

MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING

CLIFTON WATER DISTRICT

DECEMBER 12, 2024

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

ABSENT: Wesley Davis.

STAFF MEMBERS PRESENT: Jessica Isley, Jennifer Pettingill, Jacob Lenihan, Eric Schoeny, Ty Jones, Mark Dalley, Isaac Brown, Branden Edmonds, and Rene Fick.

GUESTS PRESENT: None.

REGULAR MEETING – CALL TO ORDER

Chairman Diffendaffer called the December 12th, 2024, Regular Meeting to order at 5:00pm.

PUBLIC HEARING

Chairman Diffendaffer observed that no guests were present.

- **Resolution 2024-12 – Petition to Include Private Property 002 Willow Bend Road, Whitewater, CO, 81527.**

Chairman Diffendaffer moved to approve Resolution 2024-12 – Petition to Include Private Property 002 Willow Bend Road, Whitewater, CO, 81527, seconded by Director Genova. Motion carried unanimously.

- **Resolution 2024-13 – Adoption of the FY2025 Budget.**

Finance Manager Isley explained that a simplified version of the FY2025 budget is attached to this resolution. It contains all the State-required information and will be easier to convert to an ADA accessible format vs. the full 25-page budget. Chairman Diffendaffer asked the Board if they had sufficient time to review the budget and if discussion is needed. No items for discussion were raised and Chairman Diffendaffer moved to adopt Resolution 2024-13 – Adoption of the FY2025 Budget, seconded by Treasurer Slauson. Motion carried unanimously.

- **Resolution 2024-14 – Appropriation of Sums of Money.**

Treasurer Slauson moved to adopt Resolution 2024-14 – Appropriation of Sums of Money, seconded by Chairman Diffendaffer. Motion carried unanimously.

MINUTES OF THE NOVEMBER 14TH 2024 REGULAR MEETING

Director Genova moved to approve the Minutes of the November 14th, 2024, Regular Meeting, seconded by Vice Chairman McElley. Motion carried unanimously.

FINANCIAL REPORT

Treasurer Slauson moved to approve the Accounts Payable checks, in the amount of \$771,038.50, seconded by Chairman Diffendaffer. Motion carried unanimously.

FINANCE DEPARTMENT

Finance Staff Report

- 2024 Budget transfers – Finance Manager Isley stated that staff is requesting Board action on transferring funds from the contingency account to the bank charges account. She explained that \$78k was budgeted for bank charges and currently, over \$128k has been expensed to this account, with an additional \$20k in expenses expected to this account. Chairman Diffendaffer moved to authorize the transfer of \$70k from the contingency account to the bank charges account in the FY2024 budget, seconded by Vice Chairman McElley. Motion carried unanimously.
- FY2023 Audit – The draft FY2023 financial statements were provided to the Board. Staff had found some errors and those were relayed to the audit team. Finance Manager Isley noted that during the October meeting, the Board had indicated that review of the final financial statements would be acceptable via email, as opposed to calling a special meeting.

She asked if the Board is still agreeable to this and noted that the final financial statements are now expected in January 2025. The Board expressed general agreement that a special meeting will not be needed, and Vice Chairman McElley requested notification via text that the financial statements have been emailed.

- 2025 CPA Engagement letter – Finance Manager Isley explained that during the September 17th, 2024 meeting, staff explained the need for a third party review of items such as bank reconciliations and financial statements, as recommended by the auditing team. The 2024 engagement letter with Shannon Currier was approved at this meeting and she has since been working with the District. Finance Manager Isley noted that the 2025 engagement letter has a maximum fee of \$15k that was quite a bit less than expected. Vice Chairman McElley questioned the necessity of a third party review. She responded that Shannon provides additional oversight that helps protect staff, in addition to answering questions or providing general assistance that the auditors may be unable to do due to a conflict of interest. Director Genova moved to approve the 2025 letter of engagement with Shannon Currier, for services not to exceed \$15k, and authorize Manager Jones to sign the engagement letter. The motion was seconded by Chairman Diffendaffer. Motion carried unanimously.

- 2025 Insurance renewals – Finance Manager Isley noted that there is a discount for early payment of worker’s compensation, and the property and liability insurance renewals. These are due in January 2025 and are typically Automated Clearing House (ACH) payments. She added that engineering firm CDM Smith has requested payment via ACH. The amounts of these ACH payments would normally require Board signatures if a check was to be issued and authorization to make the payments via ACH is being requested. Chairman Diffendaffer stated that this has been done in the past and other than being a more secure way to make these payments, he saw no difference between ACH & check payments. Chairman Diffendaffer moved to authorize the payment of the worker’s compensation and property and liability insurance renewals via ACH and approve future payments to CDM Smith via ACH. The motion was seconded by Director Genova. Motion carried unanimously.

