

MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING

CLIFTON WATER DISTRICT

NOVEMBER 14, 2024

BOARD MEMBERS PRESENT: Mel Diffendaffer, Michael Slauson, Wesley Davis, Dan McElley, and Nick Genova.

STAFF MEMBERS PRESENT: Jessica Isley, Jennifer Pettingill, Jacob Lenihan, Ty Jones, Stephen Silva, Isaac Brown, Brittini Reeves, and Rene Fick.

GUESTS PRESENT: None.

REGULAR MEETING – CALL TO ORDER

Chairman Diffendaffer called the November 14th, 2024, Regular Meeting to order at 5:00pm.

ADMINISTRATION

- RESOLUTION 2024-10 – RESOLUTION CERTIFYING DELINQUENT ACCOUNTS FOR COLLECTION BY THE MESA COUNTY TREASURER.

Manager Jones explained that, as has been done in the past and in line with District Policy #420, customer accounts that meet Mesa County Treasurer’s criteria for certification are being presented today as an attachment to Resolution 2024-10. Letters notifying these customers of the District’s intent to certify their accounts were sent via certified mail. The letters also noted the date, time, and place of this meeting to provide these customers with an opportunity to request exclusion from the certification process and present any relevant evidence regarding the outstanding balance. Front Office Manager Simpson confirmed that no payments have been made to these accounts and the list, as presented, is ready for certification. Chairman Diffendaffer questioned how the District will collect on these accounts and Manager Jones responded that following certification, the District will no longer accept payments on the certified balance. Mesa County will collect the balances as part of their property tax collection process. Chairman Diffendaffer expressed concern that some of these customers may be tenants. Manager Jones responded that letters were sent to

landowners only, and those were all verified with Mesa County Assessor's website so ensure their title information matches that of the District's. Chairman Diffendaffer moved to adopt Resolution 2024-10 - Resolution Certifying Delinquent Accounts for Collection by the Mesa County Treasurer, seconded by Director Genova. Motion carried unanimously.

- ONLINE PAYMENTS PROCESSING – VENDOR OPTIONS

Finance Manager Isley provided some information on the District's former & current payment processing vendors. Initially, the District used Paymentus, and moved to Xpress Bill Pay (XBP) as a more cost-effective alternative a few years ago. Paymentus has since bought out XBP and the monthly fees charged by XBP have almost doubled from 2023 into 2024. When questioned about this increase, XBP responded that fees were reassessed following an internal audit. The District was never notified of this assessment and staff started looking into alternative vendors.

The fee structures provided by InvoiceCloud, a possible new vendor, were reviewed alongside those of XBP. The current transaction processing fee of \$2.50 will need to increase to \$4.00 if the District stays with XBP. InvoiceCloud has a processing fee that would be approximately 2.95% of the payment amount. Both the District and customers would be paying less in fees with InvoiceCloud, and integration with both Caselle, the District's billing software, and Infosend, the District's bill printing vendor, will allow for a smoother conversion and a less time-consuming billing process in the future.

The differences between the two vendors include fee-free payments on auto pay only when paying with a checking account on InvoiceCloud vs. fee-free auto pay for all payment methods on XBP. Treasurer Slauson questioned the impact to customers, and it was explained that customers would need to sign up for auto pay again following the switch. Manager Jones added that staff did discuss a different fee schedule with XBP because of the impact on customers when switching payment vendors. The option offered by XBP had higher fees for customers while reducing the fees to the District. Manager Jones added that InvoiceCloud has an excellent marketing team that will start reaching out to customers three months prior to the switch. The contract with XBP expires at the end of March 2025 and the switch to InvoiceCloud will occur then. InvoiceCloud is also waiving the conversion fee and the paperless billing fee.

Treasurer Slauson questioned the fee increase schedule with InvoiceCloud, adding that he is concerned that the lower fees would only be for the initial contract period in order to gain the District as a customer. Finance Manager Isley stated that the contract stipulates annual increases are to be capped at 5% and even if the maximum increase is implemented every year, InvoiceCloud is still cheaper than XBP. Vice Chairman McElley commented that the District seems to make such changes often and asked about in-house payment processing. Manager Jones responded that there is high risk in having customer payment information kept on-site and processing fees would still be a factor as those are charged by the credit card companies. Discussion ensued on the benefits of InvoiceCloud vs XBP with Front Office Manager noting that InvoiceCloud is very

effective at getting customers to sign up for e-statements which will save the District even more money. He added that the company is based out of Minneapolis and at the recent Caselle conference, he received positive feedback from other InvoiceCloud customers. Director Genova moved to change vendors from Xpress Bill Pay to InvoiceCloud, upon the termination of the Xpress Bill Pay contract at the end of March 2025, and authorize Manager Jones to sign the agreement with InvoiceCloud. The motion was seconded by Treasurer Slauson. Motion carried unanimously.

