

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, OCTOBER 4, 2007**

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

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Laure Watkins

REGULAR MEETING

Chairman Ballagh called the regular Board Meeting to order at 5:10 p.m. and asked if there were any changes to the Agenda. Manager Tooker noted that two additional items had been added to the Agenda.

Director Burger was excused from this meeting as he was out of town.

MINUTES OF THE SEPTEMBER 6, 2007 BOARD MEETING

Director Teal moved to accept the minutes of the September 6, 2007, Board Meeting with changes as shown below:

Express Agenda

Project 2006-01 South Finished Water Storage Tank-Update – The District’s Contractor, Aslan Construction, is installing new inlet, outlet, ~~and~~ drain piping, and manholes.

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 \$67,065.91 plus \$494,846.13 on the supplemental statement, for a total of \$561,912.04. Director Genova seconded and the motion passed unanimously.

The Board requested an itemized list of petty cash purchases. Staff identified that as a part of the Financial Reporting procedures all Accounts Payable statements, purchase orders, and receipts are provided for Board review.

Conference Call with Joe Drew, Drew Investments - At 5:25 p.m. the Board conducted a conference call with Joe Drew, Drew Investments, to discuss the 1996 Revenue Bond Analysis and payoff of the 1996 Revenue Bond.

The conference call with Mr. Drew concluded at 5:40 p.m.

EXPRESS AGENDA

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

Project 2006-01 South Finished Water Storage Tank – Update – The Contractor, Aslan Construction, has completed installation of the new site piping and is installing new access manholes. MMI Steel Fabrication has completed the construction of the new steel tank. The painting subcontractor is scheduled to start sandblasting and preparation for new epoxy coatings the first week of October. Tank integrity testing is scheduled to commence the week of October 29, 2007. Substantial Completion has slipped approximately two weeks with Final Completion still scheduled for December 4, 2007.

Project 2007-01 I-70/Highline Canal Main Line Upgrade - Update – Staff continues to prepare the bid package for this project with bid award recommendations to be presented at the December 6, 2007 Regular Board Meeting.

Utility Payment Processing Beta Testing - Update – American National Bank (ANB) has installed the required software and equipment to utilize the payment processing feature. Customer Service Representative, Genny Muncaster, received training on the equipment September 10 – 12, and went live with the system on September 13th.

Special District Association District of the Year Award - On September 20th, Clifton Water District received the *2007 District of the Year Award*, for demonstrating outstanding leadership, dedication and service to its residents and constituents. The Special District Association (SDA) presented the award at the association's 2007 Annual Conference held in Steamboat Springs, CO.

The SDA review panel selected the District by tracking statewide news clippings, SDA staff and board travels, and feedback from colleagues and citizens. Over the course of a year, the panel identified districts that demonstrated high quality public service and governmental efficiency. Clifton Water was chosen as the "District of the Year" for demonstrating a record of consistently outstanding performance and service, positive image, meaningful involvement in the community, and a crowning accomplishment during the past year

Thatcher Chemical Release of All Claims –The Release of All Claims, requested by Thatcher Chemical, was signed by staff and mailed on Friday, September 14, 2007.

Colorado River Water Users Association Conference – The Annual Conference will be held December 12-14, 2007 in Las Vegas. Board members planning to attend should contact Manager Tooker.

UNFINISHED BUSINESS

Major Capital Improvement Plan (MCIP) 2007- 2012 (Years 2010-2012) – Assistant Manager Reinertsen reviewed the Staff Report (*File 10/4/07, MCIP 2007-2012, and 2007 Staff Reports*) and the remaining Distribution Department's Capital Improvement Projects for FY 2010 – FY 2012, which includes Clifton and Whitewater.

A final draft of the MCIP 2007-2012 will be presented for Board approval at the November 1, 2007, Board Meeting.

