

# **MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING**

## **CLIFTON WATER DISTRICT**

**JUNE 12, 2025**

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

**STAFF MEMBERS PRESENT:** Jennifer Pettingill, Jacob Lenihan, Blair Wade, Ty Jones, Mark Dalley, Stephen Silva, Kyle Bishop, Tyrell Elliot, Branden Edmons, and Rene Fick.

**GUESTS PRESENT:** Tony Ibarra, Bonnie Kosanke, Gary Martinez, Cory & Adra Arpke, Ed Buniger, Joseph Pologar, Paul & Laurie Allen, Dr. Lawrence Hicks, Chris Gutowski, Troy & Bonnie Shackles, James Davis, Kim Roschel, Robert & Janet Hyde, Lynn Hezlep, Richard Newton Sr., Richard Newton Jr., Karen Campbell, Dale Adams, Randal & Tess Daniels, Wade & Yolanda Pacheco, Jamie Richards, Doug Noble, Hugh & Ann Hasley, David Upchurch, and Amber Swasey.

### **PUBLIC HEARING – CALL TO ORDER**

Chairman Diffendaffer called the public hearing, to consider the inclusion of all Out of District parcels within the future service area, to order at 5:01pm. He stated that Manager Jones will start the public hearing with a brief explanation of the inclusion process, followed by comments and questions from guests present. Manager Jones provided information on the current status of service to Whitewater. The 12” line on 32 Road is currently the only river crossing into Whitewater. A second line had been in place but was taken out of service years ago due to a break under the river. Re-establishing this connection, by installing a pipeline under the pedestrian bridge just a little farther east, is already in progress. This line will serve as a backup to ensure continued service to Whitewater. He added that some of the storage tanks on 32 Road will need rehabilitation, and upgrades to the Desert Road pump station are also needed. The current status of the pipeline installation on Coffman Road was provided, along with noting that the Bean Ranch Road project is still being researched.

A map of the current service area and the proposed new boundary, Exhibit A of Resolution 2025-11, was reviewed. Manager Jones explained that this area currently has both Whitewater In District and Out of District Customers, adding that rates for Out of District customers are higher than the

In District rates. The District is no longer offering any new Out of District service – new customers are able to purchase a tap but it will need to be accompanied by a petition for inclusion. Existing Out of District customers can petition for inclusion and thereby become Whitewater In District customers, along with obtaining the lower, Whitewater In District rates. The petition for inclusion fee is currently set at \$500. He explained that the District started charging this fee as there are publication and legal costs incurred by the District to complete the inclusion process. Clarification on the inclusion process vs. the ballot measure was requested. Manager Jones explained that if the inclusion vote passes, all the parcels within the boundary, as illustrated in Exhibit A, will become Whitewater In District. Immediate benefits for Out of District customers would be the lower, Whitewater In District rate. All property owners within the new boundary will be considered as White Water In District, whether they are existing customers or not, and will no longer need to petition for inclusion, nor pay the \$500 fee. Essentially, the District will cover the costs of the ballot measure, instead of new Whitewater and current Out of District customers paying \$500 per petition for inclusion.

The proposed boundary was discussed next, with Manager Jones explaining that the boundary was determined based on the area that the District can serve. Discussion ensued on future service in Whitewater, and Manager Jones noted that Bean Ranch Road will most likely be a 3” line but different options are still being researched. The size of this line was questioned and he explained that maintaining pressure is essential, and too big of a line may cause water to remain in the line and become stagnant. The inclusion process was questioned again and Manager Jones explained that the State lays out guidance on the inclusion process, and following this public hearing, the Board will choose to either direct him to continue with the process or cease any further actions. The steps following the November elections, should the measure pass, will most likely involve the courts and staff will obtain clarification on how quickly the Whitewater In District rates can be applied. It was questioned how the next steps and progress will be communicated to customers. Manager Jones responded that any new information will be published on the District’s website. Billing inserts will not work as the District outsources printing and is unable to select which customers get the insert and which do not.

Water pressure was discussed next, and Manager Jones commented that the District does not guarantee pressure. The District is responsible for installing adequately sized lines and pressure in the valley varies from 50psi to 150psi. Whitewater has a variety of pressure zones, some areas are gravity-fed, and some areas are boosted by the pump stations. Fire hydrants were briefly discussed, with Manager Jones explaining that they are a part of the system and the District aims to install as many as is feasible. The District’s reasoning for the inclusion process was questioned as it would mean less income as a result of losing the higher, Out of District rates. Vice Chairman McElley noted that the District’s goal is to treat customers equally. Manager Jones added that from a customer service point of view, it is hard to explain why one customer is Whitewater In District when property right next door is Out of District. He admitted that it will cause a reduction in revenue, but it is also a clean-up effort on the District’s part. There will most likely always be a different rate between Whitewater In District and the remaining In District customers as, due to the distance, it costs a lot more to provide service to Whitewater.

The Bean Ranch Road project was discussed with Manager Jones stating that he hopes to start this project in about two years. The Desert Road pump station is a higher priority at this point and the

different options are being discussed. The District's tap fees were discussed, with a comment that the pricing is not that bad, in comparison to the almost \$40k tap fees in Eagle County. Director Genova added that a vote for inclusion will not mean an increase in taxes, that since the 1980's, the District no longer collects taxes. This was accomplished through an opt-out vote and would need voter approval to opt back in. Rates and fees were adjusted to cover expenses following the opt-out vote. Manager Jones added that in the end, the inclusion will make it easier for the District to service its Whitewater customers as there would be no more confusion on rates, and customers stay with what they have. Gratitude was expressed to the Board for undergoing this inclusion process.

