

**MINUTES OF THE BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
August 10, 2023**

BOARD MEMBERS PRESENT: Mel Diffendaffer-Chairman, Dan Mcelley- Vice Chair, Wesley Davis-Secretary, Michael Slauson-Treasurer, and Nick Genova-Director

STAFF MEMBERS PRESENT: Ty Jones, Guy Walker, Jake Lenihan, Jessica Isley, Jennifer Pettingill, Mark Dalley, Isaac Brown, Branden Edmonds

GUESTS PRESENT: None.

REGULAR MEETING

Chairman Diffendaffer called the August 10, 2023, Regular Meeting to order at 5:03 p.m.

MINUTES OF July 13, 2023, REGULAR MEETING

Vice Chair Mcelley moved to approve the July 13, 2023, Regular Meeting Minutes. Director Genova seconded, and the motion passed unanimously.

FINANCIAL REPORT

Director Slauson moved to accept the Financial Report and approve Accounts Payable Checks totaling \$926,378.18. Director Davis seconded, and the motion passed unanimously.

FINANCE DEPARTMENT REPORT

Finance Director Isley reported that the 2022 audit is due to be submitted to the state by 9/30/2023 and will be presented to the Board at the September Board Meeting. Finance Director Isley stated that she is currently working on preparing a request for proposals to hire a firm to replace the District's current auditing firm Chadwick, Steinkirchner, Davis and Company, and that she expects to bring forward a request to hire a new firm at the October Board Meeting.

Finance Director Isley reported that preparation of the 2024 budget is underway and that a Budget meeting has been scheduled for August 29th at 1:00 PM. Manager Jones stated that the meeting will be publicly posted in case attendance by Board members at the meeting results in a quorum.

Finance Director Isley presented updated Internal Control Policies for accounts payable and journal entries. Finance Director Isley explained that the purpose for the Internal Control Policies was to prevent fraud and that digital time stamps and dual controls are a significant part of fraud control efforts. Director Mcelley asked if these updates were driven by the recent implementation of Casselle. Finance Director Isley explained that the implementation of Casselle and the upcoming change in auditors made this an opportune time to update the District's Internal Control Policies and that they should be updated at least every 5 years.

HR DEPARTMENT REPORT

HR Director Pettingill reported that Michael Simpson has been hired as the Lead Customer Service Rep and will be starting on Monday August 14th. HR Director Pettingill stated that the Water Treatment Plant Operator position will be posted on Friday August 11th, one seasonal employee left on July 25th, and the second seasonal employee's last day will be August 25th.

HR Director Pettingill informed the Board that a Distribution employee left the District on August 8th. Manager Jones stated that an executive session has been scheduled for the end of the regular board meeting to discuss the issue in greater detail.

HR Director Pettingill reported that the revised Employee Handbook is currently being reviewed by the District's attorneys and that the new handbook is significantly different than the previous handbook. Discussion ensued on how to progress with Board review of the new handbook, and it was decided that board members would receive paper copies of the redlined and final versions of the handbook. HR Director Pettingill emphasized the importance of the revised employee handbook as it will be the District's HR bible for many years to come.

HR Director Pettingill briefed the board on the final on-call policy. Now the on-call compensation will be \$20/day and if an employee is required to respond to a call, each call out will result in a minimum of 1 hour of overtime. HR Director Pettingill stated that the Treatment Plan and Distribution employees will all fall under the new on-call policy. Director Genova moved to accept the new policy and Director Slauson seconded, and the motion passed unanimously.

HR Director Pettingill advised the Board that approximately \$50,000 has been spent on overtime year-to-date from the \$70,000 that was budgeted for 2023. HR Director Pettingill stated she is anticipating that the budgeted amount for 2023 overtime will most likely be exceeded by years end. Chairman Diffendaffer inquired why the June and July overtime was higher than usual. Assistant Manager Lenihan informed the board that there has been an unusual number of main breaks and service leaks, and that the plant has seen several high turbidity events and power outages which have often required overtime responses. Discussion ensued regarding the water main break on E road and the County's efforts to repair the paving.

ENGINEERING/CONSTRUCTION DEVELOPMENT REPORT

Project 2022-01 Coffman Road Transmission Line Project – Assistant Manager Lenihan reported staff has reviewed the plans and directed River City to make changes. Staff are still considering revising the alignment to avoid the waste or irrigation ditch located along the southerly portion of the project. Avoiding placing the new main under the pavement is ideal and might require placing the main further on private property. Regardless of the alignment, easements will be required since the property lines extend to the center of the roadway. District staff is currently coordinating with Mesa County and River City with the hopes that the project can be constructed in conjunction with the reconstruction of Coffman Road. Mesa County is planning a geotechnical investigation, the results of which may influence the watermain design. The probable construction time frame is early 2025. Vice Chairman Mcelley asked if easements will be required from the BLM. Assistant Manager Lenihan said easements from the BLM will be required for a short section of the project.

Project 2022-03 Coffman Road Remote Fill Station – Assistant Manager Lenihan informed the Board that the station has been tested and is ready to be integrated with the District's billing process. A manufacturer's representative will be onsite next week to assist with startup. Assistant Manager Walker reported that a nearby waste management company has inquired about utilizing the service.

