

MINUTES OF THE BOARD OF DIRECTORS MEETING

CLIFTON WATER DISTRICT

JULY 13, 2023

BOARD MEMBERS PRESENT: Mel Diffendaffer-Chairman, Dan Mcelley- Vice Chair – Excused Absence, 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:

REGULAR MEETING

Chairman Diffendaffer called July 13, 2023, Regular Meeting to order at 5:01 p.m.

MINUTES OF June 8, 2023, REGULAR MEETING

Director Slauson moved to approve June 8, 2023, Regular Meeting Minutes. Director Davis seconded, and the motion passed unanimously.

MINUTES OF June 22, 2023, FINANCE MEETING

Director Slauson moved to approve June 22, 2023, Finance Meeting Minutes. Director Davis seconded, and the motion passed unanimously.

FINANCIAL REPORT

Director Slauson moved to accept the Financial Report and approve Accounts Payable Checks totaling \$900,111.99. Director Genova seconded, and the motion passed unanimously.

FINANCE DEPARTMENT REPORT

Members of the District and the board met on June 22nd to discuss the financial statements and planning for the next few months. The committee and staff members voted and approved moving funds from reserves into operating for the next few months. Staff updated the board that a US Treasury note was sold on June 26th that was held with Charles Schwab. The note had a par value of \$1.0 million, and a market value on the day of sale was \$946,768.75. The note carried \$3,678.67 of accrued interest resulting in a total unrealized loss on investment of \$49,552.58. Staff has been working with CSAFE and ColoTrust to determine a more liquid holding place for funds. Staff already has two accounts with ColoTrust.

Fiscal year 2022 audit is still underway, but an extension will need to be filed with the State. This extension will push our deadline to September 30, 2023. Chadwick, Steinkirchner, Davis & Company closed their auditing department as of June 30, 2023. They will finalize the audit for FY22 but the District will need to create an RFP for a new auditing firm going forward.

Budget preparations for 2024 have begun. Internal meetings will begin shortly, and Finance Committee meetings will begin in August.

Finance Manager Isley went over the confirmation forms showing the funds that were moved from reserves to operating. She also went over the form showing a \$100,000.00 transfer to a Schwab money market account.

HR DEPARTMENT REPORT

HR Director Pettingill updated the board on the distribution and customer service positions. The distribution position has been filled and the start date is August 1st. The customer service position has been posted as a lead customer service position.

HR Director Pettingill informed the board that the drug-free policy was still under review. The on-call policy has been sent to the policy committee for review and the employee handbook has been reviewed by the managers.

HR Director Pettingill briefed the board on overtime. For the month of June, a significant increase in the amount of overtime was observed compared to prior years. The reasons for the increase in overtime include: June contained 3 pay periods, the Water Treatment Plant experienced more OT than what is typically seen for that department, and Distribution experienced an increase in leaks and repairs due to weather conditions.

HR Director Pettingill talked about turnover rate, cost of turnover, number of terms, and average tenure. The National Average is around 4% for our industry and employee size. In 2022, the District Manager and the Assistant Manager retired. It is normal to see turnover increase during these types of events. It is also common to see a higher level of turnover for a year or two after these types of events, however, it should trend downward. The cost of turnover can be estimated at 30% of departing employees' annual rate of pay but a turnover cost calculation worksheet can provide a more detailed and accurate amount. Cost of turnover is significantly higher in 2022 due to types of terms and wage increases. The average tenure for the District is 2 years. This average was skewed in 2020 with a term of 39.5 years of service and was skewed in 2022 with a term of 24.5 and 42.5 years of service.

ENGINEERING/CONSTRUCTION DEVELOPMENT REPORT

Project 2022-01 Coffman Road Transmission Line Project – Staff is waiting for final design submission from River City Consultants. In the meantime, staff will setup a meeting with River City to start the process of transferring this project to Eric Schoeny.

Project 2022-03 Coffman Road Remote Fill Station – Water line is in place. Mesa County is currently preparing a building permit. Once that is received, the concrete pad and fill station can be installed.

Project 2022-06 Highway 141 (32 Road) 10" Waterline Replacement/ Upgrade Project – The new water line is in place and construction is complete. Staff is currently awaiting final change orders and final invoicing. After that happens, staff will advertise for final payment. Staff will evaluate and/or negotiate cost with change orders.

