. Please let Kelly know by September 3, 2013 if you would like to attend.

UNFINISHED BUSINESS

Major Capital Improvement Plan 2013 – 2020 – Manager Tooker noted that the Board was presented with the District's Major Capital Improvement Program 2013 – 2020 at the December 6, 2012 Regular Meeting. As part of the process to secure financing for Project 2008-02 MF/UF, the Major Capital Improvement Plan (MCIP) needs to be formally adopted. It was discussed that the MCIP is used to plan and prioritize projects within the Budget process, and is subject to regular review and revisions. Director Norman moved to adopt the Clifton Water District Major Capital Improvement Plan 2013 – 2020 as a Planning document with the understanding that specific projects must be budgeted for, and there is no requirement that any project within the Plan must be completed. Director Peck seconded and the motion passed.

Project 2008-02 MF/UF Project Financing – Manager Tooker reported that Staff continue to prepare documents necessary for the State Revolving Loan Fund financing application for Project 2008-02. A Preliminary Engineering Report is due to the State by November 1, 2013 with the complete application due in December, 2013.

Project 2013-01 31 Road Main Line Upgrade/Replacement – Assistant Manager Reinertsen presented a Staff Report (9/10/13 File, 2013 Staff Report, 2013-01 Project File) regarding the status of the 31 Road Main Line Upgrade/Replacement project. All service line connections have been completed and the waterline has been placed into service. The final completion date is scheduled for September 17, 2013, allowing time for advertisement for Final Payment at the Regular Board Meeting in October. Director Peck moved to authorize staff to advertise for Final Payment, to include the release of retained contract funds, for the October 3, 2013 Regular Board Meeting. Director Norman seconded and the motion passed.

Project 2013-02 New 12” 32 ½ Road Water Line Project – Assistant Manager Reinertsen presented a Staff Report (9/10/13 File, 2013 Staff Report, 2013-02 Project File) regarding the Bid Opening for Project 2013-02, 32 ½ Road Water Line installation. One bid was received, from MA Concrete Construction. The bid is 9% greater than the Engineer’s cost estimate. The Engineer has provided an analysis of directional bore and open trench pipe installation costs and options. The project had been designed with a 2,400 foot long directional bore due to the line’s proximity to an elementary school. The Engineer is recommending that the District consider an alternative design to include directional boring only in the vicinity of the D ½ Road crossing near the school. This project is critical to the District’s distribution system, however, Staff recommends that the Board not award the contract to the bidder due to a non-competitive bid response; have the Engineer generate an alternative design; and re-open the project for Bids with a project completion this winter. Director Peck moved to decline the bid due to there being a lack of a competitive environment for the benefit of our customers, and authorize Staff to re-initiate the bid process with an alternative design. Director Norman seconded and the motion passed.

2014 Budget – The first Budget Committee Meeting, in preparation of the 2014 Budget, was scheduled for Monday, September 16, 2013.

NEW BUSINESS

Grand Valley’s Principles for Colorado State Water Plan – Manager Tooker reported that he has been attending the meetings with representatives from Grand Valley water utilities and irrigators to develop a unified statement regarding the Colorado State Water Plan. The Board was presented with the Draft statement for review and comment. The Board will be asked to adopt the Grand Valley Principles at the October Regular Meeting, and were asked to provide their comments to Manager Tooker after reviewing the document.

Lock Box – Manager Tooker advised the Board that Staff have been evaluating the costs and efficiencies that would be associated with utilizing a Lock Box payment processing system. Customer payments would be mailed to another location where the processor would create a data deposit the checks and prepare a data file for the District to import into the Springbrook Utility Billing system. Staff time saved on processing checks in the office would be spent on other customer service duties such as scanning and attaching documents to customer accounts. The Board concurred with further evaluation and testing of the Lock Box system.

ADJOURNMENT

Director Norman moved to adjourn the meeting. Director Peck seconded and the motion passed. The September 5, 2013 Regular Board Meeting was adjourned at 8:45 p.m.

ATTEST:

Alan Hassler

excused

Doralyn Genova

excused

Robert K. Burger

Dale Peck

Robert Norman