

**MINUTES OF THE BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
September 19, 2023**

BOARD MEMBERS PRESENT: Michael Slauson, Dan Mcelley, Mel Diffendaffer, Wesley Davis, Nick Genova

STAFF MEMBERS PRESENT: Jessica Isley, Guy Walker, Jake Lenihan, Eric Schoeny, Mark Dalley, Stephen Silva, Ty Jones, Jennifer Pettingill, Isaac Brown, Michael Simpson

GUESTS PRESENT: Sonya Rigg.

REGULAR MEETING

Chairman Diffendaffer called the meeting to order at 3:03 PM

MINUTES OF AUGUST 10, 2023 REGULAR MEETING

Director Melley made a motion to approve, Director Slauson made the second and the motion passed unanimously.

FINANCIAL REPORT

Michael Slauson made the motion to approve AP checks for a total of \$508,868.99. Director Slauson made the second and the motion passed unanimously.

FINANCIAL REPORTS

Jessica Isley gave an update on the COLOTRUST account that we have increased utilization in. She has set up a schedule to make monthly deposits to act as savings to use for our current and future bond payment obligations. This account has been doing well with earning interest but noted that these rates do fluctuate with the market.

Mrs. Isley plans to put out an RFP for audit services for 2023-2027. This should be ready by September 25th with a deadline of October 27th. This would then be submitted to the Board at the November Board meeting for discussion and approval. The plan is to put out an RFP every 5 years.

Mrs. Isley stated that the 2022 Audit is not yet ready to be submitted to the Board. It is due by September 30th. We will have to call a special Board meeting to present the Audit prior to submitting to the State.

The Finance committee met on August 29th and minutes were included in Board packet. Director Mcelley made a motion to approve the Finance Committee minutes. Director Genova made the second. The motion passed unanimously.

Each year the District must designate a budget official responsible for preparing and presenting a budget for the following year. This has historically been the District Manager. Director Genova made the motion for Manager Jones to be the designated budget official for the District. Director Slauson made the second. Motion passed unanimously.

There was a discussion about Rates and Fees for 2024. This had been properly posted on our website 30 days prior to the meeting. There were many items discussed.

- Combine System investment fee with monthly minimum to help eliminate confusion for the customers.

- Round the tiers of our water rates to whole numbers

- Do we want to make small annual increases to our base rate or several dollars every few years? How much should they increase for 2024?

- There was a discussion on units being served vs. the number of actual taps.

- Discussed base rate and how we compare to the rest of the providers in the valley

- Discussed our rates vs. others who primarily treat the Colorado River

- There was a discussion on state and national water rates
- There was a discussion on our Capital improvement goals and the financial needs of the District
- There was a discussion on alternative funding options. Staff reported that we are looking at the possibility of Grant funding. We will need to address TABOR and the restrictions associated prior to accepting any State grants.
- There was a discussion on the need for a comprehensive rate study in the future.
- Staff discussed the District's strategic plan and the Capital Improvement Plan and the need to continue to review and update as possible.
- The Board asked that we notify customers of rate changes as far in advance as possible and on more than one occasion if possible.

After a lengthy discussion, Director Mcelley made the motion to raise the minimum monthly water rate by \$3.00 and to round the rate tiers to whole numbers. The \$3.00 rate increase is to reflect \$1.50 for Operating costs and \$1.50 for Non-operating costs as suggested by Mrs. Isley. Director Genova made the second. The motion passed unanimously with the new rates being effective and reflected on the first billing after January 1st.

HR DEPARTMENT REPORT

CEBT benefits renewal – Mrs. Pettingill reported that our health insurance premiums through CEBT will increase by 3.5%. She also stated that this seems quite reasonable. We do not wish to change the plans offered to CWD employees this year. There will be no change to our Dental rates. There will be no change to the Vision rates. There will be no change to the Life Insurance rates. There was a staff recommendation to approve the rate increase of 3.5% for our health insurance.

Principal renewal: Our rates for short term disability will be reduced by 80%. Long term Disability rates are unchanged. Voluntary Life rates are unchanged for 2024. Accidental insurance will see a 20% decrease. We will no longer provide Legal shield.

Director Genova mad a motion to approve the table of benefits as presented. Director Slauson made a second on the motion. The motion passed unanimously.

Staffing: Guy Walker is going to leave the District and 9/28/23 will be his last day. We posted for a Customer Service rep on 9/15/23. We did post for a Distribution Maintenance position on 8/15/23. Michael Simpson was moved into the newly created position of Front Office Supervisor. The Assistant Manager position for Admin will not be filled and the position replaced with the Front Office Supervisor position.

Mrs. Pettingill wanted to relay to the Board that our staff has been receiving a number of compliments from our customers. She said this is a good indication that our staff is happy and are performing well.

The Employee Handbook has gone to the Policy Committee for review and Jennifer is hopeful it will go to the full Board in November.