CDOT F Road Project – No changes from June report. Issues with sewer line caused delays. Have started boring water services.

Whitewater Modeling – Pressure data collection is now complete. Black & Veatch are now working on the improvement plan for Whitewater which will include upgrading water lines and other infrastructure.

Hidden Valley Pump Station & Storage Tanks – Transfer of ownership for the Hidden Valley system is complete. Communication equipment has been installed and the tank levels can be seen at the water treatment plant. Staff has received new pumps but are still waiting on drives.

Treatment/Distribution– Assistant Manager Lenihan

Chlorine Equipment Maintenance – Water Treatment Staff completed annual equipment maintenance on the chlorine feed system.

New Chlorine Analyzer – A new analyzer was installed at the tank that supplies Whitewater. This helps operators monitor chlorine residual levels in the tank. Previously, operators had to grab samples on-site to measure chlorine. Having remote analyzers assists in operating decisions at the treatment plant.

Desert Road Pump Station – Staff is investigating possible 70% water loss sources in the area supplied by Desert Road Pump Station. Distribution is currently looking into the possibility that the water is being “looped” back to the suction side of the pump station. More data needs collected as well. Much of the flow data used to determine the water loss was based on instantaneous flow which is not reliable for comparison with consumption data from meter reads. Staff is considering putting in more meters to try and find sources of water loss. Water loss across the system is 15%, across all of Whitewater is 40%. Staff is still waiting to get the Reeder Mesa flow meter setup.

Office/Administrative – Assistant Manager Walker

Caselle Utility Billing Software - Assistant Manager Walker informed board on some of the difficulties being experienced with the Caselle switchover. Staff is verifying the accuracy of the account balances and rectifying any discrepancies that have arisen. Some other issues staff is experiencing are issues with the graphs, tier rate, and typos. Staff is working to make bills more accurate and transparent. Assistant Manager Walker pointed out that staff is receiving hundreds of calls regarding the changes. Staff also learned that the account number differences do not matter in Express Bill Pay but do matter with the lock box. Due to some of these issues Staff decided to postpone late fees and discontinuation of service.

Out-of-District Requests for Service – Staff presented three Parcels for out-of-district services:

- 861 Siminoe Road: Tax Parcel ID 2969-312-00-275
- 780 Siminoe Road: Tax Parcel ID 2969-311-00-476
- 1250 Desert Road: Tax Parcel ID 2967-243-00-076

Director Diffendaffer made the motion to allow these three individuals to secure water at out-of-district tap fees and water rates. Director Mcelley seconded. The motion passed unanimously.

Out-of-District Requests for Service: Staff also brought up 3772 Blair Road. This address is located adjacent to the water main line in the Hidden Valley Water System. The parcel is currently receiving water from the City of Grand Junction. The current service is 1200 feet long and has a significant leak. Owner might request tapping into the District's newly acquired Hidden Valley service area.

Out-of-District Requests for Service: Staff also brought up 2525 Blair Road. Owner is hoping to receive water from Hidden Valley service area. Staff is unsure if tanks would supply adequate pressure. Board chose to table water service request until the pressure situation can be evaluated.

MANAGER'S REPORT- Manager Jones

Manager Jones updated the board on a thank you card sent from Mesa County Library for the District's donation to the Clifton Branch.

Staff updated the Board on the 2002 Case Backhoe. It is going up for auction on Big Iron Auctions August 2nd through August 9th.

Manager Jones asked the board to think about including Whitewater in our system. It offers protection from other water providers, sources, etc.

The SDA conference will be September 12th through September 14th in Keystone.

Manager Jones updated the Board on Senate Bill 295. Concerns with the bill being utilized to develop other legislation. Another concern is that no Western Slope representative on the task force. This task force is going to have 12 meetings prior to the end of the year.

Director Mcelley moved that the District write a letter to the governor outlining concerns that the District has.

ADJOURNMENT

The Regular Meeting was adjourned at 6:30 pm by Chairman Diffendaffer.

ATTEST:


Melvin Diffendaffer

Excused Absence

Dan Mcelley


Michael Slauson


Wesley Davis


Nicholas Genova