

MINUTES OF THE MAY 7, 2025 WORKSHOP

CLIFTON WATER DISTRICT

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

STAFF MEMBERS PRESENT: Jennifer Pettingill, Jacob Lenihan, Eric Schoeny, Ty Jones, Blair Wade, and Rene Fick.

GUESTS PRESENT: None.

WORKSHOP – CALL TO ORDER

Chairman Diffendaffer called the May 7th, 2025 Workshop to order at 12:01pm.

- Whitewater Inclusion draft Resolution – Engineer Schoeny presented a draft Resolution for the Whitewater inclusion, cautioning that it is very much a draft at this point. The first step of a mass inclusion process is the adoption of a Resolution expressing the District's intent. The process is dictated by State statute and the next steps include a public hearing after notification to those landowners the District aim to include. Manager Jones explained that Mesa County will need to know the District's decision by July 24th in order to proceed with adding the inclusion vote to the ballots of the November consolidated election. Secretary/Treasurer Slauson questioned if opposition to the inclusion is expected, with Vice Chairman McElley asking about the views of other utility companies in the area. Engineer Schoeny noted that the City of Grand Junction is aware of the District's proposed inclusion, and he was uncertain whether Ute Water Conservancy District had the infrastructure, or the desire, to serve the Whitewater area. The Exhibits to the Resolution was discussed, noting that attorney Kirsten Kurath recommended that one Exhibit be a full list of parcel numbers to be included. Chairman Diffendaffer questioned the factors that determined the proposed new District boundary. Engineer Schoeny provided information on the four different pump zones in Whitewater and the elevation of the current pump stations. He further noted that the proposed boundary reflects what staff feel the District can effectively serve taking into consideration the pump zones. Vice Chairman McElley asked if there would be any benefit to connecting Dessert Road and Hidden Valley lines. Manager Jones responded that the Hidden Valley pump station is operating adequately right now but at some point in the future, it may be connected to the Dessert Road line with the goal of decommissioning Hidden Valley. He added that multiple scenarios are possible, but the Dessert Road pump station is the most urgent in need of repair. This pump station is also not in the best location and the option of moving it a few miles down the road is being explored, along with possible alternative locations. Secretary/Treasurer

Slauson asked about the cost of the inclusion process. Manager Jones replied that \$125k was budgeted for the 2025 election and that has since been cancelled, leaving the amount unspent. Since the inclusion process involves voting through a ballot measure, it would fall under the same budget item. Discussion ensued on the possible reasons for Whitewater residents to oppose, or support, this inclusion decision. Manager Jones noted that one favorable aspect would be providing fire protection with the installation of bigger lines at some point in the future. He stated that a narrative will be included in the election info booklet sent out to electors. Director Genova pointed out the need for the District to be honest about what will be provided, and that this will not result in an increase in taxes. It was noted that with such a mass inclusion process, the \$500 inclusion fee will be eliminated for the owners of these parcels, and those existing Whitewater customers that are currently classified as Out of District. Brief discussion followed on the costs of replacing the Dessert Road pump station, with Chairman Diffendaffer asking for a rough estimate. Manager Jones responded that it could cost around \$300k, noting that bringing 3-phase power to the pump station will be the most expensive.

- Coffman Road – It was briefly explained that the District saw an opportunity to install much needed water infrastructure on Coffman Road during a county project where the road was going to be excavated anyway. The District provided materials for this project and Mountain Valley Contracting (the company that was awarded the project by Mesa County) is making progress on installing the first 4k feet. Manager Jones explained that another estimated 7k feet is needed to tie into 1st Street. He further noted that even though the District has some other priorities, continuing with the remaining 7k feet makes a lot of sense. The budget currently contains \$500k for this project and he is asking the board to think about dipping into the contingency fund in order to complete this project. Director Genova asked what will be gained by this project. Manager Jones responded that fire flow and the capacity for expansion are benefits to adding this line and if that line is extended underneath Highway 50, better flow will be an additional benefit. It was noted that with the Golden Gate opening up in Whitewater and more development, getting fire flow to Whitewater is getting critical. Director Genova expressed his support for getting this 7k feet installed. Manager Jones noted that Board action will be needed at some point for authorization to change budget line items. Manager Jones stated that Mountain Valley Contracting is completing about 500ft per day and staff are estimating a pace of 300ft per day for Distribution staff to complete the remaining 7k feet. He added that it is hard to estimate the project duration as any emergency will pull staff off this project. The 12” line being installed can be done with District equipment and no equipment rental will be necessary. He explained that the District owns a 2014 backhoe and a 2022 backhoe. If this project is to proceed, one backhoe can be traded for another mini excavator. The 2014 backhoe is only borderline effective on pulling poly service lines of a certain length and staff had requested a more powerful excavator. The estimated selling/trading price for the 2014 backhoe is around \$35k - \$40k and replacing it would cost around \$90k. Director Cook asked about equipment rental and Manager Jones responded that the District has done so in the past, most recently for pond clean-out. The District used to co-own equipment with another entity but that had caused issues with maintenance and repairs, resulting in an end to that agreement. He stressed the advantages of having another mini excavator including safety features and smaller lane closures during road projects.

- Board Committee assignments – Manager Jones listed the historic Board committees, adding that the goal is to start with the necessary committees and trim down the ones that are not needed. He added that the monthly workshops will continue as needed in preparation for the monthly meetings.
- Reeder Mesa Fill Station – Preliminary documentation has been submitted to Mesa County.
- Payroll Taxes 2024 – HR Manager Pettingill explained that the quarterly payroll taxes for the 4th quarter of 2024 was accidentally made under the 3rd quarter of 2024. The error was quickly discovered, and the IRS was contacted. The District received a notice in March 2025 that \$36k is owed. After multiple phone calls, an IRS agent informed staff that the payment was never recorded under the 3rd quarter of 2024 and was instead applied to back taxes owed from 2019 & 2020. After some extensive research it was determined that the District had filed an abatement requesting the \$16k in penalties be forgiven. The IRS had decided those penalties will remain due and never notified the District. General discussion ensued with it being determined that the amount due should just be paid, and refunds on penalties and interest can be pursued afterwards. She added that she has proof of paying the quarterly taxes on time, it was just paid under the incorrect quarter. Vice Chairman McElley commented that the IRS generally applies payments to past due payments to avoid the accrual of penalties and interest. She added that further research has led staff to believe that payroll tax payments in the past may not have been made on time and the transaction register for 2018 - 2022 has been requested from the IRS. Director Genova noted that it should not have happened, payments should be made on time but also adding that the responsible staff member is no longer with the District. HR Manager Pettingill added staff are working on getting it all cleared up but working with the IRS is not always the easiest.

ADJOURN WORKSHOP:


Workshop Adjourned at 1:04pm by Chairman Diffendaffer.

ATTEST:


Mel Diffendaffer, Chairman


Dan McElley, Vice Chairman


Michael Slauson, Secretary/Treasurer


Nick Genova, Director


Jeff Cook, Director