

MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING

CLIFTON WATER DISTRICT

JUNE 11, 2026

BOARD MEMBERS PRESENT: Mel Diffendaffer, Dan McElley, Nick Genova, and Jeff Cook. Michael Slauson attended virtually.

ABSENT: Dan McElley.

STAFF MEMBERS PRESENT: Jennifer Pettingill, Blair Wade, Ty Jones, Mike Simpson, Isaac Brown, Stephen Silva, Tyrell Elliott, and Rene Fick.

GUESTS PRESENT: Alexandria Ventre with CliftonLarsenAllen Certified Public Accountants (*virtual*), Jerry Wade, and Brandon Hoskins.

REGULAR MEETING – CALL TO ORDER

Chairman Diffendaffer called the June 11th, 2026, Regular Meeting to order at 5:00pm.

GUESTS

Brandon Hoskins expressed concern regarding the drought rates. Approximately 90% of his usage is for watering livestock and he is unable to cut back on that. He requested an agriculture exemption from the drought rates. Chairman Diffendaffer asked if he has any other source of water. Brandon responded that he does have non-potable irrigation, but uses domestic water in the winter. Manager Jones explained that there is the option to switch to a commercial rate. Chairman Diffendaffer noted that we can work with him and Manager Jones will contact Brandon regarding commercial rates.

FINANCE DEPARTMENT

Alexandria Ventre with CliftonLarsonAllen presented the 2025 audit report. She explained that an unmodified (clean) opinion was issued, indicating that the financial statements are free from any material misstatements. Noting the District's overall performance, total net position was \$55.7 million, up 5.4% from 2024. Total operating income increased by \$1.1 million and total liabilities decreased by \$960k. She noted the District has an overall forward-looking budget, including a list of capital improvement projects. A material weakness had been identified – specifically related to internal controls that were not in place to ensure that capital assets activity was accurately tracked, reconciled, and reviewed.

PUBLIC HEARING

Chairman Diffendaffer called the public hearing to order, to consider the petitions of inclusion submitted by Hawks Nest, LLC for 3250 B 1/2 Road, Grand Junction, CO 81503, Tax ID # 2943-261-00-131; Tim & Kym Bevan for 3112 A 1/2 Road, Grand Junction, CO 81503, Tax ID # 2943-342-06-001; Dana Lynn for 278 32 1/2 Road, Grand Junction, CO 81503, Tax ID # 2943-261-00-048; Mark & Denise Vollmar for 3145 B Road, Grand Junction, CO 81503, Tax ID # 2943-342-00-079.

Brief discussion ensued with Manager Jones commenting that there are eight more Out of District customers left and staff are working on getting the petitions from these customers.

Chairman Diffendaffer moved to approve Resolution 2026-13 To Include Private Property 3250 B 1/2 Road, Resolution 2026-14 To Include Private Property 3112 A 1/2 Road, Resolution 2026-15 To Include Private Property 278 32 1/2 Road, and Resolution 2026-16 To Include Private Property 3145 B Road. The motion was seconded by Secretary Cook. Motion carried unanimously.

MINUTES OF THE MAY 13TH 2026 WORKSHOP, THE MAY 14TH 2026 REGULAR MEETING, AND THE MAY 27TH 2026 SPECIAL MEETING

Secretary Cook moved to approve the Minutes of the May 13th Workshop, the May 14th Regular Meeting, and the May 27th Special Meeting, seconded by Director Genova. Motion carried unanimously.

FINANCIAL REPORT

Treasurer Slauson moved to approve the Accounts Payable checks, in the amount of \$672,852.36, seconded by Chairman Diffendaffer. Motion carried unanimously.