- RESOLUTION 2024-11 – ADOPTING 2025 RATES AND FEES

Finance Manager Isley presented an updated 2025 Budget, adding that staff open enrollment has ended and this expense now reflects a more accurate amount. She noted that this is still a draft budget and will need to be adjusted with the savings as a result of switching from XBP to InvoiceCloud. The formal adoption of the 2025 Budget has been scheduled for the December 12th meeting and it has been advertised. Three different rate increase options were presented and Finance Manager Isley explained that the rate burden information and guidelines from the Colorado Department of Local Affairs was consulted when considering these options. The most practical guideline was using Median Household Income (MHI) of the areas served by the District, including Clifton, Grand Junction and Whitewater. The guidelines recommend that water costs should not exceed 2.5% of the MHI. The District's revenue requirements was reviewed next, with Manager Jones stating that these options are simply a starting point for this decision. Discussion ensued with Secretary Davis commenting that most customers would prefer no changes to the base rate. Director Genova stated that higher tier rates will encourage conservation. The District's capital improvement projects were reviewed along with their estimated costs. The draft notification letter to customers was also reviewed. Chairman Diffendaffer stated that the District is facing expenses that cannot be met if current billing is maintained. Director Genova agreed, adding that an educational component to customers should be considered, and that the District could provide a mission statement about future expenses the District is facing. Chairman Diffendaffer moved to choose Option C for 2025 rate increases, seconded by Vice Chairman McElley. Motion carried unanimously.

Manager Jones discussed the fees and noted that the proposed 2025 fill station rate will be \$11/gallon, and the Readiness to Serve rate will increase to \$20. An after-hours reconnect fee is being added and will apply when customers pay for, and request their service restored, after hours. The 2025 tap fee schedule was reviewed next with Manager Jones adding that it now states any tap above 4" will require Board action due to the impact a tap of such size would have on the system. Chairman Diffendaffer moved to amend the previous motion to include not only choosing Option C, but to also approve the 2025 fee schedule, seconded by Director Genova. Motion carried unanimously.

Director Genova moved to adopt Resolution 2024-11 – Adopting Exhibit C – 2025 Rates and Fees for 2025, seconded by Secretary Davis. Motion carried unanimously.

MINUTES OF THE OCTOBER 3RD 2024 SPECIAL MEETING

Treasurer Slauson moved to approve the Minutes of the October 3rd, 2024, Special Meeting, seconded by Secretary Davis. Chairman Diffendaffer abstained from voting as he was not present for the entire meeting. Motion carried.

MINUTES OF THE OCTOBER 10TH 2024 REGULAR MEETING

Treasurer Slauson moved to approve the Minutes of the October 10th, 2024, Regular Meeting, seconded by Chairman Diffendaffer. Motion carried unanimously.

FINANCIAL REPORT

Treasurer Slauson moved to approve the Accounts Payable checks, in the amount of \$451,770.48, seconded by Chairman Diffendaffer. Motion carried unanimously.

FINANCE DEPARTMENT

Finance Staff Report

- FY2023 Audit – Finance Manager stated that the financial statements will now be expected in approximately a week. Work has already started on the 2024 audit.

HUMAN RESOURCES DEPARTMENT

Human Resources Staff Report

- New Hire – The new Distribution Technician will start on November 13th.
- District Manager Annual Review – Individual Board member review is due by November 22nd. Chairman Diffendaffer and Vice Chairman McElley requested hard copies of the review form. Vice Chairman McElley questioned the necessity of this process. HR Manager Pettingill noted that the individual review is optional, but she does not recommend abandoning the District Manager review process. An executive session will be scheduled for January 2025 to discuss the overall review outcome with the District Manager.
- Employee Handbook Updates – The updated handbook is to be reviewed by Secretary Davis and Chairman Diffendaffer with the goal of seeking Board approval at the December meeting.

- 2025 Rates or Renewals – Rates on short and long term disability and unemployment renewals have still not been received. The Workmen’s Compensation renewal was less than expected for 2025.