The District did receive notice from CDL&E that they will be performing an audit primarily on our 2022 records. We believe this may have been triggered due to the fact 1099's have not appeared to have ever been filed by the District. They have requested records and the audit will begin on October 16th.

Mrs. Pettingill notified the Board of some changes to contact information for Colorado Special Districts. This is due in part to Mr. Walker's departure. The new contact suggestions are: Alternate Representative will now be Jennifer Pettingill, Work comp contact for claims will be Jennifer Pettingill, Work comp contact will be Jennifer Pettingill. Ty Jones will remain as the Member Rep and will be a backup for Workmans Comp. Director Diffendaffer made a motion to adopt those proposed changes. Director Davis made the second. The motion passed unanimously.

Records Retention schedule: Jennifer Pettingill proposed the District adopt the State of Colorado Special District retention schedule. Director Genova made a motion to approve. Director Diffendaffer seconded the motion. The motion passed unanimously.

ENGINEERING/CONSTRUCTION DEVELOPMENT REPORT

The District put out a Request For Qualifications (RFQ) for a Master Site Plan for our main location. This included looking at potential raw water retention ponds, as well evaluation of wetlands and the flood way-flood plane. SGM was the only engineering firm to submit on this.

This is in the budget for 2023 and should be complete near the end of the year. Director Diffendaffer made the motion to allow Manager Jones to sign the agreement with SGM once staff and our attorney are comfortable with the language. Director Genove seconded the motion. The motion passed unanimously.

TREATMENT/DISTRIBUTION

Assistant Manager Lenihan discussed the activities of the departments for the month. He reported that staff has bypassed the North Whitewater tank in order to improve flows as well as shorten water age in our system. Mr. Lenihan reported that Black & Veatch is nearly finished with our Whitewater area modeling. This does indicate areas where we may need to improve our system for current and future demands.

OFFICE/ADMINISTRATION

Assistant Manager Walker presented a letter from Sonya Rigg who is the property owner at 552 34 Rd asking to start the process to be included into the District. The Board agreed to allow District Staff begin the process. This will be brought to the Board at a later date for a hearing and to take formal action.

Mr. Walker presented a request to be served as an Out of District customer. The customer is David Upchurch requesting for his property located at 1354 Siminoe Rd. He does meet all the requirements of the District for those being served by the Desert Road pump station, with the exception it is not yet his primary residence. Director Davis made the motion to approve the request. Director Diffendaffer seconded the motion for approval. The motion passed unanimously.

MANAGER'S REPORT

Manager Jones led a discussion on the District's Wet Tap costs. Costs have changed significantly since this was last updated. The new costs proposed for 2024 are: 12" tap - \$7,500, 10" tap - \$6,500, 8" tap - \$4,500, 6" tap - \$3,500, 4" tap - \$2,500, 2" tap - \$1,200. Director Mcelley made the motion to approve the new fees. Director Genova seconded the motion. The motion passed unanimously.

Mr. Jones went through a list of other rates and fees as an informational discussion as well as discussed options of changing the fee, renaming them or leaving them alone.

- **Late fees** – currently \$1.00. Discussed the timing of adding to the customers bill to allow the customer additional time to pay prior to being assessed the late fee. The option of waiting until the account is 2 months past due before adding the late charge. Also discussed changing the fee to \$5.00 per occurrence.
- **Convenience fee** – Currently \$2.50 – leave as is.
- **Third party billing fees** – Currently \$10 annually. Would like to remove that fee but combine it with Connect fees.
- **Connect Fees** - This is currently charged for all new customers. This fee is currently \$20.00
- **Shut Off Fees** – Currently \$50.00 for In District and \$75.00 for Out of District. Would like to have the fee of \$50.00 for all customers.
- **Final Cancellation** – This fee is \$30.00 for In District and \$45.00 for out of District. Staff would like to make this \$30.00 for all customers.
- **Cut Lock Fee** – Current charge of \$10.00. Would like to leave unchanged.
- **NSF (Returned Item Fee)** – Currently \$20.00. Would like to leave unchanged.
- **Fire Hydrant Meter** – Current charge \$20.00. Would like to leave unchanged.
- **Test Meter Fee** – Current charges are \$35-\$130 In District and \$52.50 - \$195 for Out of District. Would like to adopt the current In District rate for all customers.
- **Out of District Water Rates** – Discussion of combining with In District rates ensued. No recommendation for that change was made at this time.
- **Hidden Valley Water Rates** – Staff recommends matching these rates to that of the Out of District rate structure.

- **Tap Fees (Plant Investment Fee)** – Staff would like to change the name to be “Tap Fee”.

Director Genova made a motion to approve as outlined and was amended to be effective Jan 1st. Director Davis seconded the motion. The motion passed unanimously.

There was further discussion on changing the name of “Out of District” customers to “Whitewater” customers. There was no final decision on this.

There was no Executive Session.

The meeting was adjourned at 6:58 PM

ATTEST:


Melvin Diffendaffer


Dan Mcelley


Michael Slauson


Wesley Davis


Nicholas Genova