

MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING

CLIFTON WATER DISTRICT

SEPTEMBER 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, Mark Dalley, Stephen Silva, Mike Simpson, and Rene Fick.

GUESTS PRESENT:

REGULAR MEETING – CALL TO ORDER

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

MINUTES OF THE AUGUST 13TH 2025 WORKSHOP AND THE AUGUST 14TH 2025 REGULAR MEETING

Secretary Cook moved to approve the Minutes of the August 13th, 2025 Workshop, seconded by Director Genova. Motion carried unanimously. Director Genova moved to approve the Minutes of the August 14th, 2025 Regular Meeting, seconded by Treasurer Slauson. Motion carried unanimously.

FINANCIAL REPORT

Treasurer Slauson moved to approve the Accounts Payable checks, in the amount of \$432,417.20, 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 July, total operating revenue collected was 57.6.% of the budget, with non-operating revenue at 64.8%. The District has expended 57.7% of the operating budget, and 27.4% of the non-operating budget.

- Vehicle & Heavy Equipment Inventory – Staff have completed the inventory update. Several vehicles that have been bought or sold in the last few years were updated to the depreciation valuations spreadsheets and these updates will cause higher than expected depreciation expenses.
- 2026 Draft Budget & Designation of the FY2026 Budget Preparer – The draft budget will be presented at the October 9th meeting. Finance Manager Wade explained that in order to follow state statutes, a budget preparer is to be appointed by the Board. Chairman Diffendaffer moved to appoint District Manager Jones as the 2026 budget preparer, seconded by Director Genova. Motion carried unanimously. Manager Jones suggested that a Workshop may be needed to discuss the 2026 budget. The Workshop was scheduled for September 22nd at 2pm.
- Residential Tap Fee Policy Update – Updates to this recently approved policy were needed to cover tap fee calculations, and the definitions for Accessory Dwelling Units (ADUs) and Multi-family Residential service were added. The system development fee for ADU and Multi-Family services will be based on the total square footage of all units under a single meter and considers the property's irrigation status. Additional units beyond the first receive a 30% discount on the calculated fee. Chairman Diffendaffer asked if the actual values of the Existing System Value and Future Capital Improvement Value could be included in the policy, as part of the formula. Finance Manager Wade stated that the values will be updated as asset values are updated and could be displayed in table format if the analysis is updated or presented annually when rates are assessed. The analysis and policy contain the formula and description of the tap fee calculations so that updates would not be required every time asset values are updated. Vice Chairman McElley asked how often contractors and/or developers ask for an explanation of the fee calculations. Manager Jones responded that it does not happen that often, it is usually a short conversation where dissatisfaction with the tap fee is shared. Vice Chairman McElley moved to approve the updated Residential Tap Fee Policy and updated Exhibit A to Policy #420, seconded by Treasurer Slauson. Motion carried unanimously.

HUMAN RESOURCES DEPARTMENT

Human Resources Staff Report.

- Distribution Supervisor – Stephen Silva has accepted the Distribution Supervisor position.
- Workplace Accidents or Injuries – A member of staff received a laceration on the forearm that required a couple of stitches. This occurred during the Coffman Road project. The employee has recovered and is doing well.
- Mission, Vision, and Core Values – The District website has been updated with the new Mission, Vision, and Core Values.

- 2026 Benefits & Insurance renewals – HR Manager Pettingill explained that, as discussed during the Personnel Committee meeting the day prior, staff would like to make a change to one of the healthcare plans offered to employees. She explained that of the three plans offered, the Preferred Provider Organization 4 (PPO4) and the High Deductible Health Plan (HDHP2) are very similar and requested Board approval to change the HDHP2 option to HDHP2500. This would result in a \$500 increase in deductible for the single plan, and a \$1,000 increase in deductible for the family plan. She added that it is not a drastic change, the goal is just to have a bigger difference between the PPO plan and the HDHP. Vice Chairman McElley questioned why this is being discussed if it is not such a big deal. HR Manager Pettingill explained that the HDHP option includes a Health Savings Account (HSA) contribution from the District, and those funds are retained by the employee. Assistant Manager Lenihan added that an employee that chooses a high deductible plan is expecting to pay that high deductible – the HSA contribution offsets that. This decision will require a Board vote, and the plan update must be submitted to the Colorado Employee Benefits Trust (CEBT) the day following the October meeting. HR Manager Pettingill stated that a decision can be made at the October meeting, but staff prefer that a decision is made at this meeting. Discussion ensued with Vice Chairman McElley questioning the need for this change. Manager Jones responding that a bigger separation in plans, and their premiums, is needed. Director Genova moved to approve the update in plans offered to employees from the HDHP2 to HDHP2500, seconded by Secretary Cook. Motion carried unanimously.

