

MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING

CLIFTON WATER DISTRICT

MARCH 13, 2025

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, Mike Simpson, Mark Dalley, Stephen Silva, Branden Edmonds, Kyle Bishop, Cathy Harris-Mancuso and Rene Fick.

GUESTS PRESENT: Jamie Hamilton, Home Loan Insurance.

REGULAR MEETING – CALL TO ORDER

Chairman Diffendaffer called the March 13th, 2025, Regular Meeting to order at 5:04pm.

Cyber Insurance – Jamie Hamilton attended the meeting to discuss cybercrime and related insurance, adding that the volume of cybercrime claims has risen to levels similar to auto claims. Most of the local claims he has dealt with are due to fraudulent wire transfers as a result of social hacking or data breaches involving key clients. The different insurance quotes from Cowbell Cyber Inc. were reviewed, noting that the lowest limit is \$1 million. He added that their team had already assessed the District's website and operations and was found to be above average on cyber security. The \$1 million policy is typical for this industry as incidents where amounts of \$1 million or more are transferred to a scam vendor rarely occur. Chairman Diffendaffer thanked Jamie for attending the meeting.

PUBLIC HEARING

Chairman Diffendaffer called the public hearing to order at 5:14pm, to consider the petition of inclusion submitted by Thomas Glenn Sincissen & Monique Louise Sincissen for 4082 Highway 50, Whitewater, CO 81527, Tax ID #: 2967-141-00-031; and 4110 Highway 50, Whitewater, CO, 81527, Tax ID#: 2967-132-12-001; and 4112 Highway 50, Whitewater, CO, 81527, Tax ID #: 2967-132-12-002; and the Petition of Inclusion submitted by Bonnie J. Kosanke & Julie Marie Whiting for 1775 Blair Road, Whitewater, CO 81527, Tax ID #: 2969-194-00-320.

Chairman Diffendaffer noted that no guests were present. Secretary/Treasurer Slauson moved to approve Resolution 2025-05 To Include Private Property - 4082 Highway 50, Resolution 2025-06 To Include Private Property - 4110 Highway 50, Resolution 2025-07 To Include Private Property - 4112 Highway 50, and Resolution 2025-08 To Include Private Property - 1775 Blair Road. The motion was seconded by Chairman Diffendaffer. Motion carried unanimously.

MINUTES OF THE FEBRUARY 13TH 2025 REGULAR MEETING

Director Genova moved to approve the Minutes of the February 13th, 2025 Regular Meeting, seconded by Secretary/Treasurer Slauson. Motion carried unanimously.

FINANCIAL REPORT

Secretary/Treasurer Slauson moved to approve the Accounts Payable checks, in the amount of \$585,311.46, seconded by Chairman Diffendaffer. Motion carried unanimously.

FINANCE DEPARTMENT

Finance Staff Report

- Department update – HR Manager Pettingill noted that with Finance Manager Isley's departure, there have been some changes. As Finance Manager Isley was due to take maternity leave at the end of March, cross-training of staff had already occurred in the months prior to her anticipated leave of absence. The day-to-day duties, and certain monthly duties, are being completed. The monthly financials were not included in the board packets as the audit became a much higher priority. Staff expect to present the financial reports at the April meeting.
- 2024 Audit – HR Manager Pettingill explained that the original plan was to have all 2024 information to the auditors by the end of February. Finance Manager Isley departed on February 18th and staff had anticipated that all the necessary information would have been provided to the auditors. This unfortunately did not occur, and a March 28th deadline has now been set to submit the last of the information. This includes four categories - inventory, assets, accounts payable, and depreciation. She stated that the March 28th deadline may not be reached and that the audit may be late again. The auditors have been helpful in providing direction on certain issues, but staff are not experts in this field. Director Genova questioned how the District can avoid the domino effect of missing audit deadlines. HR Manager Pettingill responded that after the recent hiring process for this position, she is confident that the District will not have this issue again next year.

HUMAN RESOURCES DEPARTMENT

Human Resources Staff Report

- Finance Manager new hire – As noted earlier, Finance Manager Isley's last day with the District was February 18th and the position was posted immediately. A total of 42 applications were received, with ten applicants not meeting the required qualifications. Out of what was a very good application pool, seven interviews were scheduled with one applicant cancelling their interview. An offer was made to Blair Wade and she has accepted the position. HR Manager Pettingill stated that Blair currently works for Mesa County Library District and is very familiar with government accounting and auditing. Blair has provided her 30-day notice to the library district, which is a typical notice period for her position there as finance director. As she is aware of the District's audit deadline, she proposed a transition period where she will work at the District for two days a week. The library district is also in the midst of an audit and the transition period will last until the end of April. Manager Jones commented that staff had been pretty honest with Blair regarding the current status of the audit, clean-up after the 2023 transition in billing software, and other general challenges the job may offer. He added that she also has a background in human resources. Director Genova questioned why she was making this change. HR Manager Pettingill responded that Blair has been working for the library district for many years and felt that the financial side had been set up to run smoothly. She was in search of a new challenge and the position with the District appealed to her in that respect.
- Special District Association (SDA) workshop – HR Manager Pettingill reminded the board that this workshop will again be held at the District office on June 24th.