HUMAN RESOURCES DEPARTMENT

Human Resources Staff Report

- 2025 Rates & renewals – HR Manager Pettingill noted that premiums have remained the same for unemployment, worker’s compensation, and short term disability, whereas long term disability rates have increased. The CEBT renewal table for 2025 was reviewed.

- Employee handbook – The updates to the employee handbook were reviewed and it was noted that guidance on a few changes is being sought from the Board with the goal of voting on final approval at the January 2025 meeting.

- **Section 6.10 - Retaliation Prohibited and Section 7.2 - Complaints of Unlawful Conduct.** Removal of both policies was recommended, resulting in eliminating the option for employees to present to the designated Director (of the Board) any issues either unresolved, or not resolved to their satisfaction, by either Human Resources or the District Manager, or any occurrence of retaliation. Chairman Diffendaffer voiced his opposition to removing these policies, adding that staff should retain the option of coming to the Board. He noted that he feels it is unlikely that either the District Manager or Human Resources would not handle such a situation properly, but the option to address the Board should remain. HR Manager Pettingill stated that the attorney recommended removal of these policies as staff can use them to circumvent the chain of command. Director Genova expressed his support for retaining these two policies, with Vice Chairman McElley adding that removal of these policies could create a perception of Board isolation. The Board was in general agreement to retain these two policies.

- **Section 15.3 – Leave During a Public Health Emergency.** Removal of this section is recommended. HR Manager Pettingill explained that this policy has been incorporated into the District’s PTO policy and a standalone policy is not needed. The Board had no objections to removing this policy.

Treasurer Slauson asked for clarification on the changes made to Section 15.1.1 – Eligible Employees (as it relates to PTO). HR Manager Pettingill responded that the updated wording establishes full-time employees at 38 hours per week. It also eliminates the possibility for employees to use PTO hours to increase hours worked to over 40 (and thereby earning overtime).

ENGINEERING/CONSTRUCTION DEVELOPMENT

Engineering Report

- Water Treatment Plant – The draft of 30% of design is expected in January, with the final version expected in February.

- Whitewater Master Planning – Four alternatives have been developed and these are being modelled hydraulically. Once a recommended alternative has been chosen, the costs of proceeding can be better determined.

- New Developments – The petition for inclusion approved earlier in the meeting is for the Golden Gate in Whitewater.

- Projects
 - 32 Road Water Main Extension – This in-house project is now 100% complete.

- Mesa County Coffman Road – The county plans to award this project to Mountain Valley Construction. The District intends to pipe underneath driveway approaches, and stubbing pipe across Coffman Road in preparation for a future transmission line along Coffman Road.

OPERATIONS

Operations Report

Assistant Manager Lenihan reported that the Distribution department is currently working on 31 Road. Services are being moved from the 3” line to an 8” line. Directional bores will be needed to move some of the last customers over, with the goal of abandoning the 3” line once all customers have been disconnected from it.

ADMINISTRATION/OFFICE

- West Slope Strategies legislative services agreement – Manager Jones presented the agreement for legislative service provided by Kathleen Curry. He noted that last year, a bill was proposed that would have authorize the State to determine the tap fees charged by Special Districts. Kathleen provided assistance and testified on behalf of Clifton Water District and other Special Districts when the bill came to the floor. The 5-month agreement is for \$6k and he added that it appears to be a good investment to have someone keep an eye on legislative matters that could affect the District. Vice Chairman McElley questioned which other entities utilize her services. District Manager Jones responded that Orchard Mesa Irrigation, Ute Water Conservation District, and Grand Valley Water Users Association are some of her clients that he is aware of, and most are located on the western slope. Treasurer Slauson moved to approve the legislative agreement with West Slope Strategies, effective January 1st – May 31st 2025, and authorized District Manager Jones to sign the agreement. The motion was seconded by Chairman Diffendaffer. Motion carried unanimously.

Staff Report

- Riverfront Meeting – Manager Jones provided feedback from a meeting he attended regarding the proposed riverfront trail that would connect the 33 ½ Road section to Palisade. The plan was met with some resistance from private landowners and the alternative route, along Highway 6, is causing some concern with regards to safety. The hope is that Grand Valley Irrigation Company (GVIC) will reconsider their stance on use of the canal bank.
- GVIC Annual Shareholders’ meeting – District Manager Jones reported that 27 shares had been up for auction and those were sold for \$1,500 per share. This year’s auction had a more professional atmosphere, with the awarding of bids more spread out.

EXECUTIVE SESSION

Chairman Diffendaffer called to enter executive session at 6:18pm, for the purposes of discussing personnel matters, specifically the District Manager employee review. The executive session ended at 7:24pm, by unanimous vote.

ADJOURN MEETING:

Meeting Adjourned at 7:25pm by Chairman Diffendaffer.

ATTEST:


Mel Diffendaffer


Dan McElley


Michael Slauson

Excused
Wesley Davis


Nick Genova