

5-2-1- DRAINAGE AUTHORITY
MINUTES OF THE BOARD

January 23, 2008

Grand Junction City Hall, Executive Conference Room
Grand Junction, Colorado

Chairman Jim Doody called roll of the Board Members.

Board Members Present:

Jim Doody, Chairman	City of Grand Junction
Dave Karisny	City of Fruita
Dave Walker	Town of Palisade
Steve Acquafresca	Mesa County Commissioner
Richard Bowman	Grand Valley Drainage District

Also Present:

Eileen List (Grand Junction Environmental Services Manager), **Nathan Boddy** (Town of Palisade Planner), **Julie Constan** (Mesa County Engineering), **John Ballagh** (Grand Valley Drainage District, Manager), **Trent Prall** (Grand Junction Assistant City Manager), **Jon Peacock** (Mesa County Administrator), **Lyle Dechant** (Mesa County Attorney), **Clint Kinney** (Fruita City Manager), **Yvonne Charlesworth** (5-2-1 Drainage Authority Recording Secretary)

Chairman Jim Doody opened the meeting at 3:10 p.m.

Chairman Jim Doody asked for a motion to adopt the agenda. Steve Acquafresca noted that the presentation to Tillman Bishop should be struck from the agenda as he was unable to attend the meeting. It was decided to move the IGA discussion item up to follow the financial report. Dave Karisny made the motion to adopt the agenda. Dave Walker seconded the motion. Motion passed on voice vote.

Minutes:

Chairman Jim Doody asked for a motion to approve the Minutes of December 19, 2007. Steve Acquafresca made the motion to accept the minutes. Dave Karisny seconded the motion. Motion passed on voice vote.

Financial Report:

John Ballagh reviewed the December 2007 financials. The 5-2-1 Drainage Authority is moving forward on the NPDES requirement for public education. Check 1147 is a reissue of check 1124 to KKCO as that check wasn't cashable as written. Everything is within budget and all expenses are expected including the last check to URS which brings the total paid them to \$101,000. URS in Denver is a subsidiary of the Dallas office and as a result all bills go through the Dallas office which makes them about four weeks late in being paid. This bill was e-mailed to John to circumvent the long delay in payment, so this bill was also expected.

5-2-1 DRAINAGE AUTHORITY
MINUTES OF THE BOARD MEETING
January 23, 2008
PAGE 2

The web site will be on line at the end of the month. All items are within budget and there is money to pay the bills.

Jim Doody asked for a motion to accept the financials. Dave Walker made the motion and Steve Acquafresca seconded it. Motion passed on voice vote.

Discussion Item:

IGA with Mesa County to act as fiscal agent:

There have been six revisions to the IGA which indicates the level of internal review.

Revision four was reviewed by 5-2-1 DA's Attorney, Larry Beckner. He suggested two clauses be included, one regarding longevity of the agreement. A continuation clause was included to continue by letter agreement. The other was a termination clause. The IGA provides for the 5-2-1 DA to have an independent funding source and gives a one year transition time to become independent of the IGA. The language is included on page 4, item 2, last paragraph.

One of the main items of the IGA discussed was the county's proposal that the 5-2-1 DA employees become county employees. Under this circumstance the Board cannot fire anyone; that has to be done by the County Administrator. Page 1 item 2 provides for input on job performance from the Authority Board, but the county has the power to hire and fire. The comment was made that there should be more of an effort to be an independent Authority. Fruita suggested phrasing that the majority vote of the Authority Board may request removal of the manager, and said request shall not be unduly denied. The Mesa County Attorney had a problem with the use of the word "unduly" in the suggested changes. After much discussion it was decided to not include the Fruita recommended changes. The Authority may request the removal of the manager, but the county needs to be able to defend the request if there was a question of discrimination or other legal action. Mesa County brought up the fact that this IGA can be air tight and extraordinarily long and detailed, or have some level of trust between organizations with a realization that the agreement allows for the Authority to withdraw from the IGA if the arrangement doesn't work.

The county is offering to provide a service to get the Authority up and running. It does require trust that the county will direct employees in such a way as to give the Board authority. The new manager needs to know roles. This contract is for the county to provide service and its influence in personnel matters ends with hiring and firing of the manager. The Board will be involved with the hiring process of the manager. The county has authority only on legal issues. The county would like their Human Resources department to handle the interview process; however technical staff and the Authority Board will participate in the interviews. The County Administrator will take recommendations of the Board as stated on page 1, last paragraph. There is a need for a clear line of accountability for county personnel. Paragraph 2 on page 1 of the IGA covers that latter point. It was also discussed that County Personnel policies do provide for drug and alcohol testing.

