

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, DECEMBER 7, 2006**

BOARD MEMBERS PRESENT: John Ballagh, Chairman; Doralyn Genova, Vice-Chairman; Paul Teal, Secretary; Brian Woods, Assistant Secretary; Randy Cook, Treasurer

STAFF MEMBERS PRESENT: Dale Tooker, David Reinertsen, Carrie Green, Laure Watkins

CALL PUBLIC HEARING ON PROPOSED 2007 BUDGET

At 5:00 p.m., Chairman Ballagh opened the Public Hearing for the 2007 Budget. No public participants present. Public Hearing concluded at 5:03 p.m.

REGULAR MEETING

Chairman Ballagh called the regular Board Meeting to order at 5:04 p.m.

MINUTES OF THE NOVEMBER 2, 2006 BOARD MEETING

Director Teal moved to accept the minutes of the November 2, 2006, Board Meeting, with changes noted. Director Genova seconded and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Teal moved to accept the financial report as presented, and approve expenditures of \$104,779.99 plus \$79,705.52 on the supplemental statement, for a total of \$184,485.51. Director Genova seconded and the motion passed unanimously.

STAFF REPORTS

Committee Reports – Assistant Manager Reinertsen provided a verbal report of the Budget and Construction Committee meetings held in November. As part of the Construction Committee update, Manager Tooker reported that the Tamarisk removal project is progressing. Staff also met with local representatives of Drexel, Barrell & Co to begin the preliminary infrastructure evaluation of Whitewater.

Utility Coordinating Committee – Assistant Manager Reinertsen presented information to the Board regarding placement of “dry utilities” near waterlines during construction of new developments. Staff is working with other utility providers to coordinate placement of facilities prior to actual construction.

Variable Frequency Drive Installation at River Intake – Manager Tooker reported that variable frequency drives have been installed at the river intake structure. Based on data collected over the next several months, Staff will report on the operation and efficiency of the new drives.

Colorado River Crossing, Main Line Break – Manager Tooker reported that a recent break in the 10” main line crossing beneath the Colorado River will not be repaired for the foreseeable future.

The pipeline crossing on the Highway 141 Bridge will provide sufficient supply to Orchard Mesa and Whitewater service areas.

EXPRESS AGENDA

The Board reviewed the Express Agenda and accepted the following items as presented:

Project 2002-03 Plant Optimization Phase II Update – Garney Construction has completed the roof work and has installed windows and doors on the Charles A. Strain Water Treatment Plant remodel change order. Final Inspection by the Mesa County Building Department is scheduled for the week of December 4th. Garney crews have completed several of the remaining close out items for the Phase II project. Still waiting for final warranty paperwork for the installed roof system on the Phase II building.

Project 2006-01 South Finished Water Storage Tank Update – Notices were sent out to the two bidders on this project identifying the Board's decision to not award a construction contract at this time. Staff has discussed design changes with the Design Engineer (Burns & McDonnell) and plan to begin bid package modifications after January 1, 2007.

Project 2006-02 I-70 B Waterline Crossing Update – All materials have been procured and received, and Bryant Brothers Construction Company is scheduled to perform the main line directional bore the week of December 4th, pending favorable weather conditions.

Audit Services Request For Proposals – Request for Proposal for Audit Services has been advertised and three firms have requested the RFP. The deadline for acceptance of the proposals is Friday, December 22, 2006 by 4:00 p.m. Staff will present the proposals at the January 4, 2007 Board Meeting.

Insulation Project Colorado River – MA Concrete Construction Company has completed insulation repairs and installation of 'jacketing' of the 10" main line suspended beneath the Highway 141 bridge over the Colorado River. Bolt tightness verification indicated no discrepancies in bolt support torque.

Whitewater Distribution Modeling – Staff has worked with Drexel, Barrell & Co to perform a preliminary Whitewater System Modeling in preparation of Needs Assessment. It is anticipated that modeling project will be completed by the end of December.

Unfinished Business

Out of District Inclusion Request from Ted Munkres – Freestyle Inc. – Director Genova moved to defer the Out of District Inclusion Request from Ted Munkres and Bob Jasper, Freestyle Inc. to the January 2007 meeting since the requestors were not present and noted that if requestors arrived at this meeting the Board would consider the request. Director Cook seconded and the motion passed unanimously.

Wage and Benefit Survey Results – Manager Tooker presented a memo (*File 12-7-06*) to the Board outlining the results of the 2006 Wage & Benefit Survey and proposed wage and benefit changes. The Personnel Committee previously reviewed the data and Wage & Benefit information for inclusion in the 2007 Budget. Information only, no Board action required.

2007 Budget Resolution – The 2007 Draft Budget (*File 12-7-06, 2007 Budget and Resolutions*) along with the Budget Explanation was presented and reviewed. Director Genova moved to adopt the 2007

Budget and to appropriate funds for 2007 by approving the Appropriation Resolution of the Clifton Water District Board of Directors Acting by and Through Its Activity Enterprise for the 2007 Budget Year. Director Teal seconded and the motion passed unanimously.

**APPROPRIATION RESOLUTION OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE FOR THE
2007 BUDGET YEAR**

A resolution appropriating sums of money to the various accounts, in the amounts and for the purposes as set forth below, for the Clifton Water District acting by and through its Water Activity Enterprise, Mesa County, Colorado, for the 2007 Budget Year.

