MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING

CLIFTON WATER DISTRICT

JULY 9, 2026

BOARD MEMBERS PRESENT:	Mel Diffendaffer, Dan McElley, Nick Genova, Michael Slauson, and Jeff Cook.
STAFF MEMBERS PRESENT:	Jennifer Pettingill, Blair Wade, Ty Jones, Isaac Brown, Stephen Silva, Tyrell Elliott, and Rene Fick.
GUESTS PRESENT:	Jerry Wade.

REGULAR MEETING – CALL TO ORDER

Chairman Diffendaffer called the July 9th, 2026, Regular Meeting to order at 5:01pm.

MINUTES OF THE JUNE 11TH 2026 REGULAR MEETING

Secretary Cook moved to approve the Minutes of the June 11th Regular Meeting, seconded by Treasurer Slauson. Motion carried unanimously.

FINANCIAL REPORT

Treasurer Slauson moved to approve the Accounts Payable checks, in the amount of $533,042.63, seconded by Secretary Cook. Motion carried unanimously.

FINANCE DEPARTMENT (continued)

Finance Staff Report

- Financial Summary – Finance Manager Wade stated that, as of the end of May, total operating revenue collected was 34.72% of the budget, with non-operating revenue at 38.44%. The District has expended 43.15% of the operating budget, and 23.53% of the non-operating budget.
- Investments – Finance Manager Wade explained that a $1.2 million investment recently matured and these funds were moved from the Schwaub account to COLOTRUST. She explained that interest rates are comparable for both financial institutions, but COLOTRUST offers more flexibility.

- Resolution 2026-17 To authorize the submittal of a grant application to the Colorado River District Community Funding Partnership Accelerator Grand Program – Staff are requesting authorization to pursue this grant opportunity. The grant is for a feasibility study on a river intake structure with the goal of improving reliability and low river flow options. It is estimated that the grant can cover $45k of the $80k cost of the study. Finance Manager Wade stated that this expense was included in the 2026 budget and assure the Board that this grant, and the feasibility study, does not tie the District to any future spending or construction. Manager Jones explained that the feasibility study could position the District for pursuit of Federal funding. He further explained that during the winter, low river conditions make it difficult to pump water from the river with the current setup. Assistant Manager Lenihan added that during normal conditions, river debris and ice shelves complicate the pumping process and this will worsen under drought conditions. Vice Chairman McElley questioned when the Army Core of Engineers will get involved. Manager Jones responded that the first step is the feasibility study and the grant application to help fund it. Should an emergency situation occur, the District would need to get a permit from the Core of Engineers and will proceed accordingly at that time. He noted that the City of Grand Junction still plans to drain their reservoir this winter and that water will be supplied to the District. There may not be any issues this winter with the river intake. Vice Chairman McElley moved to adopt Resolution 2026-17 - To authorize the submittal of a grant application to the Colorado River District Community Funding Partnership Accelerator Grand Program, seconded by Secretary Cook. Motion carried unanimously.

- Approval of Finance Policies

  - Travel Policy – This is a new policy that provides clear guidance on economic choices regarding all aspects of District-funded travel, and how to handle any exceptions and/or emergencies.

  - Purchasing Policy – This is an update to the existing policy that adds more structure to how professional services are selected and managed. The option of Requests for Qualifications (RFQs) has been introduced, which allows the District to assess and choose vendors based on qualifications and experience vs. just based on the price.

  Vice Chairman McElley questioned whether the District has always chosen the cheapest option in the past. Manager Jones responded that this was not necessarily always the case, with Finance Manager Wade adding that the lowest price is not always the best option for the District. This update will allow the flexibility to do what is best for the District. Vice Chairman McElley moved to approve the Travel Policy, and the updated Purchasing Policy, seconded by Treasurer Slauson. Motion carried unanimously.

- Review of Journal Entry Policy – This policy addresses internal procedures regarding staff authorization for making journal entries, approval of the entries, and supporting documentation. It is being presented today for Board review.

HUMAN RESOURCES DEPARTMENT

Human Resources Staff Report.

- Employee Policy & Handbook Updates – Staff are still waiting on updates from the Drug Enforcement Agency regarding marijuana rescheduling.

- Colorado Employer Benefit Trust (CEBT) health insurance premiums – Preliminary rate increase estimates are between 15% – 19% for 2027. Renewal is scheduled for August 25th and staff will have firm numbers by the end of August.

ENGINEERING/CONSTRUCTION DEVELOPMENT

Engineering Report

- Water Treatment Plant Project – Staff are working with engineering firm CDM and the Colorado Department of Public Health and Environment (CDPHE) on the funding portion of this project. 75% of design is almost complete and the draft should be available by the end of the month. Assistant Manager Lenihan explained that a public meeting will need to be held, following approval of the Project Needs Assessment (PNA) by the State. The public meeting will include discussions on the purpose of the project, how it may impact the community, and how the District plans to fund the project. This public meeting is a requirement of the state revolving loan fund application.