Project 2022-06 Highway 141 (32 Road) 10" Waterline Replacement/ Upgrade Project – Assistant Manager Lenihan reported that the project is 100% complete. There were delays in receiving the latest invoice and staff found several errors that resulted in reducing the invoice by almost \$18,000. After the current payment is made there will still be \$40,125 left to pay in retainage. The project is under the original bid due to changes. A detailed final cost will be presented at the September board meeting.

CDOT F Road Project – Assistant Manager Lenihan reported that no water infrastructure has been installed recently due to issues with the sanitary sewer installation. Water infrastructure work that has been completed includes capping a water main and installing temporary services installed to the Post Office and QED to facilitate installation of the sanitary sewer.

Whitewater Modeling – Assistant Manager Lenihan reported that Black and Veatch is making progress and we expect recommendations for the Whitewater area soon. Pressure data collection is now complete. Black & Veatch is now working on the improvement plan for Whitewater which will include upgrading water lines and other infrastructure.

North Raw Water Reservoir – Assistant Manager Lenihan updated the Board on the benefits and critical nature of the project. Discussion ensued regarding the dramatic changes in the quality of the Colorado River and the need to be able to store more water on site to avoid treating extremely turbid water. Current on-site storage is 4 million gallons, which is less than a day's supply during high demand months. The previous preliminary designs were for 9 to 12 million gallons. Chairman Diffendaffer inquired if the new ponds would be in the upper portion of the property. District Engineer Schoeny replied that one version of the preliminary design shows ponds in the upper portion for the property and drying beds for sludge removal in the lower portion. Another preliminary layout called for the ponds to transcend across the existing grade break.

Effluent Pumps, MCC-1, and Plant Control Systems – The Board was informed by Assistant Manager Lenihan that a request for qualifications was issued for this project.

Director Genova asked if there was grant funding available for this work. District Engineer Schoeny said there were several different opportunities and the District is currently working on getting positioned to apply for grants and or loans for this project. District Engineer Schoeny reported that he recently attended a financing summit where state and federal agencies presented strategies for financing applications. Developing master plans to be used as a basis for grant and loan applications was strongly encouraged. District Engineer Schoeny reported that staff is currently working on higher level planning and adaptive management to be used as a guide for the District.

District Engineer Schoeny gave an overview of the 2024 DWRF Drinking Water Eligibility Survey.

Treatment/Distribution– Assistant Manager Lenihan

Discussion ensued regarding the ability to receive water from Grand Junction and Ute Water Conservancy during emergency situations such as poor water quality events. Assistant Manager Lenihan reported that the District had recently supplied approximately 2.9 million gallons of water to Grand Junction due to a break on their raw water flow line. Staff met with Grand Junction to discuss the existing water trade agreement as well as changes to future operation of the interconnect between the two water systems. Assistant Manager Lenihan advised the Board

that the District may want to reinstate the exchange of payment when one entity supplies water to the other.

Reader Mesa Pump Station – Assistant Manager Lenihan informed the Board that flow data is now being transmitted to the plant via SCADA.

Hidden Valley Pump Station & Storage Tanks – Assistant Manager Lenihan reported to the Board that VFD's should be installed on the pumps by the end of August.

Desert Road Pump Station – Staff is still investigating possible sources of water loss sources in the area supplied by Desert Road Pump Station. A 6" meter will be installed at the pump station as soon as a properly sized concrete vault can be located.

Office/Administrative – Assistant Manager Walker

Assistant Manager Walker reported to the Board that he and Manager Jones worked out new meter read routes that will reduce the number of accounts read from approximately 6,000 in a single day to approximately 1,000 to 2,000 in a single day. The new routes make it more practical to catch abnormally high consumption issues caused by leaks or fixtures inadvertently left running. The hope is those issues will be noticed and resolved prior to a customer receiving an extremely high bill.

Discussion ensued regarding the number of taps that can currently be served in the Desert Road area. Vice Chair Mcelley asked how many taps for existing homes do we anticipate. Assistant Manager Walker stated we really do not know. Director Genova suggested that Mesa County may be able to provide a list of properties with cistern permits and we could use that information to help estimate the demand for taps for existing homes.

Assistant Manager Walker requested that the Board approve a total of 15 taps including 3 taps previously approved by the Board for the system served by the Desert Road Pump Station. The taps would be restricted to existing homes or if a building permit for a new home has been issued, and the parcel must be the primary residence of the owner. The limited number of taps will be granted on a first come first served basis. After the hydraulic model is completed, the District will be able to determine the capacity of the existing system and how many new taps can be allowed prior to installing additional improvements.

The condition of the Desert Road Pump Station was discussed. Assistant Manager Lenihan stated that some components of the pump station will need to be replaced soon regardless of capacity issues.

Vice Chair Mcelley made a motion to allow a total of 15 new taps on the system served by the Desert Road Pump Station. Director Genova 2nd the motion and it passed unanimously.