WHEREAS, the Directors have adopted the annual budget for 2007 in accordance with the Local Government Budget Law, on the 7th day of December, 2006, and;

WHEREAS, the Directors have made provision therein to use a combination of revenues and reserves in an amount equal to, or greater than, the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, so as to not impair the operations of the District or its Water Activity Enterprise.

NOW THEREFORE, BE IT RESOLVED by the Directors of the Clifton Water District acting by and through its Water Activity Enterprise, Mesa County, Colorado that the following sums are hereby appropriated from the revenue and reserves of the Water Activity Enterprise, for the purposes stated below:

ESTIMATED BEGINING BALANCE	\$8,117,801
<u>ESTIMATED EXPENDITURES</u>	
Operating Expenses	
Source of Supply	\$19,440
Water Treatment	\$703,335
Transmission & Distribution	\$281,520
General & Administrative	\$298,553
Labor Expenses	\$1,390,018
<i>Total Operating Expenses</i>	\$2,692,866
Nonoperating Expenses	
Capital Expenses	\$3,696,665
Bond Principal & Interest	\$555,733
Emergency Fund	\$296,718
Reserve Fund	\$761,610
Contingency	\$5,441,609
<i>Total Nonoperating Expenses</i>	\$10,752,335
TOTAL ESTIMATED EXPENDITURES	\$13,445,201
<u>ESTIMATED REVENUES</u>	
Operating Revenue	
Sale of Water	\$3,200,000
Sanitation District	\$17,300
Penalty & Turn Fees	\$50,500
<i>Total Operating Revenue</i>	\$3,267,800
Nonoperating Revenue	
Plant Investment Fees	\$1,500,000
Main Line Extension Fees	\$20,000
Disposal of Assets	\$2,000
Availability of Service	\$12,000
Interest	\$240,000
Bond/Grant Proceeds	\$250,000
Property Taxes	\$0
Lease Income	\$6,000
Construction Reimbursements	\$0
Tap Installation	\$27,600
Miscellaneous	\$2,000
<i>Total Nonoperating Revenue</i>	\$2,059,600
TOTAL ESTIMATED REVENUE	\$5,327,400
Estimated From Reserves	\$8,117,801
TOTAL FUNDS AVAILABLE	\$13,445,201
ESTIMATED ENDING BALANCE	(\$0)

(Resolution Continued...)

IT IS FURTHER RESOLVED, that there is appropriated from the funds of the District acting by and through its Water Activity Enterprise, Thirteen Million, Four Hundred Forty-Five Thousand, Two Hundred and One Dollars (\$13,445,201) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2007 or thereafter.

I hereby certify the forgoing is a true copy of a resolution adopted by the Board of Directors of the Clifton Water District acting by and through its Water Activity Enterprise at a regular meeting of the Board held on December 7, 2006. Said budget was displayed for inspection and notice of said display for inspection was duly published in accordance with C.R.S. 29-1-106.

Dated December 7, 2006

New Business

Budget Transfer for Distribution Vehicle Expense –A Staff Report *(2006 Staff Reports, File12-7-06 and 2006 Budget)* was presented requesting a \$15,000 transfer of funds from Contingency to Distribution Vehicle Expense line item. Director Teal moved to transfer \$15,000 from Contingency to the Distribution Vehicle Expense budget line item due to increased fuel costs and unexpected vehicle repairs. Director Genova seconded and the motion passed unanimously.

Budget Transfer Exempt Salaries – A Staff Report *(2006 Staff Reports, File12-7-06 and 2006 Budget)* was presented outlining Manager Tooker's recommended fund transfers for Exempt Wages.

Director Teal moved to approve a transfer of \$34,000 from the Non-Exempt Wages budget line item to Exempt Wages budget line item to accommodate the change in employee status of three employees. Director Genova seconded and the motion passed unanimously.

Director Woods moved to approve a transfer of \$4,400 from Contingency to the Exempt Wages budget line item to fund the Manager's wage increase. Director Teal seconded and the motion passed unanimously.

GVICo 2006 Annual Shareholders Meeting – By consensus, the Board ratified Manager Tooker's attendance and representation of the Clifton Water District at the Grand Valley Irrigation Company (GVICo) 2006 Annual Shareholders Meeting, held December 2, 2006. Manager Tooker reported that GVICo will conduct their annual share auction on December 14, 2006. Assistant Manager Reinertsen was designated to attend the annual share auction on behalf of the District.

At 7:00 p.m., Bob Jasper entered the meeting. Mr. Jasper was representing himself and Ted Munkres concerning the request for Out-of-District service inclusion for two parcels in Whitewater, together known as the Gunnison Ranches development project.

Out of District Inclusion Request from Ted Munkres – Freestyle Inc. – The Staff Report *(File 2006 Staff Reports, 12-7-06 and Out of District Inclusions)* was reviewed and discussed by the Board, Staff and Mr. Jasper. After discussion, Director Genova moved to approve the request for Out-of-District inclusion for the following parcels in the Whitewater service area:

Tax Schedule ID 2967-234-00-110 (aka 1113 Desert Road) & Tax Schedule ID 2967-233-00-109 (aka 1121 Desert Road) described as the NE ¼ SW1/4 and NW ¼ SE ¼ of Section 23, Township 2 South, Range 1 East of the Ute Meridian, Mesa County, Colorado;

with conditions as identified in the revised Staff Report dated December 1, 2006. Director Teal seconded and the motion passed unanimously.

ADJOURNMENT

By mutual consent, the regular meeting adjourned at 7:45 p.m.

ATTEST:

John L. Ballagh

Paul Teal

Brian Woods

Randy L. Cook

Doralyn Genova