ENGINEERING/CONSTRUCTION DEVELOPMENT

Engineering Report

- Water Treatment Plant Project – The 30% design package was briefly noted, referencing the discussion held at the Construction Committee meeting on March 12th, 2025.
- Colorado River Transmission Main Crossing – The project has been submitted to Mesa County for review and easement documents are being prepared. A late fall start date is being anticipated for this project.
- Mesa County E ½ Road Project – This project, running from Hoover Court to east of Lewis Wash, is currently in design, with the county expecting to bid it out in the spring or early summer. The District plans to extend the dead end water main on Hoover Court to E ½ Road prior to the start of construction.

- New developments – Whitewater Village filing 3, near Coffman Road, has been submitted for review. Engineer Schoeny explained that no comments have been submitted but the filing is causing some concern as the capacity out there is being consumed. The area is served by a long 8” pipe and the pressure loss is tremendous. He added that the Coffman Road project will aid with this issue.
- Bean Ranch Road – This project involves extending the District’s main line further south. After sending out correspondence to gauge interest, approximately 15 customers have expressed interest in getting water service. Manager Jones commented that staff budgeted for this project to be completed in-house and will ease the need for flushing lines. Discussion ensued on Whitewater Village vs. Bean Ranch Road, with Engineer Schoeny noting that Bean Ranch Road does not require fire flow, and there are differences in pressure to consider. He added that customers on Bean Ranch Road were informed that the District will not be providing fire flow. Manager Jones stated that some of these properties have long driveways, which will mean a high cost to the customer for water service, but it did not seem to affect interest in obtaining service at this point. The District is currently evaluating this project and no commitment has been made to customers regarding its completion.
- Whitewater Master Plan – Staff are waiting for Mesa County to provide the layout for their sewer system. Adjustments will need to be made following receipt of their layout and it will be further discussed at a Construction Committee meeting.
- Review of District Policy #415 Grand Valley Irrigation Company Shares (GVIC) and Water Right Development Fee Requirements for New Developments – Engineer Schoeny noted that there is no real hurry to approve this update as there are no commercial developments waiting in line. He noted that he had used Chairman Diffendaffer’s suggestion of comparing commercial usage and the two shares per acre still appears the most equitable, but he will continue researching this option.

OPERATIONS

Operations Report

- Desert Road pump station – Assistant Manager Lenihan stated that data from the pump station flow meter, compared to consumption data from customer meters, is providing information on a possible water loss. A meter was installed right off the main line further down from the pump station. The first read was collected last week and confirmed staff’s suspicion that the meter inside the pump station was reading a bit higher than the actual flow. There is still a concern for water loss as the flow is still much higher than consumption.
- Neptune Gateway – The District is now able to get online reads from approximately 3,600 meters in the system, representing around 25% of the total meters. Some of the R900i

meters provide hourly reads which is available to view online and proving to be very helpful. A second gateway meter has been ordered, possibly to be installed at the end of 32 Road and Highway 50. This could eliminate the need to send a meter reader to Whitewater. Discussion ensued on older meters, with Assistant Manager Lenihan explaining that it does not necessarily mean that the meter is not catching all the gallons passing through. As meter batteries age, the distance that a radio read can be captured is getting shorter. Director Cook asked if the meters are serviceable and Manager Jones responded that they really are not.

ADMINISTRATION/OFFICE

Staff Report

- **Reeder Mesa Fill Station** – Manager Jones discussed the options for a fill station as they have gotten closer to identifying a location. One customer has indicated that he plans to haul 50k gallons per month from this proposed station, and he has offered to donate a building he owns to the District for the fill station. The proposed fill station location is on land owned by Grand Valley Power and conversations with them, and Mesa County, are ongoing. The benefit to the District in this decision is that the water sales from this fill station will push more water through the system and eliminate, or greatly reduce, the need for flushing the lines which will conserve water and enhance water quality.
- **Mill Levy error on 2025 tax bills** – The letter from Mesa County Treasurer, Sheila Reiner, was briefly discussed - specifically the part where they acknowledge that no funds are being paid to the District in the form of a mill.
- **Cancellation of the 2025 Election** – Manager Jones presented Resolution 2025-09 – Cancellation of Election and Declaration Deeming the Candidates Elected. He explained that there had *not* been more candidates for director than offices to be filled and per state regulations, the election can be cancelled. Chairman Diffendaffer moved to approve Resolution 2025-09 – Cancellation of Election and Declaration Deeming the Candidates Elected, seconded by Vice Chairman McElley. Motion carried unanimously.
- **Update to Policy # 410 and Fees for Service Tap Installation** – Manager Jones presented Resolution 2025-10 to Establish Policy and Fees for Service Tap Installation. He briefly explained that this Resolution authorizes the new District policy regarding service installations, establishes the new service installation fees, and includes the annual update to the water right development fee to that of the GVIC share rate of \$1,500. Vice Chairman McElley moved to approve Resolution 2025-10 to Establish Policy and Fees for Service Tap Installation, seconded by Secretary/Treasurer Slauson. Motion carried unanimously.

Cyber Insurance – Brief discussion ensued on the policies presented, with general agreement that the \$1 million policy appears to be recommended coverage for this industry. Vice Chairman

McElley expressed hesitation on approving this expense. Director Genova moved to approve purchasing the \$1 million cyber insurance policy to the cost of \$4,484.00, seconded by Secretary/Treasurer Slauson. Motion carried unanimously.


ADJOURN MEETING:

Meeting Adjourned at 6:33pm by Chairman Diffendaffer.

ATTEST:


Mel Diffendaffer, Chairman


Dan McElley, Vice Chairman


Michael Slauson, Secretary/Treasurer


Jeff Cook, Director


Nick Genova, Director