

MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING

CLIFTON WATER DISTRICT

SEPTEMBER 17, 2024

BOARD MEMBERS PRESENT: Mel Diffendaffer, Dan McElley, Michael Slauson & Nick Genova.

ABSENT: Wesley Davis (excused)

STAFF MEMBERS PRESENT: Jessica Isley, Jennifer Pettingill, Jacob Lenihan, Ty Jones, Eric Schoeny, Mark Dalley, Branden Edmonds, Mike Simpson & Rene Fick.

GUESTS PRESENT: None.

REGULAR MEETING – CALL TO ORDER

Chairman Diffendaffer called the September 17th, 2024, Regular Meeting to order at 5:02pm.

MINUTES OF THE AUGUST 8TH 2024 MEETING

Treasurer Slauson moved to approve the Minutes of the August 8th, 2024, Regular Meeting, seconded by Director Genova. Motion carried unanimously.

FINANCIAL REPORT

Treasurer Slauson moved to approve the Accounts Payable checks, in the amount of \$715,380.33, seconded by Vice Chairman McElley. Motion carried unanimously.

FINANCE DEPARTMENT

Finance Staff Report

- Revenue & Expense Analysis Report – Finance Manager Isley stated that water sales revenue was in line with projections, with July and August being the highest revenue months. Non-operating revenue again exceeded projections, with a total of 13 taps sold in August. Year-to-date expenses are just short of 50% of what had been budgeted. This is due to delays in projects and expenses will increase when those projects start later this year and into 2025.

- 2025 Budget – Finance Manager Isley stated the draft budget will be presented at the October meeting. She added that a budget preparer needs to be appointed by the Board as part of the statute. Director Genova moved to appoint Ty Jones as the preparer of the 2025 budget, seconded by Treasurer Slauson. Motion carried unanimously.

- FY2023 Audit – The auditors are currently in the testing portion of the audit, and once that is completed, it will take approximately two to three days to draw up financials. This will be followed by a quality control process that will take about two weeks. Manager Jones commented that keeping track of the auditing process is considerably easier with this auditing firm as they have an online dashboard where staff can review the status of reports requested and submitted, along with the overall progress being made with the audit.

- CPA Engagement Letter – Finance Manager Isley stated that during previous audits, it had been recommended to hire a CPA firm to review items such as bank reconciliations and financial statements. She presented an engagement letter from Shannon L. Currier, CPA, for the remaining months of 2024, adding that Shannon is located in Colbran, and has experience working with multiple Special Districts in the area. The projected cost for the remainder of 2024 is \$8,000. An engagement letter for 2025 will be provided at a later date, after Shannon has completed a few months of review, allowing her a better understanding of the District’s processes and methods. Manager Jones added that attorney Kirsten Kurath has reviewed this engagement letter. Chairman Diffendaffer questioned if there is any estimate for the 2025 costs. Finance Manager Isley responded that once Shannon is familiar with how the District operates, her travel will most likely decrease along with the associated expense, so an estimate would be difficult at this time. Discussion ensued with Finance Manager Isley explaining that maintaining checks and balances in a small organization is hard and the auditors are unable to assist with this aspect as they need to remain impartial. Director Genova moved to accept the 2024 engagement letter from Shannon L. Currier, for services not to exceed a cost of \$8,000.00, and authorize Manager Jones to sign the engagement letter. The motion was seconded by Vice Chairman McElley. Motion carried unanimously.

- **HUMAN RESOURCES DEPARTMENT**

Human Resources Staff Report

- Current Openings – The new staff member in Distribution started on September 3rd.
- Workplace accidents or injuries – Two workplace injuries occurred in August. HR Manager Pettingill assured the Board that both staff members are doing well. One involved a shoulder injury as a result of lifting a heavy object, and the second a back injury due to the staff member tripping. She added that reporting aspects will be updated in the employee safety manual.
- CDOL Audit – No response yet.
- Employee Handbook Updates – The handbook is currently under review and the final version will be presented to the Board for approval after the 2025 insurance renewal has been finalized.
- 2025 Wage & Benefits Review – HR Manager Pettingill referenced the Labor & Benefits discussion held at the Budget Committee meeting earlier in the day and noted that Board action can be taken at this meeting. She recommended that the Board wait on making a decision as there was a lot of information to absorb regarding the Labor & Benefits options. Chairman Diffendaffer commented that it depends on the budget committee and how they feel about the options. Vice Chairman McElley noted that the full Board should be present for this vote and since Secretary Davis is absent, he proposed a special meeting at a later date. Manager Jones suggested October 3rd at 3pm for the special meeting and the Board was in agreement.

