

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, JUNE 1, 2017**

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

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Bret Guillory; Angie Beebe; Brian Sheley; Melissa Lemke

REGULAR MEETING

Chairman Peck called the June 1, 2017 Regular Meeting to order at 5:00 p.m.

FY 2016 AUDIT

Mike Nelson with Chadwick, Steinkirchner, Davis & Co., P.C. presented the 2016 Audited financial statements to the Board. Mr. Nelson identified the improvement in the District's net position and increased financial health of the District in FY 2016. He noted that the District Net Position increased to \$1,987,532 in 2016 compared to \$1,632,507 in 2015 which is attributed to an increase in Cash and Investments and a decrease in liabilities. Mike Nelson praised the District financial health and noted the Working Capital Ratio for 2016 was a healthy 6.69 compared to 4.96 in 2015. Mr. Nelson answered the Board's questions and exited the meeting at 5:22 pm.

GUESTS: TRAVIS AND ANN NASH

Assistant Manager Reinertsen introduced guests, Travis and Ann Nash at 5:24pm. Travis Nash addressed the Board regarding a letter he had received from the District fining him \$1,000 for operating a valve in the Distribution System which shut off water to his property and impacted twenty-seven (27) other Customers. Mr. Nash is requesting relief from the penalty assessment. Mr. Nash explained that he was told by the former home owner where his shut-off valve was located (in a meter pit away from his home). Mr. Nash admitted to turning the valve off, but did not intend for District customers to be impacted by his decision. At the time, he was unaware that he had shut off the main valve.

The Travis and Ann Nash exited the meeting at 5:36 pm.

Chairman Peck moved for discussion of the Nashs' request for relief of the penalty for the Unauthorized Operation of District Facilities Policy #420, Section 8—Right of Exclusive Control, at 3113 A 1/8 Road (Customers Travis and Ann Nash), listed on the Agenda under New Business. The Board discussed the importance and purpose of the Policy #420 and the \$1,000 fine. Director McElley made a motion to charge the Nashs' \$250 fine and to require the installation of a customer-side shut-off valve by the homeowners. Director Genova seconded the motion and the motion failed (2 yea and 3 no votes). Director Diffendaffer made a motion to

charge the Nash's a \$150 fine and to require their installation of a customer-side shut-off valve. Director Sparks seconded and the motion passed (3 yeas and 2 no votes). The Board directed Staff to communicate the Board's action by telephone and by mail.

MINUTES OF THE MAY 4, 2017 REGULAR MEETING

Director Genova moved to approve the May 4, 2017 Regular Meeting Minutes as submitted. Director Diffendaffer noted a punctuation error. Director Diffendaffer seconded and the motion passed unanimously with the correction to be made.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$96,552.97, plus Supplemental Checks of \$287,563.04 plus Benefits Checks of \$16,206.09 plus HRA Disbursements of \$7,707.39 for a total of \$408,029.49, with the exception of check #34713 payable to Dirtworks Construction LLC which is scheduled for action under Unfinished Business. Director Diffendaffer seconded and the motion passed unanimously.

MANAGER'S REPORT

Manager Tooker identified that upward trends are continuing to be observed in Active Taps, Total Water Sales (MG) and Nanofiltration production.

INFORMATIONAL REPORTS

None.

EXPRESS AGENDA

Director Genova moved to approve the Express Agenda item as presented. Director McElley seconded the motion which passed unanimously. The Express Agenda item is as follows:

Children's Water Festival – The 24th Annual Children Water Festival was held at Colorado Mesa University on May 15th and 16th. Over 2,500 5th graders from 37 schools participated this year. The schools attended from four (4) counties. Over \$16,000 was raised in donations (up from \$15,000 in 2016).

UNFINISHED BUSINESS

Project 2016-01 F ½ Main Line Upgrade/Replacement Project – Assistant Manager Guillory reviewed the Staff Report (06-01-17 File, 2017 Staff Reports) stating that the project was completed May 2, 2017. Advertising for Final Payment was completed which allows the District to release the remaining contract retainage and final quantities for pay items of \$6,559.00. Assistant Manager Guillory stated that no Payment Contest Notices were received and identified the project as successfully completed. Director Genova made motion to approve check #34713 for \$6,559.00 payable to Dirtworks Construction, LLC for final payment. Director McElley seconded and the motion passed unanimously.

FY 2016 Audit – Director Diffendaffer moved to accept the FY 2016 Audit and authorize Staff to distribute to the proper agencies. Director McElley seconded and the motion passed unanimously.

NEW BUSINESS

IDShield Identity Theft Coverage – Manager Tooker reviewed the Staff Report and the history behind the District adopting IDShield monitoring in 2016 to employees and their dependents (*06-01-17 File, 2017 Staff Reports*). He reminded the Board’s adoption of ID monitoring was due to the security breach of the HRA Administrator, FlexMagic that occurred in 2016. The District committed to coverage for one year beginning in May 2016. Manager Tooker requested Board consideration of continuing the IDShield monitoring for all full-time employees at a cost of \$8.95/month per employee (annual cost of \$2,255) and allow employees the option to continue dependent coverage (as was previously covered by the District) by electing coverage of \$10/month through payroll deduction.

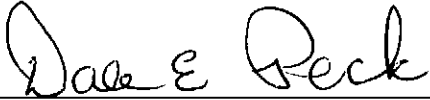
Director McElley moved to accept continuance of ID theft monitoring for all active employees at the single rate of \$8.95 per month per employee (annual cost of \$2,255) with an option for family coverage paid through payroll deduction by the employee. Director Genova seconded and the motion passed unanimously.

Design Build Seminar – Carollo Engineering – Manager Tooker reported that Vinnie Hart from Carollo Engineering had invited him to speak at a Design Build seminar in Oklahoma City, Oklahoma. Carollo Engineering had offered to cover Manager Tooker’s expenses. Manager Tooker requested Board approval to participate and utilize District funding for this opportunity. Manager Tooker added the expense was not specifically identified in the District’s Budget however; there are funds available in the Training line item of the Budget. Director Genova made motion to approve Manager Tooker to attend the Design Build Seminar in Oklahoma City, Oklahoma. The Board discussed the value and opportunity of Manager Tooker sharing the District’s successful Design Build experience with other organizations. Director McElley seconded and the motion passed unanimously.

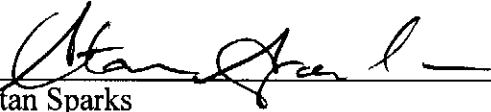
ADJOURNMENT

The meeting was adjourned at 6:45 p.m. by the Chairman.

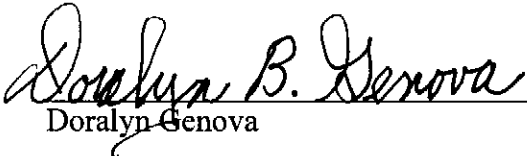
ATTEST:



Dale Peck



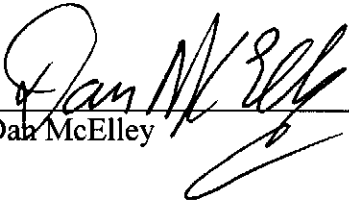
Stan Sparks



Doralyn Genova



Melvin Diffendaffer



Dan McElley