

**MINUTES OF BOARD OF DIRECTORS MEETING  
CLIFTON WATER DISTRICT  
TUESDAY, DECEMBER 4, 2007**

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

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

**PUBLIC MEETING**

At 5:00 p.m., Chairman Ballagh opened the public hearing for the 2008 Budget. No public participants were present and no written comments had been received, therefore, the public hearing concluded at 5:01 p.m.

**REGULAR MEETING**

Chairman Ballagh called the regular Board Meeting to order at 5:02 p.m. and asked if there were any changes to the Agenda, none were identified and the meeting commenced.

**MINUTES OF THE NOVEMBER 1, 2007 BOARD MEETING**

Director Teal moved to accept the minutes of the November 1, 2007, Board Meeting with changes as shown below:

**Express Agenda**

Utility Payment Processing Beta Testing - Update

3<sup>rd</sup> Sentence - ~~Am~~... A copy of the email correspondence from Ms. Brenes is included in the Board Packet...

4<sup>th</sup> Sentence - ***Staff believes that*** American National Bank has been very attentive through the beta testing process and continues to make many changes to the banking side of the operations based on daily feedback from District staff.

**Unfinished Business**

Inclusion Request – William and Sandra Heley (Tax Parcels 2943-022-00-007, 2943-021-00-010, 2943-021-00-008, 2943-022-00-024) – ...The Board acknowledged receipt of the Heley's Petition for Inclusion into the District's service area. Director Genova moved to authorize staff to advertise a Public Hearing for Tuesday, December 4<sup>th</sup>, 2007, at 5:00 p.m., at the Clifton Water District office, 510 34 Road, for the purpose of ~~presenting~~ **considering** the Heley's Petition for Inclusion for the following parcels:...

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 \$111,834.63 plus \$294,887.31 on the supplemental statement, for a total of \$406,721.94. Director Woods seconded and the motion passed unanimously.

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## **PUBLIC MEETING**

At 5:15 p.m., Chairman Ballagh opened the public hearing to consider the Petition of Inclusion submitted by William and Sandra Heley for Tax Parcels 2943-022-00-007; 2943-022-00-024; 2943-021-00-008; 2943-021-00-010. No public participants were present and no written comments had been received, therefore, the public hearing concluded at 5:17 p.m.

Upon conclusion of the Public Hearing concerning the Petition for Inclusion, Chairman Ballagh reconvened the regular Board Meeting at 5:18 p.m.

## **STAFF REPORTS**

Water Issues – Colorado River Basin Proposal Update - Manager Tooker briefed the Board regarding the progress of the Colorado River Basin Proposal.

Committee Reports - Manager Tooker reported that the Personnel Committee met on Monday, November 19, 2007, to review wage and benefit recommendations to be considered in the 2008 Budget.

Assistant Manager Reinertsen reported that the Budget Committee met on Tuesday, November 27, 2007, to review wage and benefit recommendations from the Personnel Committee and make any adjustments to the 2008 Budget.

Energy Impact Grant – Update – Manager Tooker reported that he had consulted with the District’s auditor and attorney regarding the definition of revenue and maintaining the District’s Water Activity Enterprise status. Manager Tooker stated that based on information he obtained, the District could receive the full grant funds from the Department of Local Affairs Energy Impact Grant without jeopardizing the District’s Enterprise status because tap fees meet the definition of revenue, thus increasing total revenue for the year. It was a consensus of the Board to seek full reimbursement from the Department of Local Affairs Energy Impact Grant.

## **EXPRESS AGENDA**

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

Project 2006-01 South Finished Water Storage Tank – Update – Integrity leak testing has been completed satisfactorily. Filling of the tank one more time for water quality testing is required before placing the tank in service. The Contractor, Aslan Construction, is completing final project closeout items. The final payment request is anticipated in early January 2008.

Project 2007-01 I-70/Highline Canal Main Line Upgrade - Update – Staff has completed negotiations for the required easement and plans to advertise for construction bids in December. Construction award recommendations will be presented at the January 2008 Board Meeting.