ENGINEERING/CONSTRUCTION DEVELOPMENT

Engineering Report

- Water Treatment Plant Project – Engineer Schoeny stated that a draft technical memorandum from CDM Smith is expected in the next few weeks. Grant opportunities through the Bureau of Reclamation is being researched and he added that CDM Smith has grant writing experts with experience on a local and national level. He presented a master service agreement, stressing that the agreement does not commit any specific funding

amount, but rather outlines and assigns specific tasks. Vice Chairman McElley moved to authorize Manager Jones to sign the master service agreement between CDM Smith and the District, seconded by Chairman Diffendaffer. Motion carried unanimously.

- Projects

- 32 ½ Road & E Road – Bids are being advertised for this project with phase 1, construction of the Grand Valley Irrigation Company bridge, expected to start this fall into 2025. Work on the roundabout is expected to start in the spring.
- E Road, between 33 Road & Green Acres – This project is under design with a potential 2026 construction start date.
- 32 ½ Road, from Friendship Drive to Front Street – This project is under design with construction starting in either 2026 or 2027.

- New Developments – Engineer Schoeny briefly discussed some new developments including a Panda Express on I-70B, gravel mining on Coffman Road, and final approval for Whitewater Village, filing 2. The latter would add 21 lots to this subdivision, essentially doubling the number of lots currently out there.

- Whitewater Master Planning – Modeling is at the stage where future conditions are being considered. The aim is to develop three or four alternatives with an approach that sets aside the costs, and focuses on what a good, logical distribution system would look like.

- **OPERATIONS**

Operations Report

- August Weather Conditions - Water Treatment Plant – Assistant Manager Lenihan commented that due to the precipitation received last month, the Colorado river was quite muddy for most of August. During one event, staff closed the intake as a matter of caution.
- Opengov Asset Management – Assistant Manager Lenihan presented a proposal for an asset management system. He explained that pursuit of such a system had been delayed until the District's GIS was up and running to ensure proper integration with any new asset

management system. Caselle, the District's billing and accounting software program, has a very limited asset management function that allows record keeping on asset value and depreciation only. He added that the Water Treatment Plant has a 17-year old asset tracking system but with updates in Windows operating systems, they are unable to transfer the program to a new computer. The Opengov system allows for location-based asset tracking, including tracking of an asset's original cost, life cycle, depreciation, maintenance schedule, associated labor costs, and materials management. Multiple different options were researched and Opengov stood out as a cost effective system that had the majority of the desired features, including the ability to add users at no additional cost. He added that keeping track of asset maintenance will greatly aid with future planning and budgeting. Parts can be replaced before they break, and the cost of replacements can be properly planned & budgeted for. The Opengov system will keep track of all assets, including those in the District's distribution system, the water treatment plant, the District's fleet, and all heavy equipment. The cost of this system will be \$81,180.05 which is comprised of a one-time implementation fee of \$60,200 and an annual fee of \$20,980.05. Due to the unspent funding allocated to projects in the 2024 budget, money is available for this proposal. He noted that this would be a three-year contract with an expected 5% increase, per year, on the annual fee. Treasurer Slauson asked about Opengov's track record. Assistant Manager Lenihan responded that Mesa County is a satisfied Opengov customer, and he also received a positive reference from a former employee that is currently using their system. Director Genova moved to authorize Manager Jones to enter into an agreement with Opengov, which includes payment of both the implementation and the annual fee, not to exceed \$81,180.05, and approval of a budget transfer for this same amount from the projects line item to the software purchase line item in the 2024 budget. The motion was seconded by Chairman Diffendaffer. Motion carried unanimously.

ADMINISTRATION/OFFICE

- **Bylaws** – The updated version of the District bylaws was presented. Chairman Diffendaffer moved to approve these bylaws, seconded by Treasurer Slauson. Motion carried unanimously.

- **Resolution 2024-09 to appoint the Designated Election Official for the 2025 Clifton water District Election** – Manager Jones stated that 2025 will be an election year and standard election procedure is to appoint a Designated Election Official (DEO). Treasurer Slauson moved to adopt Resolution 2024-09, appointing Michael Simpson as the DEO for the 2025 District election, seconded by Vice Chairman McElley. Motion carried unanimously.

Staff Report

- Meters – Manager Jones briefly discussed the possibility of changing the brand of meters being used by the District due to changes at the local supply level and overall costs per meter. Grant funding is still being pursued for meter purchases.
- CMU logo – There had been some delays in painting of the District’s storage tank due to weather but the CMU logo should be on the tank by the end of the week.

Vice Chairman McElley stated that he will be unable to attend the October 10th regular meeting and he was excused.

ADJOURN MEETING:

Meeting Adjourned at 6:33pm by Chairman Diffendaffer.

ATTEST:


Mel Diffendaffer


Dan McElley


Michael Slauson

excused
Wesley Davis


Nicholas Genova