

MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING

CLIFTON WATER DISTRICT

DECEMBER 11, 2025

BOARD MEMBERS PRESENT: Mel Diffendaffer, Dan McElley, Nick Genova, Jeff Cook, and Michael Slauson.

STAFF MEMBERS PRESENT: Jennifer Pettingill, Jacob Lenihan, Blair Wade, Ty Jones, Mike Simpson, Kyle Bishop, Branden Edmonds, and Rene Fick.

GUESTS PRESENT: A.C. Elliot.

REGULAR MEETING – CALL TO ORDER

Chairman Diffendaffer called the December 11th, 2025, Regular Meeting to order at 5:00pm.

MINUTES OF THE NOVEMBER 13TH 2025 REGULAR MEETING

Treasurer Slauson moved to approve the Minutes of the November 13th, 2025 Regular Meeting, seconded by Director Genova. Motion carried unanimously.

FINANCIAL REPORT

Treasurer Slauson moved to approve the Accounts Payable checks, in the amount of \$347,087.46, seconded by Vice Chairman McElley. Motion carried unanimously.

FINANCE DEPARTMENT

Finance Staff Report

- Financial Summary – Finance Manager Wade stated that, as of the end of October, total operating revenue collected was 99.7% of the budget, with non-operating revenue at 107.8%. The District has expended 76.7% of the operating budget, and 37.4% of the non-operating budget.

- 2026 Insurance renewals – The District receives a discount for early payment of worker’s compensation, and property and liability insurance renewals. Payment via ACH is being requested and will need to be made in January 2026 in order to receive the discount. For this amount, Board signatures would normally be required on a check but staff are requesting Board approval as ACH payments require no signatures. Vice Chairman McElley moved to authorize payment of the worker’s compensation and property and liability insurance renewals via ACH, seconded by Director Genova. Motion carried unanimously.
- Resolution 2025-16 Adopting the FY2026 Budget – Finance Manager Wade noted that the budget summary is included in today’s Board packets, along with the variance report on the changes from November to date. These include an increase in operating revenue of \$2,900 and a decrease in expenses of \$26,280. The latter was due to changes in employee benefit enrollments and reprioritization of projects. Phase 2 of the Water Treatment Plant project exceeded the budgeted cost by \$250k and other projects were adjusted to make up the difference rather than increasing budgeted expenses. There is still a little over \$400k that will go towards reserves. Vice Chairman McElley moved to approve Resolution 2025-16 Adopting the FY2026 Budget, seconded by Chairman Diffendaffer. Motion carried unanimously.
- Resolution 2025-17 Appropriation of Revenue FY2026 Budget – Chairman Diffendaffer moved to approve Resolution 2025-17 Appropriation of Revenue FY2026 Budget, seconded by Director Genova. Motion carried unanimously.
- Finance Manual – Finance Manager Wade presented the Finance Manual for approval, commenting that no changes have been made since it was discussed at the December 10th workshop. Treasurer Slauson moved to approve the Finance Manual, seconded by Secretary Cook. Motion carried unanimously. Chairman Diffendaffer commented that it was well written and easy to find specific topics.

HUMAN RESOURCES DEPARTMENT

Human Resources Staff Report.

- Employee Open Enrollment 2026 – The initial projected health insurance cost increase for 2026 was estimated at 10.77%. After completion of open enrollment, the cost increase reduced to 3.49%.
- Policy Updates and Employee Handbook – Brief discussion ensued, with HR Manager Pettingill noting that there have been no changes since the discussion during the December 10th workshop. Secretary Cook moved to approve updates to the Cell Phone Reimbursement Policy, the Protective Footwear Policy, and the addendum to the Employee Handbook. The motion was seconded by Chairman Diffendaffer. The motion carried unanimously.

ENGINEERING/CONSTRUCTION DEVELOPMENT

Engineering Report

- Coffman Road Project – Assistant Manager Lenihan stated that water line installation has been completed. Backfilling will start today, followed by a pressure test next week. Once the lines have been disinfected, it will be placed into service. He added that this project was good learning experience for staff, installing 6,100ft in 93 calendar days while dealing with leaks in other parts of the District's service area.
- Colorado River Transmission Main Crossing Project – This project is currently open for bidding. The deadline for submitting any questions is today, December 11th. Staff expect to present the most qualified and lowest bid to the Board at the January 8th, 2026 meeting.
- Water Treatment Plant Project – Assistant Manager Lenihan briefly recapped the Request For Proposal (RFP) scoring for this project, as discussed in detail during the December 10th workshop. He noted that the attorneys are reviewing the contract with engineering firm CDM Smith but it will be completed prior to the January meeting. Due to the urgency associated with applying for the state revolving loan fund, staff is requesting Board authorization for Manager Jones to sign the contract. Director Genova moved to authorize Manager Jones to sign the contract with CDM Smith, for the Water Treatment Plan project, seconded by Chairman Diffendaffer. Motion carried unanimously.
- Desert Road Pump Station Project – The cost proposal for this project has been received and shared with the Board. Engineering firm SGM is moving forward with the design of this project. Assistant Manager Lenihan explained that there had been a leak at this pump station recently and stressed the urgency of needing to get the new pump station built.
- Storage Tank rehabilitation – The final tank evaluation reports have been received and is currently being reviewed by staff. The goal is to send out an RFP in early 2026 that will include refurbishment of the south tank. It appears that rehabilitation of the two smaller tanks will not be feasible and the option of selling them is being considered.