Draft minutes
February 6, 2008

Another issue is the purchasing policies. Mesa County is requesting that the Authority adopt the County's purchasing policies, as a process to follow. Since the Authority employees will be working for the County, this assures the County the employees will be following the proper processes. Only the Authority Board will be able to sign contracts or make financial commitments on behalf of the Authority. Neither the Board of County Commissioners nor the Mesa County attorney will review contracts; contracts will only go before the Authority's Board. The county's policies are similar to the Grand Junction city policies that the Authority has adopted by reference. The Authority does have a policy stating Reimbursement and Expense Policy which allows staff to spend funds up to \$1,000 without Board Approval.

Another issue discussed was the accounting function for the Authority. Mesa County would prefer that the Authority opt out or opt in at the beginning of the year for these services, so there won't be a partial year of bookkeeping. Mesa County identified that since the Authority keeps its books in QuickBooks, the Finance Department can take the information and run with it. The current Authority accountant is doing a good job and there is no reason to replace him. It will be less work for the county if it doesn't take over. Mesa County will handle payroll for the employees while they are county employees. A decision was not made in regards to accounting, however the IGA will be changed to indicate that financial services may be provided by the County if requested by the Authority and agreed to by the County.

Page 1, Item 1. a. i. a. through c. of the IGA gives the county the ability to hire staff personnel. If the manager is going to be held liable for results, the manager should be the one who has authority to hire and fire.

Within the IGA at page 5, Item 3. the county contributions will be paid in full as approved by the 2008 budget. Because the employees will not be serving an entire year, there is expected a balance of money due at the end of the year. This paragraph provides for that balance to be paid to the Authority by year end. This arrangement is to keep the county out of a Tabor problem. If the County contributes cash to the Authority up front and then the Authority pays County for services, then the County must report those receipts as revenue and count it against the TABOR limit. The money used by Mesa County will be used only for Authority personnel payroll and benefits. All time put in by staff will be considered in-kind.

The need for direction about annual reviews was discussed. The Board will need to decide how to do annual reviews. The County Administrator will have to sign off on them. Since the County services are being contracted for, the board may want to review the Manager and County services being provided together.

A brief discussion occurred about travel reimbursement for training. If the employees travel in a county vehicle, these expenses will be accounted for in the County's contribution. There is a

5-2-1 DRAINAGE AUTHORITY
MINUTES OF THE BOARD MEETING
January 23, 2008
PAGE 4

budget item for travel and expenses with the Authority that can also cover these costs. This will be an issue that is worked out over time.

Advertising for a manager has begun. The position is open until February 29, 2008. Since the manager position will still be open at the next Board meeting, the IGA can come back next month for approval. It was requested that attorney Larry Beckner review the IGA and talk to Lyle Dechant. The Board of County Commissioners and the 521 DA Board of Directors need to agree to and sign the IGA. It will be presented to the other two commissioners. The IGA needs to be adopted at the February 27th Board meeting, so that Mesa County can start the process of hiring the manager.

It was suggested that the county Human Resources department be invited to the next meeting to review its hiring processes and give a timeline. Interviews for the manager will start in March.

Action Items:

Accept Proposal for Audit of 2007 Revenues & Expenditures:

John Ballagh reported that 20 firms in town were contacted for proposals. Six responded. The low bidder was Miller/Stranger who did a good job with the 2006 compilation. Chairman Jim Doody asked for a motion to accept Miller/Stranger's proposal. Steve Acquafresca made the motion, Dave Karisny seconded, and the motion passed by voice vote.

Read Ahead:

There were no read ahead items.

Meeting Calendar for the Future:

February 27 th 2008	August 27 th 2008
March 26 th 2008	September 24 th 2008
April 23 rd 2008	October 22 nd 2008
May 28 th 2008	November 26 th 2008
June 25 th 2008	December 24 th 2008
July 23 rd 2008	January 28 th 2009

Adjourn:

There being another meeting members of the Board needed to attend, Chairman Doody adjourned the meeting at 4:10 p.m.

Jim Doody, Chairman

Draft minutes
February 6, 2008