

**MINUTES OF BOARD OF DIRECTORS MEETING  
CLIFTON WATER DISTRICT  
THURSDAY, May 5, 2016**

**BOARD MEMBERS PRESENT:** Dale Peck, Chairman; Stan Sparks: Vice-Chair; Melvin Diffendaffer, Director; Doralyn Genova, Treasurer

**STAFF MEMBERS PRESENT:** Dale Tooker; David Reinertsen; Angie Beebe; Karen Zimmerman

**GUESTS:** Mike Nelson, CPA for Chadwick, Steinkirchner, Davis & Co., P.C.

**REGULAR MEETING**

Chairman Peck called the May 5, 2016 Regular Meeting to order at 5:00 p.m. It was noted that Director Burger had an excused absence.

**MINUTES OF THE April 7, 2016 REGULAR MEETING**

Director Genova moved to approve the April 7, 2016 Regular Meeting Minutes as submitted. Director Diffendaffer seconded and the motion passed unanimously.

**2015 AUDIT**

Mike Nelson of Chadwick, Steinkirchner, Davis & Co., P.C. reviewed the 2015 Audited Financial Statements with the Board. Mr. Nelson explained the influence of the MFUF Project and the Drinking Water Revolving Fund loan used to finance the MFUF Project. Mr. Nelson reported the District's financial position is very good with an Asset to Debt Ratio of 5.0 which is excellent. Mr. Nelson also identified the efforts of the District to fund depreciation and replacement expense with steady and sequential rate increases which has been effective in improving the District's financial picture. Mike Nelson exited the meeting at 5:32 pm after giving audit report.

**OATH OF OFFICE**

Chairman Peck administered the Oath of Office and installed Stan Sparks and Melvin Diffendaffer to the Board of Directors for a four year term. Directors Sparks and Diffendaffer signed the Oath of Office.

**BOARD REORGANIZATION**

Director Genova moved to retain Dale Peck as the Chairman, Stan Sparks as Vice Chairman and Doralyn Genova as the Treasurer, and to appoint Melvin Diffendaffer as Secretary. Director Sparks seconded and the motion passed unanimously.

## **FINANCIAL REPORT AND ACCOUNTS PAYABLE**

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$109,525.82 plus Benefits Checks of \$18,807.91 plus Supplemental Checks of \$4,236.31 for a total of \$132,570.04. Director Diffendaffer seconded and the motion passed unanimously.

## **MANAGER'S REPORTS**

Manager Tooker presented the Manager's Reports for March 2016.

## **INFORMATIONAL REPORTS**

Dedication Ceremony for MF/UF Project – Staff reviewed the schedule for the Dedication Ceremony to be held Friday, June 3, 2016. Ceremonies will begin at 12 noon for invited guests and then the District will host tours for District Customers and the public from 3:00 pm to 5:00pm. The Board suggested that Manager Tooker prepare a Project Fact Sheet for the Board and Staff to have during Ceremony to assist in answering questions from guests.

## **EXPRESS AGENDA**

Director Genova moved to approve the Express Agenda items. Director Sparks seconded the motion which passed unanimously. The Express Agenda items are as follows:

1. Project 2016-01 – F ½ Road Main Line Upgrade/Replacement Project – Austin Civil Group has completed the open trench water line upgrade design. Staff is currently evaluating the option to directionally bore the new water line in place to minimize impacts to local traffic, avoid possible backfill issues, and to reduce asphalt road reconstruction efforts and costs.
2. Project 2016-02 – 34 Road Main Line Upgrade/Replacement Project – Rolland Consulting Engineers has completed field work and soil borings and are working on the final construction design for this waterline upgrade/replacement project.
3. Project 2016-03 – Highway 50 Crossing – Assistant Manager Reinertsen reported that the project scope for design services has been sent out to three local engineering firms and proposals are due Monday, June 9, 2016.

## **UNFINISHED BUSINESS**

Colorado State Parks – Staff has been working with the State Parks on revisions to the Parking Area Lease. One important revision is the inclusion of an Exhibit or language that identifies the “Special Conditions” the Board had requested pertaining to the use of the State’s property for hunting. The “Special Conditions” information has not been completed which has prevented Staff from presenting the Lease to the Board. Staff will present the Lease to the Board when it becomes available.

Prescott Request for Time Payment Plan for Multiple Unit Plant Investment Fees – Staff presented the Board with a revised Time Payment Agreement (*File 05/05/2016, 2016 Agreements and Prescott Agreement*) containing the details identified by the Board at the April 7, 2016 Board Meeting. The Agreement includes a 21% interest rate, \$10 Late Fee and an 18

month term. Staff indicated that Mr. Prescott accepted the terms and will move forward with signing the Agreement. Director Peck signed the Agreement as President and Director Diffendaffer as Secretary.

### **NEW BUSINESS**

FY 2015 Audit – The Board received a copy of the final audit and a presentation by Mike Nelson, CPA regarding the District's FY 2015 audits earlier in the evening (*File 05/05/2016, 2015 Audit*). Director Genova moved to accept, approve and distribute to the proper authorities the District's FY 2016 Financial Audit as submitted. Director Sparks seconded the motion which passed unanimously.

FlexMagic Security Breach – Staff summarized the Staff Report concerning the security breach and closing of FlexMagic, the District's Third Party Administrator for the HRA and Section 125 Flex Plan. Staff requested Board approval to moving to a new Third Party Administrator, 24Hour Flex for the remainder of 2016. Staff explained that 24Hour Flex has a different process in administering claims and the distribution of funds that require the use of a District bank account to process reimbursements to employees.

Manager Tooker requested Board approval of the 24Hour Flex Agreement to restore the District's HRA and Section 125 Flex Plan for the remainder of 2016. Director Diffendaffer moved to approve the 24Hour Flex Third Party Administrator Agreement and restore the HRA and Section 125 Flex Plan for 2016. Director Genova seconded the motion which passed unanimously.

Manager Tooker also requested Board approval to establish a separate and specific bank account at ANB Bank to process the HRA reimbursements. Director Diffendaffer moved to establish a new bank account at ANB Bank for the single purpose of providing HRA reimbursements. Director Genova seconded the motion which passed unanimously.


Manager Tooker explained that because of the security breach at FlexMagic, it was possible that employee's personal information may have been compromised. Manager Tooker worked with Home Loan Insurance Company and purchased Identity Theft Protection coverage for a 12 month period.


Open Board Position – The Board discussed the open two-year term Board position and possible candidates. The Board will direct any interested candidates to Manager Tooker for further information and explanation. The Board identified that the Board position will need to be filled by the August 4, 2016 Board Meeting.

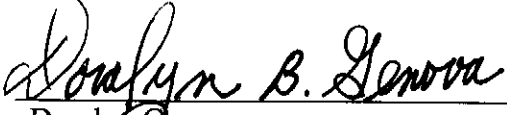
**ADJOURNMENT**

The meeting was adjourned at 6:25 p.m.

**ATTEST:**

  
\_\_\_\_\_  
Dale Peck

  
\_\_\_\_\_  
Stan Sparks

  
\_\_\_\_\_  
Doralyn Genova

  
\_\_\_\_\_  
Melvin Diffendaffer

\_\_\_\_\_