

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
THURSDAY, AUGUST 7, 2008**

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

STAFF MEMBERS PRESENT: Dale Tooker; David Reinertsen; Kelly Balch; David Foster

GUESTS PRESENT: Jamie Hamilton, Home Loan and Investment
Mary Brenes, CPA
Alan Hassler

REGULAR MEETING

Chairman Ballagh called the regular Board meeting to order at 5:03 p.m. The agenda item Disaster Recovery Plan was moved from Unfinished Business to New Business.

MINUTES OF THE JULY 3, 2008 BOARD MEETING

Director Genova moved to approve the Minutes of the July 3, 2008 Board Meeting, with two corrections, Director Burger was excused absence and under New Business it should read August 1, 2008 Grant Cycle. Director Woods seconded and the motion passed unanimously.

2008 INSURANCE

Jamie Hamilton, CEO of Home Loan and Investment, summarized the coverage for the District's property and casualty insurance, liability insurance and fidelity bonding in effect until May 21, 2009. Hamilton stated that the District is appropriately covered for its exposures.

Jamie Hamilton exited the meeting at 5:20 p.m.

2007 AUDIT

Mary Brenes, CPA, provided a summary of the District's Audited Financial Statements for 2007. The Board and Staff discussed Standard Operating Procedures and a Fraud Risk Assessment and Monitoring Plan utilized by staff and the Board providing a system of checks and balances to protect the District's finances.

Mary Brenes exited the meeting at 6:05 p.m.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Genova moved to accept the financial reports and accounts payable as presented and approve expenditures of \$109,099.15, the HRA Disbursement Report in the amount of \$733.59 plus \$63,313.52 on the supplemental statement for a total of \$173,146.26. The Board discussed the Bank Charges Report, the various reports used to track the monthly Labor Expenses, wire

transfer fees and confirmed the Restricted Cash amount on the Balance Sheet. Director Burger seconded and the motion passed unanimously.

Assistant Manager Reinertsen reported on the details of a reimbursement to the tenant of a property that was flooded when a water main broke on 31.5 Road.

David Foster exited the meeting at 6:38 p.m.

MANAGER'S REPORTS

The Board reviewed the Manager's Report. *(File 8/7/08)*

STAFF REPORTS

Radio Read Meter Replacement – Manager Tooker presented a report *(2008 Staff Reports, File 8/7/08)* showing the reduced meter reading times associated with the installation of radio read meters over the past six years. The Board requested that Manager Tooker also provide data for labor cost savings and the capital expenditures for the radio read meter installations.

Credit Card Bill Payment Report – Manager Tooker presented a report *(2008 Staff Reports, File 8/7/08)* summarizing the number of transactions, revenues and costs of credit card payments. Through June, 2008 there has been a 75% increase in net sales and an 80% increase in overall transactions from 2007. The annual cost to the District for accepting credit card payments is estimated at \$12,000.

EXPRESS AGENDA

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

1. Repairs to New Whitewater Finished Water Storage Tank – D&R Commercial Divers performed repairs to the water quality sample lines inside the new Whitewater one million gallon storage tank. The lines were broken during the filling and flushing activities of the final performance testing. Repair documentation has been submitted to the District's Project Engineer for warranty reimbursement evaluation.
2. Mainline Upgrade 33 & E.25 Road Intersection – The District pipeline construction crew has completed the new water line installation for this county project. The main line was replaced in conjunction with a joint effort between the Grand Valley Drainage District and the Clifton Sanitation District.
3. 2008 District Fire Hydrant Flushing Program – Distribution crews completed the 2008 Fire Hydrant Flushing Program on July 15, 2008. Efforts were concentrated on uni-directional flushing of the District's main distribution lines, eight inch diameter and larger. Four hydrants were identified for maintenance repairs along with two main line valves.
4. Phase II Two Year Warranty Walk-Though Inspection – Representatives of Burns & McDonnell Engineering Company and District Staff performed the two-year warranty

inspection on July 21, 2008. Nine items were identified and notification was sent to the Contractor (Garney Construction) with the various repairs being scheduled for August and September.

5. Project 2008-01 North Raw Water Setting Pond – Staff continues Design Agreement negotiations with the selected firm, URS. Once the final Agreement is signed by all parties, the Project Kick-Off Meeting will occur, currently scheduled for the week of August 18, 2008.
6. Project 2008-02 MF/UF Pilot Testing Program – There have been 22 RFQ packages sent out to interested firms. A facility tour is scheduled for interested firms on Wednesday, August 6, 2008 with final proposals due Thursday, August 14, 2008. Staff will schedule interviews of short-list selected firms with a final selection recommendation to be presented at the September 4, 2008 Regular board Meeting.