Utility Payment Processing Beta Testing - Update – Staff is entering the final month of beta testing of the American National Bank utility payment processing system. Upon completion of the 90-day evaluation period, Staff will report their recommendations to the Board regarding full integration or termination of the payment processing system.

1996 Revenue Bond – Redemption Update – Staff has completed the preparation needed for paying off the 1996 Revenue Bond. Transaction of the payment occurred on Friday, November 30, 2007. Manager Tooker will recap the transactions taken, to the Board, at the December Board Meeting.

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GVICo 2007 Annual Shareholders Meeting – Assistant Manager Reinertsen will attend the 2007 Annual Grand Valley Irrigation Company Shareholders Meeting on December 1, 2007, and report events of the shareholders meeting at the December Board Meeting.

Partnership for Safe Water Award Presentation – A press release was issued on Tuesday, November 27, 2007, announcing that the District will facilitate an awards presentation on Tuesday, December 4, 2007, from 1:00 to 2:00 pm., where officials from the Colorado Department of Health and Environment and AWWA will officially present the Partnership for Safe Water Directors Award to the District.

Colorado River Water Users Association 2007 Annual Conference – The Colorado River Water Users Conference is scheduled for December 12 – 14, 2007, in Las Vegas. Manager Tooker, Assistant Manager Reinertsen and Director Woods will be attending on behalf of the District.

District Christmas Party – The District's annual Christmas Party is scheduled for Friday, December 7, 2007, at the District's maintenance facility. Wear your best casual hunting attire and join us around the campfire at our *Hunting Camp Christmas* beginning at 6:30 p.m. If you have not yet RSVP'd for the party, please contact Genny or Laure.

## **UNFINISHED BUSINESS**

Inclusion Request – William and Sandra Heley (Tax Parcels 2943-022-00-007, 2943-022-00-024, 2943-021-00-008, 2943-021-00-010) – Assistant Manager Reinertsen updated the Board on the Heley's Inclusion request (*File 12/4/07 and Inclusion 2007 - Heley*) and reported that additional research pertaining to this request identified that parcels 2943-022-00-024 and 2943-021-00-010 submitted for inclusion, have already been included in the District's service boundaries.

Director Genova moved for a continuation of the inclusion request for remaining parcels, 2943-022-00-008 and 2943-022-00-007, once the easement matter has been resolved to the District's approval. Director Teal seconded and the motion passed unanimously.

2008 Wage and Benefit Recommendations – Manager Tooker reviewed the Wage and Benefits Recommendations memo (*File 2007 Personnel*) presented at the November 1, 2007, Board meeting. After discussion, Director Woods moved to maintain the employee contribution for health insurance premiums at the current rate of 10% for 2008. Director Teal seconded and the motion passed unanimously.

Director Woods moved to increase the on-call compensation from \$55.00 to \$100.00, effective December 28, 2007, in alignment with the District's payroll schedule. Director Burger seconded and the motion passed unanimously.

It was the consensus of the Board to revisit other Wage and Benefit Recommendations at the January 2008 Board meeting.

2008 Draft Budget Resolution – The 2008 Draft Budget (*File 12/4/07, 2008 Budget, and Resolutions*) along with the Budget Explanation was presented and reviewed. Director Teal moved to adopt the 2008 Budget and appropriate funds for 2008 by approving the *Appropriation Resolution of the Clifton Water District Board of Directors Acting By and Through Its Water Activity Enterprise For The 2008 Budget Year*, and directed staff to submit the budget to the appropriate agencies. Director Burger seconded and the motion passed unanimously. (*Resolution on next page*)

**APPROPRIATION RESOLUTION OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE FOR THE 2008 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 2008 Budget Year.