Chairman Diffendaffer continued with the regular meeting. He entertained a motion to proceed with the inclusion of all Out of District parcels within the Whitewater future service area, exercising the Clifton Water District Board of Directors' statutory authority to alter the boundaries of the District by inclusion of additional real property in accordance with §C.R.S 32-1-401(2)(a)(II). Vice Chairman McElley made the motion, seconded by Secretary Cook. Vice Chairman McElley amended his motion to include authorizing Manager Jones to sign any documentation necessary for the inclusion process. The amended motion was seconded by Chairman Diffendaffer. The motion carried unanimously.

## **MINUTES OF THE MAY 7<sup>TH</sup> 2025 WORKSHIP AND THE MAY 8<sup>TH</sup> 2025 REGULAR MEETING**

Director Genova moved to approve the Minutes of the May 7<sup>th</sup> 2025 Workshop, and the May 8<sup>th</sup> 2025 Regular Meeting, seconded by Treasurer Slauson. Motion carried unanimously.

## **FINANCIAL REPORT**

Treasurer Slauson moved to approve the Accounts Payable checks, in the amount of \$478,631.91, seconded by Director Genova. Motion carried unanimously.

## **FINANCE DEPARTMENT**

### Finance Staff Report

- 2024 Audit – Finance Manager Wade stated that the audit report and financial statements are not quite ready, still drafts at this time. It appears that the audit will receive an unqualified opinion, which is the most favorable. This means that the financials are presented fairly, with no misstatements. The auditors will be presenting their audit report at the July meeting.
- Financial Reports – Total operating revenue collected, as of the end of April, was 27.89% of the budget. The District expended 25.7% of the operating budget, and 11.1% of the non-operating budget.

- 2026 Budget – Finance Manager Wade noted that managers and supervisors have received their budget assignments and initial budgets are due August 1<sup>st</sup>. The first finance (formerly the budget) committee will meet at the end of August for budget review.
- Internal Control Policies – Finance Manager Wade stated that she is continuing work on policy updates. A budget overrun policy and a capital assets policy are currently in progress. The latter includes purchasing, quotes, and determining the useful life of an asset, along with asset disposal. She noted that internal policies like these will aid with ensuring the District remains consistent, while also following applicable laws.

## **HUMAN RESOURCES DEPARTMENT**

### Human Resources Staff Report

- Special District Association Workshop – HR Manager Pettingill reminded the Board of the workshop scheduled for June 24<sup>th</sup> at 8am.
- Health Insurance – Colorado Employer Benefit Trust (CEBT) has provided estimates on the expected health insurance rate increases for 2026. More information will be available late August / early September, but for now, it looks like the increase may fall between 13% and 18%. HR Manager Pettingill explained that the increases are across the board, and post-COVID spikes in healthcare utilization, and higher claims costs within the CEBT and the SDA health pool are contributing factors.

## **ENGINEERING/CONSTRUCTION DEVELOPMENT**

### Engineering Report

- Water Treatment Plant Project – Assistant Manager Lenihan explained that engineering firm CDM Smith is moving forward with this project, with the goal of meeting all the state requirements for the revolving loan fund. Phase 1B will bring the project to 75% design, and at that point, equipment procurement was supposed to start. Colorado Department of Public Health and Environment (CDPHE) stated that the project needs to be at 100% design, as part of the state revolving load fund requirements. He added that it will be at the discretion of the CDPHE engineer assigned to the District, and may have to shift to a design-bid-build.
- Coffman Road Transmission – Mountain Valley Construction has completed installation of the 4k ft of 12” main line. Manager Jones noted that he, and staff from Distribution, met with Mark Gardner, of Whitewater Building Materials, to discuss and stake out the easement line.
- Storage Tank rehabilitation – A request for proposal (RFP) was sent out for evaluation of the Whitewater storage tanks. Out of the four storage tanks on the corner of 32 Road, only

one is currently in service. It was last inspected in 2022 and will most likely need to be recoated on the inside. The RFP will aid in determining what can be done with the two smaller tanks while the larger tank is getting resurfaced. Only two proposals were returned and the District chose the most cost-effective proposal that also scored the highest. Assistant Manager Lenihan further noted that the proposals were only for evaluation, not construction, and that it ties into the sanitary survey.

## **OPERATIONS**

### Operations Report

- Children's Waterfest 2025 – Assistant Manager Lenihan stated that staff did a great job with their display and brought new ideas and classes to this years' Waterfest.
- Risk Management Plan – Update of the risk management plan has been completed. It is required, every five years, due to the Chlorine gas on site.

## **ADMIN/OFFICE**

- Policy 415: Grand Valley Irrigation Company Shares and Water Right Development Fee Requirements for New Developments – Director Genova moved to approve the revised Policy 415, seconded by Vice Chairman McElley. Motion carried unanimously.

### Managers' Report

- Zebra Mussels – Manager Jones provided feedback from a June 11<sup>th</sup> Colorado Parks & Wildlife meeting. They have actually added positions to aid in testing and monitoring for zebra mussels, along with an overall increase in testing. Testing at Highline lake has increased, having found three boats with live mussels. They are also including paddleboards and other non-motorized watercrafts.


## **ADJOURN MEETING:**

Meeting Adjourned at 6:40pm by Chairman Diffendaffer.

**ATTEST:**

  
Mel Diffendaffer, Chairman

  
Dan McElley, Vice Chairman

  
Michael Slauson, Treasurer

  
Jeff Cook, Secretary

  
Nick Genova, Director