

MINUTES OF THE FEBRUARY 11, 2026 WORKSHOP

CLIFTON WATER DISTRICT

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

STAFF MEMBERS PRESENT: Jennifer Pettingill, Jacob Lenihan, Blair Wade, Ty Jones, and Rene Fick.

GUESTS PRESENT: None.

WORKSHOP – CALL TO ORDER

Chairman Diffendaffer called the February 11th, 2026 Workshop to order at 12:00pm.

- Emergency Rates – Manager Jones explained that the District’s current emergency rates have been in place since the 1990’s and only cover residential rates. He added that emergency rates have never been enacted by the District in the past. The current emergency rates retain the standard base rate for usage under 3,000 gallons, but multiply the tiered rates by five for each of the tiers exceeding 3,000 gallons in usage. Staff are presenting an alternative option to the Board where tier 1 (3,001 – 10,000 gallons) is only twice the tiered rate, with the standard rate and remaining tiers the same as the current emergency rates. The update in emergency rates would also include non-residential rates. He stated that most of the District’s customers fall into either the base rate (less than 3,000 gallons), or within tier 1. Staff are hoping that these emergency rates will not be needed, but preparation is still necessary. Standard irrigation rates are twice that of commercial rates and the tiers. The proposed emergency rate for irrigation services would increase to five times the commercial rates and associated tiers, but also reserving the right to discontinue service to irrigation taps if conditions are severe enough. Brief discussion followed regarding Mesa County’s irrigation taps, with Manager Jones noting usage is fairly high in the summer but non-potable irrigation is not necessarily an option at those locations. Vice Chairman McElley questioned the amount of car washes in the District and their overall usage. Manager Jones commented on the difficulty of emergency rates, and the effect on commercial services as it is their livelihood. Treasurer Slauson questioned the trigger for emergency rates and Manager Jones responded that those are outlined in the Drought Response Plan, also dating back to the 1990’s, with the most recent update to the plan made in 2018. He added that staff are working on updates to the plan and explained that, as currently written, if one water provider is forced to enact emergency rates, all the other providers will also have to follow suit. This did not sit well with all the Drought Response Plan participants. Discussion ensued on whether water restrictions from Grand Valley Irrigation Company (GVIC) would be considered a trigger, as irrigators would likely start

using the District's water if this occurs. It was noted that emergency rates do not *only* apply to drought conditions, but to any situation where the District cannot meet demand. Manager Jones added that requesting voluntary usage reductions from customers have historically resulted in usage increases. Assistant Manager Lenihan explained that there could be multiple triggers for emergency rates, including GVIC restrictions, river flow, issues with the treatment plant, etc. and that a special meeting will need to be called for the Board to vote on enacting emergency rates. Vice Chairman McElley questioned drought vs. emergency rates and suggested using different rates for each. The tier rates were reviewed with Manager Jones explaining that reducing the tier 1 rate multiplier from five down to two will lessen the impact on larger families that use more than 3,000 gallons per month, but do not necessarily irrigate. Chairman Diffendaffer commented on using severity levels as indicators of which table is used. Assistant Manager Lenihan responded that this could be where emergency vs. drought rates could come in. Emergency rates, of a more temporary nature, could be severity level 2 at the established emergency rates (five times the standard rates for all tiers). Severity level 1, where tier 1 is at twice the standard tier rate and the rest at five times the tier rate, could be used for drought conditions. Discussion ensued on irrigation rates and if emergency/drought rates should apply or simply discontinue service to irrigation services. Vice Chairman McElley noted that irrigation meters should be shut off in the event of either emergency or drought rates. Chairman Diffendaffer stated that current emergency rates could apply if emergency conditions occur, and meters can be turned off in drought conditions.

