

**MINUTES OF BOARD OF DIRECTORS MEETING**  
**CLIFTON WATER DISTRICT**  
**January 6, 2022**

**BOARD MEMBERS PRESENT:** Dale Peck-Chairman, Stan Sparks-Vice Chair, Melvin Diffendaffer-Secretary, Michael Slauson-Treasurer, and Dan Mcelley-Director

**STAFF MEMBERS PRESENT:** Dale Tooker, Ty Jones, David Reinertsen, Michelle Obadia, Angie Beebe, Jake Lenihan, Tyler Lehmann, Branden Edmonds, Isaac Brown

**Guests Present:** Jamie Hamilton, Home Loan and Investment  
Michael Santo – Attorney, Bechtel & Santo

**REGULAR MEETING**

Chairman Peck called the January 6, 2022, Regular Meeting to order at 5:00 p.m. He noted that Directors Sparks and Mcelley had excused absences from this meeting.

**MINUTES OF THE December 2, 2021, REGULAR MEETING**

Director Peck moved to approve the December 2, 2021, Regular Meeting Minutes. Director Diffendaffer seconded, and the motion passed unanimously.

**GUESTS**

Manager Tooker introduced Mr. Santo (meeting observer, available for Board personnel policy questions) and Mr. Hamilton.

**2022 Property Casualty and Liability Insurance Renewal** – Mr. Hamilton summarized the District's 2022 Property Casualty and Liability Insurance (01/06/22 File, Staff Report Insurance - 2022 Property, Casualty, and Liability). There is an increase of \$14,684 or 14% above the 2021 premium rate. Mr. Hamilton detailed the following reasons for the approximate \$14,700 premium increase:

- Previous flood and fire events in Colorado affecting all members of the SDA Insurance Pool
- Added costs due to new equipment and vehicle purchases in 2021
- Due to a reclassification of 10 of the District's 19 locations into FEMA Flood Zone AE (which is a high hazard risk) when previous designation was Flood Zone X (the lowest flood hazard risk). The CSD Pool has corrected 9 of the 10 reclassifications for the 2022 premium year and the final one will be corrected in the 2023 premium cycle.

Director Slauson made a motion to approve the 2022 Property Casualty and Liability Renewal with the Colorado Special District's Property and Liability Pool and authorized a transfer of \$1,537 from the 2022 Contingency Budget Line Item to the Property and Liability budget line item to cover the 2022 Property and Liability Insurance Premium for a total cost of \$114,343. Director Diffendaffer seconded, and the motion was passed unanimously.

2022 Workers Compensation Insurance Renewal – Staff presented a Staff Report (01/06/22 File, Staff Report, 2022 Worker's Comp) detailing the Workers Compensation policy administered through the Colorado Special Districts Property and Liability Pool. The 2022 premium is \$11,982, and within the District's funding level of \$25,507 for FY 2022 Budget for Workers Compensation.

Director Slauson made a motion to approve the 2022 Workers Compensation policy issued by the Colorado Special Districts Property and Liability Pool. Director Diffendaffer seconded, and the motion passed unanimously.

Mr. Hamilton exited the Meeting at 5:20 p.m.

#### FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Slauson moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$147,664.19, plus Supplemental Checks of \$444,346.35, plus Benefits Checks of \$27,161.54, plus HRA Disbursements of \$9,052.62, for a total of \$628,224.70. Director Diffendaffer seconded, and the motion passed unanimously.

#### MANAGER'S REPORT

Manager Jones reviewed the November 2021 Manager's Report (1/6/2022 File, Manager's Report).

#### INFORMATIONAL REPORT

None presented.

#### EXPRESS AGENDA

Director Diffendaffer moved approve the Express Agenda items as presented. Director Slauson seconded, and the motion passed unanimously.

