

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JUNE 5, 2014**

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

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

GUESTS PRESENT: Mike Nelson: Chadwick, Steinkirchener, Davis & Co., P.C.
Chris Mcanany: Dufford Waldeck Milburn & Krohn
Pam Smith: Clifton Sanitation District – Notary Public

REGULAR MEETING

Chairman Hassler called the Regular Meeting to order at 5:04 p.m. Chairman Hassler acknowledged the Guests present, Ms. Smith and Mr. Nelson.

MINUTES OF THE MAY 1, 2014 REGULAR MEETING

Director Genova moved to approve the May 1, 2014 Regular Meeting Minutes as submitted. Director Peck seconded and the motion passed unanimously.

BOARD MEMBER COMPENSATION

Chairman Hassler asked that before Directors take the Oath of Office and possible reorganization of the Board, if the Board had any concerns with the existing compensation schedule of Board Members. The Board affirmed there were no concerns with the existing compensation schedule.

OATH OF OFFICE FOR DIRECTORS

Pam Smith, Notary Public, administered the Oath of Office individually to Alan N. Hassler, Doralyn B. Genova and Dale E. Peck. Director Hassler, Director Genova and Director Peck signed the Oath of Office and it was notarized for the Record.

Ms. Smith left the meeting at 5:15 pm.

BOARD REORGANIZATION

Director Peck moved to retain the current designation of Officers and Directors for the Clifton Water District Board of Directors as follows:

Chairman	Alan Hassler
Vice Chairman	Dale Peck
Treasurer	Doralyn Genova
Secretary	Robert Norman
Director	Robert Burger

Director Norman seconded and the motion passed.

Chris Mcanany entered the meeting at 5:20 pm.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$269,506.47 plus Benefits Checks of \$18,915.59 plus Supplemental Checks of \$12,869.50 for a total of \$301,291.56. Director Peck seconded the motion. The Board questioned the continued Cash in Checking of \$13.00 at Colorado National Bank. Staff will close out the account. The Board questioned the various entries and amounts for Bank Charges and Lockbox activities. Staff will prepare a Summary Report of Bank Charges and Lockbox expenses for the next Board Meeting. The Board also confirmed that Legal Fees associated with the MF/UF Project are being assigned to the Project and not Operating Expenses and questioned if the expenses are reimbursable through the Drinking Water Revolving Loan. The motion passed unanimously.

2013 AUDIT

Mike Nelson of Chadwick, Steinkirchner, Davis & Co., P.C. reviewed the 2013 Audited Financial Statements with the Board. Mr. Nelson reported the District's financial position is excellent, even with increased expenses from depreciation and expenses related to the Bond Refinance. In 2013, the Operating Gain reversed a historical trend of Operating Loss. Cash increased due to decrease in Restricted Cash which is tied to the Bond Refinance and rate increases. Mr. Nelson noted a one year "spike" in Depreciation Expense due to decreasing useful life of several older District assets from 50 to 40 years. It was identified that the District did not plan for or Budget the bond re-fi proceeds or expenditures but ended up being acceptable because of the District's process to budget for Contingency and Emergency Expenses but should be an item the District plans for in the future. Mr. Nelson also identified that the 2013 Audit was the first time accruing and identifying unbilled revenue at year-end.

The Board stated their appreciation and commended Mr. Nelson and the District on a positive financial audit.

Mr. Nelson exited the meeting at 5:55 pm.

EXECUTIVE SESSION – Legal Advice Contract Negotiations 24-6-402(4)(e) C.R.S

Director Genova moved to enter into Executive Session for the purpose of obtaining Legal Advice in Contract Negotiations under 24-6-402(4)(e) C.R.S.. Director Norman seconded the motion. The motion passed unanimously. The Board entered Executive Session at 5:58 pm.

Director Genova moved to exit the Executive Session. Director Peck seconded the motion. The motion passed unanimously. The Board exited Executive Session at 7:46 pm

Director Genova moved to approve, as to form, the Final Design/Build and Construction Contract with Carollo Design Build Group, and to direct negotiators to obtain a final draft of the Contract, which shall not differ materially from the discussion and direction given by the Board of Directors; that President Hassler is to review a corrected and redlined version of the Contract; and that, upon President Hassler's acceptance of the final draft, President Hassler be authorized to sign the Contract on behalf of the District. Director Peck seconded the motion. The motion passed unanimously.

Mr. Mcanany exited the meeting at 8:05 pm.

MANAGER'S REPORT

Manager Tooker presented the Manager's Report for April, 2014. Tap Sales, Water Sales and Distribution System Overtime were noted and discussed.