- Residential Tap Fees – Manager Jones explained that in August 2025, the District updated how residential tap fees will be calculated in order to be in compliance with HB25-1211. The update included using square footage of the residence to calculate the tap fee and added a discount if non-potable irrigation was available. This method turned out to be rather messy, and staff have reworked the policy to eliminate the use of square footage and instead use a flat rate, based on meter size and location of service - either In District or Whitewater. The District will offer a discount of 10% for participation in a grey water system, and a discount of 20% for availability of non-potable irrigation. These discounts ensure that the District still meets the requirements of HB25-1211. Calculating Accessory Dwelling Unit (ADU) fees, using square footage, was also problematic and staff are proposing a tap fee waiver for any ADU under 750 square feet. For ADUs over 750 square feet, the tap fee will be 70% of the main tap fee. The intent is to waive fees on ADUs built to house family members, the so-called “mother-in-law” suites. Chairman Diffendaffer questioned if the ADU tap fee, already discounted, would qualify for the grey water and/or irrigation discounts. It was noted that the grey water and irrigation discounts apply only to the main tap fee. The draft version of Exhibit II, 2026 Rates and Fees, was briefly discussed, specifically the water right development fee. Manager Jones explained that this fee is updated based on the auction price, which was \$2,600 this year. Chairman Diffendaffer questioned how a bidding war may affect the District's fee. Manager Jones responded that the Board has to approve this fee every year. Chairman Diffendaffer commented that next year's bid price can be reviewed to establish if this pricing is the new norm.
- Clifton Fire District – Manager Jones provided a brief history on this issue, explaining that neither the District, nor Clifton Fire District can locate any records that document the waiving of fees for water service to Clifton Fire District. Manager Jones stressed that Clifton Fire

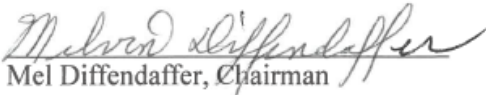
District is not being charged for water to fight fires, only for use in the fire station. He noted that a letter was received from Clifton Fire District requesting free water service, and that any response regarding this request comes directly from the District Board. Discussion ensued with Vice Chairman McElley noting that years ago, this was a volunteer group consisting of only a few members but that is no longer the case. The option of installing an internal meter was briefly noted, where the District will provide the parts and the Fire District will cover the cost of the installation. Director Genova questioned if Clifton Sanitation District is charging for sewer. Manager Jones stated that he will reach out to Eli at Clifton Sanitation District.

- Safety Policies – The safety policies were briefly reviewed. These include Job Safety Analysis, Electrical Safety, Personal Protective Equipment, Aerial Lift Safety Awareness, Ladder Safety, and Trenching and Excavations Policies. Assistant Manager Lenihan noted that some aspects of these policies may seem trivial, but they still have to be in place. Following establishment of policy, staff will need training to ensure that they are qualified to do what is expected of them.
- Human Resources Policies – HR Manager Pettingill provided a brief overview of the Compensation Philosophy and the PTO-to-Retirement Contribution Program, adding that both are brand new policies. The updated Driver Eligibility Policy was discussed next, with HR Manager Pettingill noting that this policy came about due to questions from staff regarding traffic tickets. She stated that there should not be a fear of losing employment after one speeding ticket and clarification was necessary. The updates to the policy were discussed, specifically the additional criteria that was added following the previous discussion on this policy. No immediate action will be taken against an employee until insurance renewal, at which point it may be necessary for termination if that employee has become uninsurable. Driving under the influence is different than, for example, two speeding tickets, and management has the flexibility to take immediate action, at their discretion. Director Genova commented that this is much better approach and Vice Chairman McElley voiced his agreement to the updates.
- General Discussion – Assistant Manager Lenihan explained that staff discovered a leak in the fluoride tank. This was unfortunately right after receiving a fluoride delivery. Staff are looking into temporary storage until the tank can be fixed. He added that this will be an unplanned repair that was not budgeted for.

ADJOURN WORKSHOP:

Workshop Adjourned at 1:33pm by Chairman Diffendaffer.

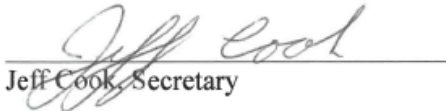
ATTEST:


Mel Diffendaffer, Chairman


Dan McElley, Vice Chairman


Michael Slason, Treasurer


Nick Genova, Director


Jeff Cook, Secretary