- Colorado River Transmission Main Crossing Project – Project Manager Bishop is inspecting this project. The existing main has been exposed and pipe is being laid to the north side.

- Desert Road Pump Station – The easement documentation is expected to be presented to City Council on July 15th. There is still the permitting process to be completed with Mesa County. The bid will for this project will most likely go out in August.

- Storage Tank Rehabilitation Project – The electrical components have been relocated out of the old building and demolition of this building, and the tanks are mostly complete – only the concrete foundations remain. Staff will level the ground in preparation for the temporary tank. Vice Chairman asked about recycling. Manager Jones responded the Pacific Steel & Recycling was actually on-site as subcontractors hired by the demolition contractor. Assistant Manager Lenihan stated that the next step would be placement of the temporary tank, and then draining of the current tank in use to determine what shape it is in.

- C ½ Road to 32 Road Water Main project – This project is under design.

- Mesa County 32 ½ Road roundabout project – Phase 2 of this project includes road widening and improvement, and the addition of a traffic circle on E ½ Road. The District will need to move some water lines and Mesa County included this portion of the project in their project bid.

- Mesa County Orchard Avenue Improvement Project, phase 1 – A traffic circle is planned for 31 ½ Road. As this portion of the road is closed for the project, the District will be making some small improvements to the water main in this area.

OPERATIONS

Assistant Manager Lenihan noted that June usage is not listed on this report but so far, it appears that overall usage has dropped. Plant production, on average for the month of June, had been approximately 147 million gallons in the past, dating back to 1999. This June, the amount dropped to 107 million gallons. Manager Jones added that numbers from 2012, when voluntary reductions were requested, usage increased to 177 million gallons for June.

Assistant Manager Lenihan provided some information on a power savings program with Xcel through third party Voltus. It could result in approximately $70k in savings per year if the District can reduce demand at certain times, upon request. Under this program, the District can refuse the power reduction requests up to five times without losing the credit. There will be notice given prior to the reduction request so that staff can be prepared.

ADMIN/OFFICE

Manager's Report

- Reeder Mesa Fill Station – Manager Jones stated that since July 1st, 45k gallons have been pumped from this station. The Coffman Road fill station had 43k gallons. This usage means less (or no) flushing may be required, and will save a lot of water.

- District Farmhouse – Manager Jones explained that he had some discussions with Clifton Fire Protection District regarding the District-owned farmhouse on E ¼ Road. They want to use it for training, but not to burn it down. He noted that there is asbestos present and as the training will involve knocking holes in the walls, the District will need to ensure access to the house is blocked to avoid asbestos exposure. The best way to do this is to demolish the house. Asbestos mitigation is estimated at $25k and staff are asking the Board if there are any objections to proceeding with this plan. The Board did not object.

- Resolution 2026-18 To Adopt and Approve participation in the Drought Response Plan – Chairman Diffendaffer voiced some objections to parts of the Drought Response Plan. He was not in agreement with each utility provider being able to determine whether to enact drought rates or not. He further noted that earlier this year, communication regarding drought and water supply indicated that water will be turned off by June. Local farmers had made adjustments to prepare for the lack of water and now the message is that there will be water until August. This makes it near impossible for them to operate. Manger Jones explained that the 2018 version of the Drought Response Plan included the trigger that if one entity enacts drought rates, all the other water providers would do the same. This did not sit well with the water providers as water sources, and supply, differs for each entity. He added that this Drought Response Plan is more about messaging and the need for that messaging to be consistent. The messaging regarding irrigation supply was from the State and is not part of the Drought Response Plan, which is more on a local level. Irrigators reduced their diversion on the river and more water was remaining in Green Mountain Reservoir. The last couple of storms also helped. Manager Jones stated that the concerns raised by Chairman Diffendaffer is not addressed in the Drought Response Plan. He noted that Highline and Orchard Mesa Irrigation Districts are still hurting and Grand Valley Irrigation Canal (GVIC) has started a second round of cuts to the headgates. Chairman Diffendaffer asked if all four water entities are interconnected. Manager Jones responded that they are, and they can all help each other. Chairman Diffendaffer questioned why these entities cannot help each other rather than enact drought rates. Manager Jones explained that if, for example, Ute Conservancy District experiences supply issues, the District cannot meet their demand, even if the District teamed up with the City of Grand Junction. Chairman Diffendaffer voiced his displeasure at the City's announcement earlier in the year that they have plenty of water and did not foresee enacting drought rates. Manager Jones explained that the Drought Response Plan addresses the variations in each entity's water sources, and the messaging during a drought. Each water entity retains their own trigger points, and this flexibility allows each entity to do what is best for their customers. Vice Chairman McElley questioned whether the other water entities have adopted the plan. Manager Jones responded that Ute has voted to adopt the Drought Response Plan and the City has the vote scheduled for July 15th. Assistant Manager Lenihan added that the Drought Response Plan is more a public communication effort and provides the Drought Response Information Project (DRIP) with more guidance – it is not an action plan. Jerry Wade (guest) provided some input, noting that no document is perfect and can always be modified. He added that it is better to have such a document in place, rather than not. Director Genova commented that the Drought Response Plan is not binding, it is merely a messaging document. Secretary Slauson agreed, adding that the plan may not be a perfect fit, but neither does it bind the District to anything. Vice Chairman McElley asked if this vote can be tabled until the next meeting. Manager Jones responded that it can, and asked what direction the Board would like to take on making any changes to the plan. Director Genova stated that it is just kicking the can down the road. Finance Manager Wade noted the review schedule for the plan and Manager Jones estimated every 5 years, as needed. Treasurer Slauson moved to adopt Resolution 2026-18 - To Adopt and Approve participation in the Drought Response Plan, adding that his motion is based on the belief that the District should have some document in place. The motion was seconded by Director Genova. The motion passed with four votes in favor and Chairman Diffendaffer against.