UNFINISHED BUSINESS

2008 Insurance - The Board stated their appreciation for the excellent service the District receives from Home Loan and Investment and had no additional questions.

2007 Audit - The Board stated they had approved the 2007 Audit at the July meeting and no further action is needed. It was noted that Mary Brenes, CPA is in the second year of a three year agreement.

Vacant Board Position – Chairman Ballagh introduced District resident Alan Hassler as a potential new Board member. Alan Hassler summarized his professional experience and stated his willingness to serve the District as a Board member.

Director Woods moved to appoint Alan Hassler to the Board of Directors at the September 4, 2008 meeting, Director Burger seconded and the motion passed unanimously.

NEW BUSINESS

Annual Leave Policy - Directors Genova and Burger summarized the Personnel Committee's proposal to amend the District's annual leave policy and add a new longevity recognition as part of the Personnel Manual. The proposal is intended as an incentive to attract and retain employees. The Board directed Staff to include the same eligibility criteria used in qualifying for the District's Health Insurance in Section 11.4 Leave Not Based Upon Length of Service.

Chairman Ballagh moved to defer a decision until the September 4, 2008 meeting, Director Burger seconded and the motion passed unanimously.

2009 Budget – Appoint Person to Prepare the 2009 Budget - Director Genova moved to appoint Manager Tooker to prepare the 2009 Budget, Director Woods seconded and the motion passed unanimously.

District's Investments – Manager Tooker reported that District's Investment portfolio interest rates continue to dip below 3% and he has explored options with local banks to achieve a higher rate of return with Certificates of Deposit in the amount of \$100,000 for a 24 month term. District Policy #910 was provided and reviewed by the Board. By consensus the Board reiterated its agreement with the Policy's intent to grant authority to the Manager in making these financial decisions.

Grand Valley Communications Contract – Manager Tooker reported that he will be advising Grand Valley Internet (GVI) that the District's intends to terminate an Agreement that provides GVI with antenna space in return for internet service that is no longer needed.

SDA Nomination of Director – Chairman Ballagh's term is expiring on the Special District Association of Colorado's (SDA) Board of Directors and he stated a desire to serve again. Director Woods moved to nominate John Ballagh to the SDA Board of Directors, Director Genova seconded and the motion passed unanimously.

Disaster Recovery Plan – The Board discussed the need for a Disaster Recovery Plan for the information and data held within the District. Manager Tooker briefly reviewed existing procedures to back up critical computer data and the storage of hard copy files. It was Board consensus to have Manager Tooker prepare a report and Disaster Recovery Program to protect and/or replace certain assets in the event of a disaster.

Pipeline Upgrades/Replacement Project Status – Assistant Manager Reinertsen presented a summary (*2008 Staff Reports, File 8/7/08*) of current cost estimates for materials required to complete pipeline upgrade projects planned for 2008. Reinertsen reported that costs are substantially higher than budgeted and as a result, projects will need to be re-prioritized to stay within budget. Reinertsen requested Board authorization to proceed with a Construction Bid Package to combine the four main line bores identified in the FY2008 General Construction Upgrades budget line item. Each project individually is estimated to cost more than the \$60,000 statutory bid limit. The Board stated concern with proceeding with all four projects and directed staff to develop a proposed project re-prioritization. Staff identified two critical projects RU4 and RU05 and will reprioritize the remaining General Construction Upgrade projects.

Director Woods moved to direct staff to commence a Construction Bid Process for two road bores identified within the District projects, RU04 and RU05, along the I-70 Business Loop for which CDOT Utility Permits have been obtained. Director Genova seconded and the motion passed unanimously.

Meeting Continuance – Chairman Ballagh noted that the time was approaching 8:00 p.m. and the Board had previously agreed to adjourn by that time unless extended by the Board. Director Woods moved to continue the meeting past 8:00 p.m., Director Genova seconded and the motion passed unanimously.

EXECUTIVE SESSION

Chairman Ballagh moved for the Board to go into executive session as allowed by C.R.S.24-6-402(4)(a) concerning the purchase, acquisition, lease, transfer or sale of any property interest; and as allowed by C.R.S. 24-6-402(4)(f) for personnel matters; Director Genova seconded and the motion passed unanimously.

The Board went into executive session at 8:00 p.m.

The Board exited executive session at 8:35 p.m.

ADJOURNMENT

By mutual consent the regular meeting adjourned at 8:36 p.m.

ATTEST:

John L. Ballagh

Doralyn Genova

Brian Woods

Robert Burger