ENGINEERING/CONSTRUCTION DEVELOPMENT

Engineering Report

- Water Treatment Plant Project – Staff received a letter of approval from Colorado Department of Health and Public Environment (CDPHE) on the draft Request for Proposal (RFP) as it relates to qualifying for the State revolving loan fund. The next step is to get all the final documents together and post the RFP for at least thirty days. Based on the responses received, the project will move forward into Phase 1B – getting design up to 75%. This will be followed by Phase 2 – construction. Staff plan to submit the State revolving load fund application in June 2026.
- Colorado River Transmission Main Crossing – Currently a bike path detour plan is being put together. River City Consultants, the project design firm, is working with Mesa County on this. A meeting with the property owners will be scheduled to obtain easement documents.
- Desert Road pump station – Staff are waiting on the final survey documents. Once completed, it will be presented to the City of Grand Junction, followed by preparation of easement documents.
- Coffman Road Transmission – Staff started work on 1st Street, working back to the north to meet up where phase 1 stopped. Approximately 700ft of water main has been installed.

- Storage Tank rehabilitation – The RFP for rehab of the IMG storage tank is under discussion.
- Development Updates – Issues arose with the new Golden Gate (Whitewater) construction not quite meeting District requirements. Distribution Supervisor Silva has been working with them. Director Genova asked what the issues were, and Assistant Manager Lenihan explained that dirt was removed from on top of our lines and basically, they have been doing work without District staff present and then contacting the District after the fact.

OPERATIONS

July Operations Report

- Water Quality & River Conditions – Assistant Manager Lenihan stated that it appears to be a low water year, with staff observing some unusual effects, including algae growth and higher water temperatures. This has resulted in an uptick of calls regarding chlorine odor from customers. He explained that the water is safe to drink, the temperature and the pH are causing a reaction between the water and the chlorine, producing hypochlorous acid that has a more intense smell than chlorine.

ADMIN/OFFICE

- Manager's Report
 - The Whitewater Inclusion Ballot Election process includes the appointment of three election judges. Front Office Supervisor Simpson, also the Designated Election Official (DEO), has received paperwork back from two judges and a third will be coming to the District office to sign the required documents. The ballot proof has been approved, and all ballots will be mailed out on September 16th. He cautioned that the ballot is quite lengthy as the full legal description of the proposed inclusion area will be printed on the ballot even though the actual vote only includes a “yes” or “no” box to tick. Manager Jones stated that, as mentioned during the last meeting, a Canvassing Board needs to be appointed consisting of at least one board member. He asked if any Board members would like to volunteer. The Canvassing Board certifies the numbers determined by the election judges and would need to be available on election day (October 7th). Treasurer Slauson volunteered to serve on the Canvassing Board.
 - Manager Jones shared the letter of gratitude from School District 51 for the annual contribution from the District.
 - Clifton Fire Department has informed the District that there had been a past agreement where water service will not be charged for. Manager Jones explained that this came about after installation of a meter for water use. The

Fire Department is not being billed for water to fight fires, but for use of water for cooking, showering, etc. This was explained to the Fire Department Board and some board members noted the past agreement. He further explained that Ute Conservancy District also charges fire departments in their district for domestic use. Staff have searched records for such an agreement and were unable to find it, or any reference to it. Director Genova stated that the agreement needs to be provided to the District. Treasurer Slauson asked if there will be a formal agreement on the current water billing with Clifton Fire Department and Manager Jones responded that it will be a modified water service agreement.

- Manager Jones provided some updates on the Historic Users' Pool, explaining that if this pool is depleted prior to September, water can no longer be diverted to irrigators. This would impact the District and Ute Water Conservancy District as customers may switch to using treated water for their lawns as non-potable irrigation water will not be available for the remainder of the season. He explained that Ute had bought some rights which, when released, will allow for 6,000 acre feet of water to supply irrigators beyond September.
- Petition for inclusion – 3190 N Frontage Road – Assistant Manager Lenihan stated that a petition for inclusion was received from Linda Roper, who had attended the August 14th meeting to discuss the option of getting a water tap. He explained that staff have reviewed her situation and found no issues with including this property into the District. The next step would be publication of the public hearing to approve the inclusion and he asked the Board if they have any objections to this petition moving forward. The Board was in agreement to proceed with the public hearing.
- Leak Adjustment Policy update – Manager Jones presented an update to the leak adjustment policy. He explained that the existing policy covers leaks between the meter pit and the residence, which is located underground and usually unknown to customers until higher usage starts occurring. Management has been approving some exceptions, including leaks in crawl spaces, and other areas where a leak is hard to detect. The intent of the update is to clarify exceptions to the policy and how the leak adjustment is calculated. The update eliminates “cherry picking” of higher read months and specifies which two months to base the adjustment calculations on. Exceptions will only qualify for up to 50% of the leak adjustment. He added that the intent is for staff to be consistent with leak adjustments and provide better guidance on how staff can assist customers in these leak events. Director Genova moved to approve the updated leak adjustment policy, seconded by Secretary Cook. Motion carried unanimously.

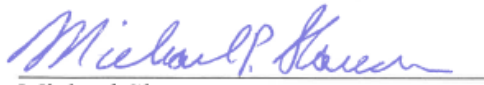
ADJOURN MEETING

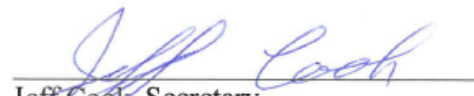
Meeting Adjourned at 6:42pm by Chairman Diffendaffer.

ATTEST:


Mel Diffendaffer, Chairman


Dan McElley, Vice Chairman


Michael Slauson, Treasurer


Jeff Cook, Secretary


Nick Genova, Director