OPERATIONS

Operations Staff Report – no discussion.

ADMIN/OFFICE

- Manager's Report

- Manager Jones provided feedback from the Colorado Water Conservation Board (CWCB) meeting he had attended in November where the Shoshone water rights were discussed. The issue at hand was that certain entities from the front range were opposed to shared management of these rights and preferred that the rights be fully managed by the CWCB. He added the Colorado River Water Conservation District did a great job in their presentation for co-managing these rights with the CWCB. After over six hours of discussion, the CWCB voted 8-0 in favor of approving the co-management agreement. The next step is the Division five water court application process to convert the right to an In Stream Flow right. He added that this could take months or years, depending on levels of opposition brought to the court.

- Whitewater Building Materials – Water Tap on Coffman Road – Manager Jones explained that the folks at Whitewater Building Materials have been amazing to work with during the Coffman Road project. The easement process went very smoothly, and they allowed the District to install the water line on a rather large chunk of their land. He noted that currently they are hauling water and are pretty excited about getting water service. He added that he wanted to discuss the option of a tap fee in exchange for the easement. Assistant Manager Lenihan noted that without the easement, and their cooperation, the District would have run out of room on the south end where gas and sewer lines would have made the project much more difficult and expensive. The traffic control alone would have been around \$13k and a major delay would have been likely as the remaining option was going through BLM-owned land. Director Genova questioned the legality of this trade, with Manager Jones responding that the Board can grant variances on tap fees. Treasurer Slauson cautioned against setting a precedent, with Director Genova noting that the District is not providing a water tap free of charge, adding that an easement that was gained. Chairman Diffendaffer commented that the cost of the alternative route, should the easement not have been granted, would have been more than the cost of the tap fee. Vice Chairman McElley moved to grant a 5/8" water tap, free of charge, to Whitewater Building Materials, seconded by Director Genova. Motion carried unanimously.
- Colorado Open Records Act Policy Update – It was noted that the policy presented today has not been changed from the one presented at the December 10th workshop. Director Genova moved to approve the updated policy, seconded by Chairman Diffendaffer. Motion carried unanimously.
- District Bylaws Update – The updated Bylaws, as discussed at the December 10th workshop, was presented for approval. Chairman Diffendaffer moved to approve the updates to the District Bylaws, seconded by Treasurer Slauson. Motion carried unanimously. It was noted that a recording secretary will need to be appointed, as per the approved Bylaws. Chairman Diffendaffer moved to appoint Rene Fick and Michael

Simpson to each act as Recording Secretary, seconded by Secretary Cook. Motion carried unanimously.

- Rules and Regulations – Manager Jones briefly discussed the new Rules and Regulations, noting that it will replace the District’s Operations Manual. He added that no changes have been made to the Rules and Regulations version that was discussed at the December 10th workshop. Chairman Diffendaffer moved to approve the Rules and Regulations, seconded by Director Genova. Motion carried unanimously.
- Grand Valley Irrigation Company (GVIC) shares – Manager Jones stated that 34 delinquent GVIC shares were sold at auction for \$2,600 per share. Following the auction, he was approached by a gentleman that had sold his farm and was interested in selling his GVIC shares. Manager Jones purchased 44 shares from him, at a price of \$1,900 per share, totaling \$83,600. A.C. Elliot (guest) asked how these shares and the price affects her monthly bill. Manager Jones explained that the base rate will increase by \$2.25 to \$37.25 for 2026 but it is not as a result of GVIC share purchases. The increase is, in part, due to the District’s Capital Improvement Plan. Upgrades to the Water Treatment Plant will cost an estimated \$15 million, with the purpose of making it safer for staff and more functional, not increase capacity.

EXECUTIVE SESSION

Chairman Diffendaffer moved to enter into an executive session for the discussion of personnel matters, specifically the District Manager review. Manager Jones was asked to join the executive session at 6:30pm. Chairman Diffendaffer called an end to the executive session at 6:54pm.

ADJOURN MEETING

Meeting Adjourned at 6:55pm by Chairman Diffendaffer.

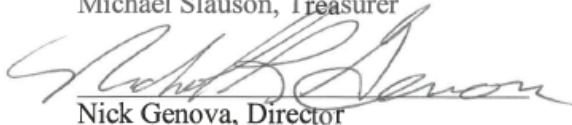
ATTEST:


Mel Diffendaffer, Chairman


Dan McElley, Vice Chairman


Michael Slauson, Treasurer


Jeff Cook, Secretary


Nick Genova, Director