FINANCE DEPARTMENT (continued)

Finance Staff Report

- Financial Summary – Finance Manager Wade stated that, as of the end of April, total operating revenue collected was 26.92% of the budget, with non-operating revenue at 35.98%. The District has expended 37.28% of the operating budget, and 11.18% of the non-operating budget.
- Grant applications – The District is looking into grants for feasibility studies on chlorine generation, and a river intake structure. Finance Manager Wade explained that such feasibility studies can be used as leverage for larger grants should the District follow through on either, or both. Staff will be seeking Board approval to apply for these grants soon.
- 2027 Budget – District Managers have been given their 2027 budget assignments and the due date for the initial budget has been set for August 1st. Secretary Cook and

Treasurer Slauson are on the finance committee and the first budget meeting is expected to be held in September.

HUMAN RESOURCES DEPARTMENT

Human Resources Staff Report.

- Hiring Updates – The new distribution technician started on June 1st.
- Employee Policy & Handbook Updates – HR Manager Pettingill stated that there will be some policy updates presented at the next meeting and the employee handbook revisions are pending the outcome of certain updates regarding marijuana from the Drug Enforcement Agency.

ENGINEERING/CONSTRUCTION DEVELOPMENT

Engineering Report

- Water Treatment Plant Project – Design is still ongoing.
- Colorado River Transmission Main Crossing Project – This project will be completed once the expansion couplings arrive.
- Desert Road Pump Station – Design is almost complete, with only some fine tweaking being done by engineering firm SGM. Upon completion, it will be included in the permit application with Mesa County. Chairman Diffendaffer asked for an estimated time on completion of this project. Manager Jones responded that the goal is to get it done in 2026, adding that staff are waiting on easement approvals from the City of Grand Junction.
- Storage Tank rehabilitation – Demolition will start with the tanks on Whitewater hill and staff are finalizing the agreements with the contractors.
- Reeder Mesa Fill Station – Manager Jones stated that this fill station has actually been up and running as of 20 minutes ago and staff have removed the cones from the driveway to the fill station.

OPERATIONS

It was noted that water consumption decreased in April and can most likely be attributed to lower temperatures during this period.

ADMIN/OFFICE

Manager's Report

- Drought Response Plan – Manager Jones stated that the revised version will most likely get adopted next month. He stressed the importance of this document, adding that it forms a critical piece for grant funding and provides direction to Drought Response Information Project (DRIP) regarding public outreach. One of the main changes is that each entity will determine their own trigger(s) for enacting drought rates but also a general agreement that messaging should be unified.
- Water conditions – Manager Jones provided some feedback The Historic Users' Pool (HUP) meeting, which consists of water management entities from all across the state. Some state and federal representatives were also in attendance and appeared to be willing to work together in this exceptionally dry year. He stated that Grand Valley Irrigation Company (GVIC) is cutting shares to what shareholders are supposed to have. All headgates have been tagged and overall, it appears that the conservation efforts seem to be working.
- Resolution 2026-12 Adopting Exhibit II 2026 Rates and fees – Manager Jones explained that the drought rates approved at the May 27th Special Meeting included fill station rates at a multiplier of two, resulting in a drought rate of \$22.40 per 1,000 gallons. Following consideration of customer input on this specific rate, the multiplier was updated to 1.4 times the current rate, essentially reducing the fill station drought rate to \$15.50 per 1,000 gallons. The Whitewater base rate of \$46.55 for the first 3,000 gallons was used in calculating this price. Manager Jones explained that it was difficult to determine a comparison rate, keeping in mind that the fill station is located in Whitewater, along with drought rates being in effect. Director Genova moved to adopt Resolution 2026-12 Adopting Exhibit II 2026 Rates and Fees, seconded by Secretary Cook. Motion carried unanimously.

ADJOURN MEETING

Meeting Adjourned at 5:43pm by Chairman Diffendaffer.

ATTEST:

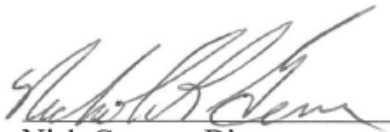

Mel Diffendaffer, Chairman

Absent

Dan McElley, Vice Chairman


Michael Slauson, Treasurer


Jeff Cook, Secretary


Nick Genova, Director