- Approval of Safety Policies

  - Fatigue Management Policy – HR Manager Pettingill provided information on this new policy. Over the last year, Treatment Plant and Distribution staff have work overtime due to leaks, and other emergencies. She stated that a staff member can report to work at 8am when they may have been fixing a leak until 3am. The District has made an effort to staff up so that this type of occurrence can be avoided and coverage is sustained. The policy limits the number of hours an employee can work in any 24-hour period. In case of emergency, either the District Manager or Assistant Manager can override this part of the policy. The goal is to ensure staff get enough rest and ensure the safety of all employees – a staff member that is too exhausted to perform their duties is a safety hazard. This becomes a major issue especially when driving District vehicles, or operating equipment. Vice Chairman McElley voiced his opposition to this policy. He stated that in his past experience, he worked as much overtime as he could and did not much appreciate being told that he could not. Distribution Lead Elliott commented that some Distribution staff were hesitant at first, but when it was explained that it would be up to staff to get to 40 hours for the week, instead of using Paid Time Off (PTO), the policy became more acceptable. It was noted that operating equipment when tired is as bad, or worse, than operating equipment while intoxicated. Assistant Manager Lenihan stressed that the policy also aims to protect all employees – both the sleep-deprived employee and any co-worker that could possibly get injured by the sleep-deprived employee. HR Manager Pettingill commented that overtime has been decreasing. Distribution has been delaying leak repairs until daylight, if possible, as repairs are done faster and safer in daylight. Assistant Manager Lenihan clarified that even if an employee has not reached 40 hours, they will still get time and a half for emergency call-ins. Vice Chairman questioned the ability of management to circumvent the policy and HR Manager Pettingill responded that the policy includes an option to work up to 16 hours, and after that, the District Manager of Assistant Manager can authorize more hours. Distribution Manager Silva stressed that the goal is to ensure at least 10 hours of rest for staff. Distribution Lead Elliott noted that the policy removes the burden from employees that feel that they have to report for their scheduled shift after working late on any type of emergency repair. The policy provides a way to get the needed rest without appearing like the staff member is not a "team player".

  - Forklift Policy – This policy ensures staff are properly trained, sets a timeline for performance evaluations, and establishes operating rules.

Vice Chairman McElley moved to approve the Fatigue Management policy, seconded by Director Genova. Motion carried unanimously.

Treasurer Slauson moved to approve the Forklift policy, seconded by Chairman Diffendaffer. Motion carried unanimously.

- Approval of the Artificial Intelligence (AI) Policy – HR Manager Pettingill explained that this policy is just for guardrails right now, and it will most likely need multiple updates in the future. District staff are already heavily using AI and this policy limits staff to using Copilot – the AI program that comes with Microsoft Office products. Management staff are provided with more leeway to use other AI programs. Vice Chairman McElley stated that AI has been around for a very long time and voiced his objection to the need for this policy. HR Manager Pettingill responded that AI technology keeps evolving and it's capabilities increase every day, and this policy is needed to ensure the safe use of AI within the District. Treasurer Slauson commented that the District does need some sort of guidance on the books and moved to approve the AI policy, seconded by Chairman Diffendaffer. The motion passed with four votes in favor and Vice Chairman McElley against.

EXECUTIVE SESSION

Chairman Diffendaffer moved to enter executive session at 7:00pm for the purposes of discussing the purchase, acquisition, lease, transfer, or sale of any property interest. The executive session ended at 7:06pm.

ADJOURN MEETING

Meeting Adjourned at 7:07pm by Chairman Diffendaffer.

ATTEST:

Mel Diffendaffer, Chairman

Dan McElley, Vice Chairman

Michael Slauson, Treasurer

Jeff Cook, Secretary

Nick Genova, Director