The Express Agenda items are as follows:

Project RM2019-01 Middle Tank Repairs – Phase 4 Slope Stabilization – The Construction Agreement with MA Concrete Construction, Inc. was issued, and the contractor is planning on beginning site activities by the middle of January 2022.

Project 2021-02 McDonald's/Denny's/Murdoch's New Waterline Project – The District's project design engineer, Tetra Tech has completed the preliminary design for the added project scope to replace approximately 1,000 feet of 10" AC waterline. This AC waterline is over 60 years old and has exceeded its planned service life. The Final Design is due by the end of January 2022 with construction tentatively scheduled for mid to late Spring, 2022.

Project 2021-06 Mesa County 34 Road Bridge Replacement Project – The County’s Contractor, K & D Construction has started removal of the existing 16” AC waterline and placed the new 24” PVC waterline in a new 36” steel casing beneath the Highline Canal. Work is progressing on removal and installation of the new water line south and north of the canal crossing. New waterline construction is on schedule for completion by the middle of January 2022.

#### UNFINISHED BUSINESS

Project 2020-03 E Road Waterline Upgrade – The Mesa County E Road Improvement Project is complete. Assistant Manager Reinertsen reviewed the Staff Report summarizing final project costs (01/06/22 File, Staff Report, Project 2020-03 Final Project Costs). This waterline upgrade/replacement project was performed under a construction Memorandum of Understanding Agreement (MOU) between Mesa County and the District. Information only, no Board action required

Mr. Santo exited the meeting at 5:45 p.m.

#### NEW BUSINESS

Designating Time, Location and Postings of Meetings Resolution 2022-01 – Staff presented Resolution 2022-01 Resolution Designating Meeting Time, Place, and 24-Hour Posting Locations (1/6/2022 File, Resolutions). Director Diffendaffer moved to adopt Resolution 2022-01, Resolution Designating Meeting Time, Place, and 24-Hour Posting of Meeting for 2022. Director Slauson seconded, and the motion passed unanimously.

2022 Fees, Rates, Tolls, Penalties for Water Service C.R.S. 32-1-1001 (2)(a) – A Public Notice was published in the Daily Sentinel November 2, 2021, as well as being posted on the Clifton Water District website that the following items would be discussed at the January 6, 2022, meeting of the Board of Directors.

- a. 2022 Water Rates – Cost of Service Analysis – Staff reviewed the 2022 Water Rates and Plant Investment Fee Adjustment Memorandum (File 01/06/2022, Board Memorandum) recommending no change to the District’s Water Rates for 2022. Director Diffendaffer made the motion to keep the existing Water Rates with no changes in 2022. Director Slauson seconded, and the motion passed unanimously.
- b. Plant Investment Fees – Following the Board’s decision in 2016 to make future Incremental Plant Investment Fee increases, Staff presented an increase the standard in the In-District Plant Investment Fee for 2022 from \$8,000 to \$8,500, effective February 1, 2022. This represents a 6.36% increase for a standard Residential ¾-inch x 5/8-inch water tap. The 6.36% increase would be applied to each Plant Investment Fee for all size water taps. Director Diffendaffer made the motion to increase District Plant Investment fees 6.36% for sizes effective February 1, 2022. Director Slauson seconded, and the motion passed unanimously.
- c. Availability of Service Charges – Resolution 2022-02 – Manager Jones presented a Staff Report (1/6/2022 File, Staff Reports, Availability of Service Charge 2022) and Resolution 2022-02 Availability of Service Charge (1/6/2022 File, Resolutions, Resolution 2022-02 Availability of

*Service Charge*) summarizing the 2021 average billing amounts used to calculate the 2022 Availability of Service Charge and identified the proposed 2022 rates for In-District and Out-of-District. Director Diffendaffer moved to adopt Resolution 2022-02 Availability of Service Charge setting the In-District Availability of Service charge at \$16.65/month per unit and the Out-Of-District Availability of Service charge at \$24.98/month per unit. Director Slauson seconded, and the motion was passed unanimously.