INFORMATIONAL REPORTS

2013 Fiscal Year Reporting Value Enhancement Group – The Board reviewed the Summary Report provided by Value Enhancement Group in providing third party review of the District's Financial Reports and Bank Reconciliation. The Board stated that having a third party review of financial items has had a positive value to the District's financial picture and checks and balance procedures.

EXPRESS AGENDA

Director Burger moved to approve the Express Agenda items as submitted. Director Peck seconded the motion. The approved Express Agenda items are as follows:

Water Festival – The 21st Annual Children's Water Festival was held on May 19th and 20th at Colorado Mesa University. District Staff members: Allison Dederick; Brennan Graff; Cameron Deppe, and Mark Dalley presented classroom presentations; Staff members Brian Sheley and Jacob Lenihan provided logistic support with David Reinertsen running the DRIP station in the exhibit hall. Several Board Members were noted visiting presentations and touring the festivities. Over 2,275 students and 115 teachers from 35 area schools attended. There were 72 presentations going on every 25 minute time block. The two-day event was supported by over 350 individual volunteers.

Project 2014-01 F 5/8 Road Main Line Upgrade/Replacement – The Construction Bid Package is advertised with the mandatory pre-bid tour scheduled for June 12, 2014. Public Bid Opening is Thursday, June 26, 2014. Construction Contract Award recommendation will be presented for Board consideration at the July 3, 2014 Regular Board Meeting.

Exclusion Request – Roger Cochran (Tax Parcel #2967-133-00-195) – The completed property exclusion request package was delivered to District counsel on May15, 2014 for final processing through the court.

UNFINISHED BUSINESS

FY 2013 Audit – Director Peck moved to approve the 2013 Audit and Financial Statements and authorized Staff to submit the documentation to the appropriate agencies. Director Burger seconded the motion. The motion passed unanimously.

Drinking Water Revolving Fund (DWRF) – Manager Tooker Reported that the Drinking Water Revolving (DWRF) Loan process had been completed and Board President Hassler signed the necessary documents. The Board had passed the DWRF Loan Parameters Resolution No. 2014-06 which set forth the acceptable parameters for the DWRF. The results of the DWRF Loan previously reported met and or exceeded the parameters set by the Board and the Loan was processed successfully. This was informational only and no Board action was necessary.

Project 2008-02 MF/UF – Design Build Contract Carollo Design Build Group – No action was necessary since the Board provide direction previously in the Meeting.

32 and E Road Waterline Replacement Project – Assistant Manager Reinertsen recapped the expense of the 32 and E Road Project. This was informational only and no Board action was necessary.

3178 ½ E Road (Account #009191000) – Workout Agreement/Notice of Lien – The Board reviewed the Workout Agreement/Notice of Lien for 3178 ½ E Road between the Clifton Water District and Mrs. Joan Anderson. Director Genova moved to approve the Workout Agreement/Notice of Lien for 3178 ½ E Road having the Board President sign the Agreement. Director Peck seconded the motion. The Board discussed Mesa County Adult Services representation of Mrs. Anderson. The motion passed unanimously.

Employee Wellness Award - Manager Tooker reviewed the Employee Wellness Award Staff Report previously requested by the Board. Over the past three years, the District has realized an Insurance cost savings in excess of \$331,000. Director Peck moved to approve of the Wellness Award out of the 2014 Budget in recognition of employee wellness and reduction of District benefit costs. The Board confirmed that the Wellness Award is not an HRA expense, is a taxable event, and, is for current active employees. Director Genova seconded the motion. The motion passed unanimously.

NEW BUSINESS

Committee Assignments – The Board discussed the current Committee assignments. It was the consensus of the Board that the Committee assignments remain the same. The Committee Assignments are:

- Budget – Dale Peck and Robert Norman
- Construction – Alan Hassler and Dale Peck
- Personnel – Robert Burger and Alan Hassler
- Policy and Standards – Robert Burger and Doralyn Genova
- Water Rights – Alan Hassler and Robert Norman

Design Proposal GVICo Check Structure – The Board reviewed the GVIC Check Structure Staff Report and the Design Proposal of \$31,600 from Applegate Group Inc. Director Genova moved to accept and approve the Design Proposal from Applegate Group in the amount of \$31,600 for the design of a Grand Valley Irrigation Canal Check Structure authorizing Staff to prepare a Design Agreement. Director Peck seconded the motion. The Board discussed the benefits of a Check Structure and Staff identified future Capital Improvement Plans for an Intake structure replacing the existing facility and the plans for a North Raw Water Settling Pond. The motion passed unanimously.

General Personnel Report – Manager Tooker provided a brief personnel report.

ADJOURNMENT

By consensus the Board adjourned the June 5, 2014 Regular Meeting at 8:28 pm.

ATTEST:

Alan Hassler

Dale Peck

Doralyn Genova

Robert Norman

Robert K. Burger