ENGINEERING/CONSTRUCTION DEVELOPMENT

Engineering Report

- Projects
 - 32 Road Water Main Extension – This in-house project, involving the installation of a 10” water main, has been completed. It is currently being tested and is expected to be put into service within the next week.
 - 32 ½ Road and E Road – The project is expected to start on December 2nd with an estimated completion date of October 31st, 2025.
- Water Smart Grant – The grant proposal has been submitted and the results will not be known for a few months. Vice Chairman McElley asked about the outcome of the meter change discussion and Manager Jones responded that staff decided to stay with Neptune. Assistant Manager Lenihan added that Neptune did offer some better pricing, and the time and costs involved to replace already installed meters simply was not feasible.
- Standard Specifications – Engineer Schoeny stated that the District’s Standard Specifications have been updated and has been published on the District website.
- Whitewater Master Planning – The alternatives have been discussed and staff requested that alternative #2 be modeled, with the goal of presenting it to the Board in a month or two. Vice Chairman McElley asked if service to Whitewater has reached maximum capacity. Assistant Manager Lenihan responded that the original fifteen tap maximum was not quite accurate, and this determination was made prior to fixing the leak. The 2nd filing for Whitewater Village is being prepared and that will add more taps. Vice Chairman McElley asked about the tap fees for this filing and Manager Jones responded that taps can be sold if the customer presents a building permit.
- New Developments – Palisades View subdivision’s first filing is for 38 homes and Synergy is planning a 112 unit development consisting of single family homes.

OPERATIONS

Operations Report

- OpenGov – Implementation has started and Treatment Plant staff will start to input data into the system over the next few months.
- Operations Data Report – Assistant Manager Lenihan explained some changes to this monthly report, noting that in future, the report will be two months behind. Taking into consideration the Districts’ billing cycles, data will be more accurate if it is pulled after billing for that month has been completed. This will only include 2024 data as 2023 rates were different.
- Capital Improvement Projects – The 2025 list was reviewed, including both Distribution and Water Treatment Plant projects. These include possible updates to the Desert Road pump station, an extension of the water main south on Bean Ranch Road, possible rehabilitation of the 1MG tank in Whitewater and various other Mesa County projects. A possible 2nd fill station in Whitewater is under consideration. This proposed fill station, due to its location, will aid in flushing out the lines in that area and reduce water waste that occurs during line flushing.

ADMINISTRATION/OFFICE

Staff Report

- 2025 Board Member Election – Brief discussion on the 2025 election with Manager Jones noting that Vice Chairman McElley, Treasurer Slauson & Secretary Davis have reached the end of their terms. He added that they are not yet term-limited and are eligible for re-election should they choose to run again.
- Storage tank logos – The District has received positive feedback regarding the logos placed on the District’s storage tanks along I-70. Manager Jones noted that the CMU Tech logo placement has been delayed due to weather. He added that the initial agreement involved placing the District’s logo on the tanks in addition to CMU and CMU Tech’s logos. The logo for Central High School was also going to be added but their budget is simply not allowing that at this point. Manager Jones asked the Board to forego adding the 2nd District logo and instead have CMU place the logo for Central next to the image of their former mascot. He added that it would be a community-oriented act to rather add Central’s logo. The Board was in agreement with Manager Jones’ suggestion.

- 32 ½ Road and Clifton Campus Roadway Improvements – Manager Jones explained that Mesa County requested signing of this Memorandum of Understanding (MOU) as soon as possible due to the urgency of getting the project started. He had reached out to the Board via email to obtain authorization to sign the MOU, with responses received from Chairman Diffendaffer, Treasurer Slauson, and Director Genova. The signed MOU was presented and a vote to formalize the authorization was requested. Director Genova moved to authorize Manager Jones to sign the MOU between Mesa County and the District, covering the 32 ½ Road and Clifton Campus Roadway improvements. The motion was seconded by Secretary Davis. Motion carried unanimously.
- Grand Valley Irrigation Company (GVIC) Annual Shareholders’ Meeting – Manager Jones stated that he plans to attend this meeting and requested authorization to vote as proxy on behalf of the District and its GVIC shares. Chairman Diffendaffer moved to appoint Manager Jones as proxy for the 2024 GVIC annual shareholders’ meeting, seconded by Treasurer Slauson. Motion carried unanimously

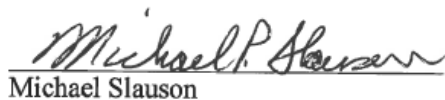
ADJOURN MEETING:

Meeting Adjourned at 7:28pm by Chairman Diffendaffer.

ATTEST:


Mel Diffendaffer


Dan McElley


Michael Slauson


Wesley Davis


Nick Genova