- d. Emergency Water Rates – The Board reviewed the Staff Report (*1/6/2022 File, 2022 Staff Reports, Water Rates*) regarding the 2009 Resolution establishing an Emergency

Water Rate, using the current 2021 rates as the basis for the calculation of the 2022 Emergency Rates. Director Diffendaffer moved to reaffirm the 2009 Resolution Establishing and Emergency Rate and adopt the 2022 Exhibit A to Policy #420 (*1/6/2022 File, 2022 Staff Reports, Policy #420 Water Usage Fees*). Director Slauson seconded, and the motion passed unanimously.

- e. Credit Card Convenience Fees – The District has switched to Paymentus for Credit Card processing. Paymentus collects a Convenience Fee of \$2.50/transaction directly from the customer and does not invoice the District, and therefore, the Convenience Fee is not collected by or charged to the District. Director Diffendaffer moved to approve the following changes to District Policy 12.15.1, ***The District does not charge a Credit Card Usage Fee, however, the Credit Card Merchant Service Processor may implement their own charge.*** Director Slauson seconded, and the motion was passed unanimously.

FY 2021 Audit Services - Chadwick, Steinkirchner, Davis & Co., P.C. – The Standard Letter of Engagement of FY 2021 Audit Services had not been received as of the January 6, 2022 Board meeting. The proposed fee for the FY 2021 Audit is expected not to exceed \$9,150.00, which is the same as the previous year's audit cost. Staff stated they are pleased with the work performed by Chadwick Steinkirchner Davis & Co. This item was tabled and will be addressed at the regularly scheduled Board Meeting on February 3, 2022.

Resolution Setting Election for May 3, 2022, Resolution 2022-03 – Assistant Manager Reinertsen identified the terms of office for Directors Peck, Slauson, and Mcelley will expire in May 2022. Director Peck is term-limited from running for office. These three terms are of a duration of 3-years due to the revised election cycle as per State Statute.

Director Diffendaffer moved to appoint Assistant Manager Guy Walker as the District's Designated Election Official. Director Slauson seconded, and the motion passed unanimously.

Director Diffendaffer then moved to adopt Resolution 2022-03, the 2022 Clifton Water District Election Resolution (*1/2/22File, Resolutions, Elections*), setting the election for May 3, 2022. Director Slauson seconded, and the motion passed unanimously. Resolution text is as follows:

Utility Billing Software Upgrade – Manager Jones presented a Staff report identifying the need for a new District Billing and Financial software package. He stated that the new software vendor shall have a product that covers all aspects of the District's financial needs, including: General Ledger, Accounts Payable, Utility Billing, Purchasing, Payroll, and Cash Receipts. It was the consensus of the Board to have Staff begin the process to identify a new vendor that meets the

District's financial and billing software needs. Information only, no formal Board action required at this time.

Staff members Jones, Obadia, Reinertsen, Walker, Beebe, Lenihan, Lehmann, Edmonds, and Brown exited the meeting at 6:26 pm.

EXECUTIVE SESSION

At 6:27 pm Director Peck moved to go into Executive Session per C.R.S. 24-6-402(4)(c) for discussing personnel matters. Director Diffendaffer seconded, and the motion passed unanimously.

The Board exited the Executive Session at 7:49 pm.

Manager Jones returned to the meeting.

The Board asked Manager Tooker to remain on staff and gave him a new position as a consultant to the Board. He will work on developing a Planning Report and work on the Major Capital Improvement Plan for the District.

ADJOURNMENT

The Regular Meeting was adjourned at 7:50 p.m. by Chairman Peck.

**ATTEST:**

  
\_\_\_\_\_  
Dale Peck

Excused  
\_\_\_\_\_  
Stan Sparks

  
\_\_\_\_\_  
Melvin Diffendaffer

  
\_\_\_\_\_  
Michael Slauson

Excused  
\_\_\_\_\_  
Dan McElley