Out-of-District Requests for Service:

Assistant Manager Walker recommended that the Board approve an out of district tap for 3175 Desert Road for a primary residence. Director Davis motioned that the out of district tap for 3175 be approved. Vice-Chair Mcelley 2nd and the motion passed unanimously.

Discussion ensued regarding an out of district tap request for 2525 Blair Road that was tabled at the July Board meeting. Assistant Manager Lenihan reported to the Board that staff had recently removed a 2” master meter on the 4” diameter line that supplies the Hidden Valley Pump Station with the hopes that removing the restriction will reduce pressure drops on the suction side of the pump station. Assistant Manager Lenihan also stated that installing the VFD’s on the pumps might also help alleviate pressure fluctuations.

Assistant Manager Walker requested that the out of district tap for 2525 Blair Road be approved by the Board pending further evaluation by staff. Vice Chair Mcelley motioned to approve the out of district tap for 2525 Blair Road pending further staff evaluation. Director Slauson 2nd and the motion passed unanimously.

Assistant Manager Walker informed the Board that 2525 Blair Road will be the 28th connection in the Hidden Valley service area.

MANAGER’S REPORT- Manager Jones

Manager Jones recommended that the Board adopt a policy that requires the issuance of a Mesa County building permit prior to releasing a tap for the property. One exception could be if the property needs a tap to water livestock. Vice Chair Mcelley made a motion to require building permits prior to selling a tap for both in-district and out of district tap requests with an exception for taps required for livestock watering and Director Davis 2nd the motion. Chairman Diffendaffer stated he was concerned that property owners would use the livestock exception to get around the policy. Manager Jones stated that Staff would investigate each request for a livestock watering tap to ensure it is a legitimate request and recommended approving the policy

requiring a county building permit and treat requests for livestock watering taps on a case-by-case basis. Chairman Diffendaffer called a vote on the motion which passed unanimously.

Manager Jones informed the Board that staff are currently reviewing existing fees and, in the future, may request to revise and rename some of the current fees. Manager Jones brought up the Plant Improvement Fee as an example of a fee that confuses rate payers. Director Genova asked why the fee exists. Finance Director Isley stated that the fee is a non-operational fee intended to pay for capital improvements needed to produce and deliver water.

Manager Jones reported to the Board that the Case backhoe sold at auction on August 9th for \$30,750, the compactor sold for \$XXX and the backhoe bucket sold for \$XXX.

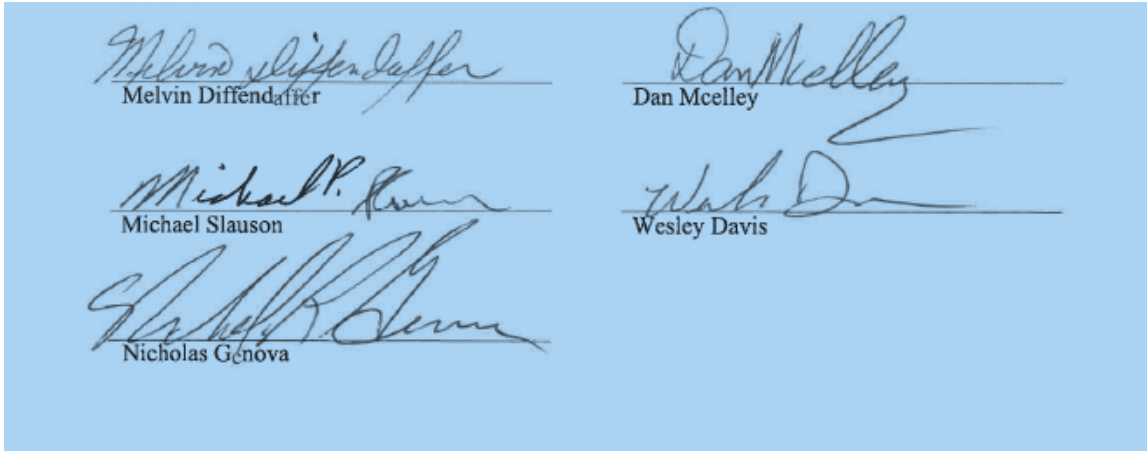
Manager Jones informed the Board that he and District Engineer Schoeny met with David Varner with the Colorado Land Trust to discuss the organization's goal of completing a trail along the river from Clifton to Palisade.

Manager Jones informed the Board that in appreciation of donating to the library building fund, they have been invited to the Clifton Library Open House on 8/26 from 4:00 – 6:00 and that RSVPs are due by 8/18/2023.

Manager Jones suggested that the next regularly scheduled Board meeting be changed due to conflicts with the SDA conference. It was decided to schedule the next Board meeting for September 19th, at 3:00 pm.

Manager Jones requested that the Board enter an Executive Session. Chairman Diffendaffer called a recess at 7:00 pm, Executive Session commenced at 7:12 pm, the Executive Session ended at 7:39 and the meeting was adjourned at that time by Chairman Diffendaffer.

ATTEST:



Melvin Diffendaffer
Melvin Diffendaffer

Dan McElley
Dan McElley

Michael Slauson
Michael Slauson

Wesley Davis
Wesley Davis

Nicholas Genova
Nicholas Genova