

MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING

CLIFTON WATER DISTRICT

JANUARY 8, 2026

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

ABSENT: Mel Diffendaffer (*excused*).

STAFF MEMBERS PRESENT: Jennifer Pettingill, Jacob Lenihan, Blair Wade, Ty Jones, Mike Simpson, Stephen Silva, Mark Dalley, Isaac Brown, Kyle Bishop, Branden Edmonds, Tyrell Elliot, and Rene Fick.

GUESTS PRESENT: None.

REGULAR MEETING – CALL TO ORDER

In Chairman Diffendaffer's absence, Vice Chairman McElley will preside over this meeting. Vice Chairman McElley called the January 8th, 2026, Regular Meeting to order at 5:00pm.

MINUTES OF THE DECEMBER 10TH 2025 WORKSHOP AND THE DECEMBER 11TH REGULAR MEETING

Treasurer Slauson moved to approve the Minutes of the December 10th, 2025 Workshop and the Minutes of the December 11th, 2025 Regular Meeting, seconded by Secretary Cook. Motion carried unanimously.

FINANCIAL REPORT

Treasurer Slauson moved to approve the Accounts Payable checks, in the amount of \$510,928.10, seconded by Secretary Cook. Motion carried unanimously.

FINANCE DEPARTMENT

Finance Staff Report

- Financial Summary – Finance Manager Wade stated that, as of the end of November, total operating revenue collected was at 106.85% of the budget, with non-operating revenue at 121.19%. The District has expended 83.4% of the operating budget, and 40.28% of the non-operating budget.
- 2026 Debt obligation – The first half of the District's debt obligation for 2026, in the amount of \$525,300.86 for the 2014 Drinking Water Revolving Loan Fund, will be made this month.

HUMAN RESOURCES DEPARTMENT

Human Resources Staff Report.

HR Manager Pettingill responded to Vice Chairman McElley's question regarding current staff openings that none are currently posted, but staff are in the process of filling a Distribution Technician/Operator position. There were no further questions from the Board.

ENGINEERING/CONSTRUCTION DEVELOPMENT

Engineering Report

- Coffman Road Project – Assistant Manager Lenihan stated that this water line is officially in service as of January 7th.
- Colorado River Transmission Main Crossing Project – The bid opening results and award recommendation was briefly discussed. Assistant Manager Lenihan explained that five bids were received of which two were from local contractors. He noted that staff are recommending that Mountain Valley Contracting be awarded the bid. Director Genova moved to award the contract for project 2024-01, Colorado River Transmission Main Crossing, to Mountain Valley Contracting. The motion was seconded by Vice Chairman McElley. Motion carried unanimously.
- Storage Tank rehabilitation – Staff has been provided with all the final reports on the storage tanks evaluation. These reports were provided to engineering firm, SGM, for further review. The South 1MG gallon tank, currently in service, has significant interior and exterior coating failure and will require rehabilitation. Assistant Manager Lenihan stated that the tank is structurally in good shape, and conditions inside the tank are sanitary. Discussion ensued on capacity and the water needs in Whitewater. Demand is currently between 200k and 400k gallons per day. The South 1 MG tank is kept roughly half full to avoid water going stale. Unfortunately, this leaves exposed surfaces inside the tank and water condensation causes deterioration of those exposed surfaces much faster than if it

had been fully submerged. The North IMG is in better condition than the South tank, but has been disconnected from service due to some conditions issues. This tank was not aiding with water storage and instead added to water age, along with not being in a good location with regards to elevation. The two smaller tanks were determined to be not worth rehabilitating and they will most likely be removed. The South IMG tank will need to be drained and temporarily taken out of service for rehabilitation and various back-up tank options are being considered. Assistant Manager Lenihan explained that building a smaller tank that could be kept full was one option. Another option would be to add a mixer to the existing South tank that will allow it to remain full and therefore protect the coating. The cost of each option will most likely be the deciding factor. Treasurer Slauson questioned the water needs upon future expansion in Whitewater. Manager Jones responded that the large tank is still an option with maybe a smaller tank added as a backup.

- **OPERATIONS**

Operations Staff Report – no discussion.

ADMIN/OFFICE

- **Manager's Report**

- Manager Jones provided some information on unfunded mandates, passed down from the State, that will affect Mesa County and in turn, the District. He noted that the county commissioners had sent letters to the Governor's office regarding the financial burden of these mandates and the impact they have on the county budget. Manager Jones has reached out to county management staff regarding the effect of these mandates on the District's budget and also inquiring about the District being included when Mesa County applies for grant funding. He added that these Mesa County-driven projects cost the District a significant amount of money, and they are not necessarily included in the District's Capital Improvement Plan.
- Manager Jones briefly explained the current, Board adopted emergency rates. Once triggered, base rates remain the same for usage less than 3,000 gallons, but the tiered rates will be charged at five times the current rate. The triggers for implementing emergency rates are listed in the Drought Response Plan and will also need further discussion and clarification. He noted that this discussion is merely preparation in light of the insignificant snowpack so far this year. He proposed an alternative to the current rates where the base remains the same for usage less than 3,000 gallons and five times the current rate for all the other tiers *except tier 1*, which will be double the existing rate. He added that it will still serve as encouragement to conserve water.
- The remaining 18 Out of District customers, and pursuit of inclusion, was briefly discussed. Manager Jones confirmed that the Board is still in agreement to the

District absorbing the cost of these inclusions, which mainly involve attorney's fees and advertising. The Board agreed to proceed with pursuing inclusion of these Out of District customers.

EXECUTIVE SESSION (CANCELLED)

HR Manager Pettingill noted that the executive session is no longer needed.

ADJOURN MEETING

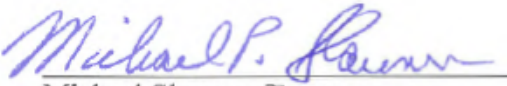
Meeting Adjourned at 6:02pm by Vice Chairman McElley.

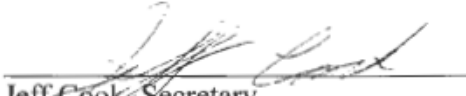
ATTEST:


Dan McElley, Vice Chairman

Excused

Mel Diffendaffer, Chairman


Michael Slauson, Treasurer


Jeff Cook, Secretary


Nick Genova, Director