1996 Revenue Bond Analysis – Drew Investments – Manager Tooker presented a Staff Report (*File 10/4/07, 1996 Revenue Bond, and 2007 Staff Reports*) as supplemental information in consideration of paying off the 1996 Revenue Bond. The Board discussed Mr. Drew’s recommendations from the conference call, wherein, by paying off the bonds early the District will save \$144,650 in interest over the next four years and reduce debt service by \$292,000 annually. Additionally, the Board identified certain investments in the District’s Capital Reserve account are receiving less interest than what the District is paying for the bond and utilizing these funds is a fiscally appropriate action. Director Woods moved to retire the 1996 Revenue Bond as of December 2007, in an effort to reduce annual debt service. Director Teal seconded and the motion passed unanimously.

Director Woods moved transfer \$1,025,000 from the contingency line item to the Bond Principle line item, as recommended in the October 4, 2007 Staff Report, to pay off the 1996 Revenue Bond. Director Genova seconded and the motion passed unanimously.

Staff will proceed with the necessary steps to pay off the 1996 Revenue Bond.

Inclusion Request – William and Sandra Heley (Tax Parcels 2943-022-00-007, 2943-021-00-008, 2943-022-00-024) – Assistant Manager Reinertsen reported that staff continues to work with the Heleys and will assist them in their request once the necessary easements are received. Information only no Board action required at this time. In an effort to assist in future inclusion requests, the Board discussed details and recommended requirements for the Inclusion process that may need to be addressed by District Policy.

2008 Draft Budget–Assistant Manager Reinertsen presented the FY 2008 Budget Status Narrative and a copy of the Draft Budget (*File 10/4/07 and 2008 Budget*) for Board review. The Budget Committee has reviewed the FY 2008 Draft Budget and is scheduled to meet again on October 11, 2007, to continue the Budget process.

2006 Audit Letter – The District received the 2006 Audit Management Letter (*File 10/4/07 and 2006 Audit*) from auditor, Mary Brenes. The Board recognized and accepted the recommendations made by Mr. Brenes in the June 11, 2007, management letter, and directed staff to proceed with implementing the recommendations.

Verizon Wireless Generator Request – Manager Tooker provided a verbal report for a request from Verizon Wireless (*File Agreements – Verizon Wireless*) to install a generator at the North Finished Water Storage Tank site. Staff will continue to work with Verizon Wireless to develop a mutually beneficial solution.

Project 2004-01 North Raw Water Settling Pond – Manager Tooker presented a Staff Report (*File 10/4/07, Project 2004-01 North Raw Water Settling Pond and 2007 Staff Reports*) outlining the project history and Boyle Engineering’s project recovery schedule for design of the North Raw Water Settling Pond.

It was identified that unsatisfactory progress has been made on the project and as a result of staffing changes Boyle Engineering no longer has the experience that was originally presented in the Request for Qualifications that the District selected.

Director Genova moved to give notice of termination of services to Boyle Engineering for Project 2004-01 North Raw Water Settling Pond. Director Teal seconded and the motion passed unanimously.

Director Genova moved to begin a new Request for Qualifications process for design services for Project 2004-01 North Raw Water Settling Pond. Director Teal seconded and the motion passed unanimously.

NEW BUSINESS

Correspondence – This agenda item was added by Chairman Ballagh. Chairman Ballagh stated that he received a letter requesting action to be taken that pertains to District business. Chairman Ballagh stated he will reply to the letter conveying that any matters pertaining to Clifton Water District must be presented to the full Board and will recommend the writer resubmit the letter addressing it to the Clifton Water District Board of Directors. Information only, no Board action required at this time.

Special District Association (SDA) Annual Conference Briefing – Board and staff members who attended the 2007 Special District Association Annual Conference, September 19-21, in Steamboat Springs, provided a briefing of the conference events.

PERSONNEL ITEMS

Manager’s Evaluation – Chairman Ballagh deferred Manager Tooker’s annual review to the November 1, 2007, Board Meeting, as Director Burger was not present at this meeting.

ADJOURNMENT

By mutual consent the regular meeting adjourned at 8:00 p.m.

ATTEST:

John L. Ballagh

Paul Teal

Brian Woods

Doralyn Genova

Excused
Robert Burger