WHEREAS, the Directors have adopted the annual budget for 2008 in accordance with the Local Government Budget Law, on the 4<sup>th</sup> day of December, 2007, 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:

<b>2008 BUDGET</b>	
ESTIMATED BEGINING BALANCE	\$7,974,063
<b><u>ESTIMATED EXPENDITURES</u></b>	
<u>Operating Expenses</u>	
Source of Supply	\$21,408
Water Treatment	\$693,873
Transmission & Distribution	\$336,448
General & Administrative	\$316,441
Labor Expenses	\$1,488,454
<i>Total Operating Expenses</i>	<i>\$2,856,625</i>
<u>Nonoperating Expenses</u>	
Capital Expenses	\$3,807,500
Bond Principal & Interest	\$261,842
Emergency Fund	\$333,208
Reserve Fund	\$780,276
Contingency	\$5,386,453
<i>Total Nonoperating Expenses</i>	<i>\$10,569,279</i>
<b>TOTAL ESTIMATED EXPENDITURES</b>	<b>\$13,425,903</b>
<b><u>ESTIMATED REVENUES</u></b>	
<u>Operating Revenue</u>	
Sale of Water	\$3,313,000
Sanitation District	\$20,000
Penalty Fees	\$30,000
Turn Fees	\$40,000
<i>Total Operating Revenue</i>	<i>\$3,403,000</i>
<u>Nonoperating Revenue</u>	
Plant Investment Fees	\$1,500,000
Main Line Extension Fees	\$22,000
Disposal of Assets	\$1,000
Availability of Service	\$20,200
Interest	\$230,000
Bond/Grant Proceeds	\$250,000
Property Taxes	\$0
Lease Income	\$8,640
Construction Reimbursements	\$0
Tap Installation	\$15,000
Miscellaneous	\$2,000
<i>Total Nonoperating Revenue</i>	<i>\$2,048,840</i>
<b>TOTAL ESTIMATED REVENUE</b>	<b>\$5,451,840</b>
<b>Estimated From Reserves</b>	<b>\$7,974,063</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$13,425,903</b>
ESTIMATED ENDING BALANCE	(\$0)

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 Twenty-Five Thousand, Nine Hundred and Three Dollars (\$13,425,903) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2008 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 4, 2007. 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 4, 2007

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Major Capital Improvement Plan (MCIP) 2007-2012 – It was the consensus of the Board to set a public informational meeting for Thursday, January 24<sup>th</sup>, 2008, to keep customers apprised of the District’s capital improvements planned for the next five years. Staff will determine a time and location for the meeting and will notify the Board and the District’s customers.

**NEW BUSINESS**

Energy Impact Grant EIAF #5409 Bilateral Agreement – This item was added to the agenda following discussion under Staff Reports. Manager Tooker presented the Bilateral Agreement #2 (*File Energy Impact Grant-EIAF #5409*) of Energy and Mineral Impact Assistance Grant Program Grant between the Colorado Department of Local Affairs and Clifton Water District, for Board acceptance and signature. Manager Tooker explained that the Bilateral Agreement is necessary because the original project costs need to be updated to represent the current costs of the project. Director Teal moved to accept the Bilateral Agreement and authorize Chairman Ballagh to sign the agreement. Director Genova seconded and the motion passed unanimously.

2007 Budget Transfer Request – A Staff Report (*File 2007 Staff Reports and 12/4/07*) was presented requesting a \$14,000 transfer of funds from Contingency to Distribution Vehicle Expense. Director Teal moved to transfer \$14,000 from Contingency to Distribution Vehicle Expense to cover unexpected vehicle repairs. Director Genova seconded and the motion passed unanimously.

**PERSONNEL ITEMS**

Personnel Matters – Manager Tooker reported that Water Treatment Plant Operator Larsen has taken an extended period of time off to attend to a medical situation.

Manager Tooker reported that Water Treatment Plant Supervisor David Payne has been offered an employment opportunity with Ute Water Conservancy District. Manager Tooker will be discussing the situation with Mr. Payne and will report back to the Board.

**ADJOURNMENT**

By mutual consent the regular meeting adjourned at 8:15 p.m.

ATTEST:

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John L. Ballagh

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Paul Teal

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Brian Woods

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Doralyn Genova

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Robert Burger