

MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING

CLIFTON WATER DISTRICT

JULY 11, 2024

BOARD MEMBERS PRESENT: Mel Diffendaffer, Dan McElley, Michael Slauson (virtual attendance), & Nick Genova.

ABSENT: Wes Davis, *excused*.

STAFF MEMBERS PRESENT: Jessica Isley, Jennifer Pettingill, Jacob Lenihan, Ty Jones, Eric Schoeny, Mark Dalley, Stephen Silva, Branden Edmonds, Brittni Reeves, Cathy Harris-Mancuso & Rene Fick.

GUESTS PRESENT: None.

REGULAR MEETING – CALL TO ORDER

Chairman Diffendaffer called the July 11th, 2024, Regular Meeting to order at 5:00pm.

MINUTES OF THE JUNE 13TH 2024 MEETING

Chairman Diffendaffer moved to approve the Minutes of the June 13th, 2024, Regular Meeting, seconded by Vice Chairman McElley. Motion carried unanimously.

FINANCIAL REPORT

Treasurer Slauson moved to approve the Accounts Payable checks in the amount of \$495,793.48, seconded by Chairman Diffendaffer. Motion carried unanimously.

Revenue & Expense Analyses – Finance Manager Isley stated year-to-date revenue totaled \$4.6 million and operating vs. non-operating revenue was discussed. Tap sale revenue by the end of June reached \$531,250, with 61 taps sold. This is only 14 taps short of the total taps sold in 2023 (75). Water sales have increased from May to June, and metered irrigation water sales almost tripled during this period. The expense analysis report was reviewed next, with Finance Manager Isley explaining that 43% of the operating budget has been spent and only 13.23% of the non-operating budget. She cautioned that expenses are only under budget due to project delays. Unexpected maintenance expenses with the administration office, including HVAC & plumbing repairs, and replacement of the water heater has resulted in this specific line item going slightly over budget.

The quarterly investments review was briefly discussed with Finance Manager Isley noting that the District's US Treasury Note, valued at \$500k with a 2.125% interest rate, was sold and a US Treasury Note with a par value of \$700k with a 4.357% interest rate was purchased. She added that the final loan payment of \$525,306, due in July, will be withdrawn from COLOTRUST.

FINANCE DEPARTMENT

Finance Staff Report

- IRS Update – No new information was received in June.
- 2025 Budget – Finance Manager Isley noted that preliminary work has started, and the finance committee will tentatively plan a meeting towards the end of August.
- FY 2023 Audit – Fieldwork has been scheduled for July 8th – 19th and once financials are prepared, a meeting will be scheduled with the Board. Staff will be submitting an audit extension request due to the upcoming deadline but will most likely meet the August submission date.

HUMAN RESOURCES DEPARTMENT

Human Resources Staff Report

- Updates to employee handbook – HR Manager Pettingill noted that revisions to the employee handbook will be presented to the Board either during the August or September meeting.

- 2025 Wage & Benefits review – HR Manager Pettingill stated that notification from CEBT indicated an increase in health insurance costs anywhere between 11% to 16%. More details will be known around fall, but staff will use a 16% increase for the initial budget. Data collection on proposed wage increased for 2025 has begun.

ENGINEERING/CONSTRUCTION DEVELOPMENT

Engineering Report

- Water Treatment Plant – District staff participated in three workshops with CDM Smith in June and July. These workshops covered plant controls and instrumentation, and mechanical processes. A fourth workshop is planned for the week of August 5th and will cover electrical improvements. Engineer Schoeny noted that employee input is essential in order for CDM Smith to understand existing operations and conditions.
- E & 31 ½ Road County Roadway Improvement & District water main improvement – Engineer Schoeny reported that the original bid for this project was \$135,758.65. The final bill came to \$91,470.95 and the cost savings are being attributed to Distribution Supervisor Dalley and his team completing a part of this project in-house.
- Pedestrian Bridge Watermain River Crossing – The kickoff meeting with River City Consultants was held on July 2nd and the survey is currently being conducted.
- New Developments – Palisades View Subdivision, consisting of 75 lots, is located South of F 5/8 Road, east of Highland Drive, and north of Price Ditch Road. Engineer Schoeny stated that this subdivision had been approved two years ago and construction is now moving forward. Staff reviewed the approved plan and due to some issues involving looping on the main, approval has been temporarily withdrawn. Communication with the developer has been ongoing and construction is set to start late fall or early winter.

New Development Guide – The final version of this guide was provided to the Board. Engineer Schoeny noted that this document is *not* intended to be District policy but merely a guide to help developers understand the approval process for new or redevelopment projects.

OPERATIONS

Operations Report

- June Updates – Assistant Manager Lenihan briefly reviewed the weekly updates and noted that staff was finally able to complete the water line connection in the railroad right-of-way after waiting almost three years for the permit from Union Pacific Railroad.
- Backflow Testing – House Bill 24-1344 includes a small section that states all backflow testing is to be done by licensed plumbers only. This requirement severely limits the number of qualified testers, in addition to directly contradicting Regulation 11 of CDPHE Primary Drinking Water Regulations. An emergency plumbing board meeting was held on July 10th but no real resolution was reached. The District has received instructions from CDPHE to continue as per Regulation 11.

ADMINISTRATION/OFFICE

Staff Report

- September meeting reschedule – Manager Jones explained that the Special District Association annual conference will be held on September 12th, the same day as the September Board meeting. Following a brief discussion, the Board meeting was rescheduled to Tuesday, September 17th.
- Property access complaint – Manager Jones explained that a potential buyer of a parcel, located west of the District's storage tanks near Highway 50, has been in contact to gain access to this parcel. He added that this parcel is landlocked between BLM & District owned land and that he has offered to escort the buyer to view the parcel. Inexplicably, the communication with this buyer has resulted in accusations of being denied access by the District and was nearing harassment. Manager Jones informed the Board that he will no longer communicate directly with the buyer - only via the realtor.

I-70 Water tank property – Manager Jones explained that the District has received an offer to trade involving five acres of land in exchange for two taps. These privately owned five acres are located adjacent to District owned land, along I-70 where two of the District's storage tanks are

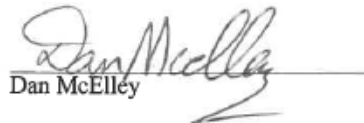
located. The trade offer came as a result of discussions with the landowner in an attempt to address the erosion that occurs whenever the storage tanks are drained. Finance Manager Isley consulted the auditors regarding this trade, and they advised against it, citing concerns of preferential treatment and/or the perception that District Management can be persuaded to break policy. They did recommend that, should the District pursue this trade, it be done as two separate transactions. These transactions would involve the sale of the taps, at the regular price, and an accurate evaluation of the cost of the land, specifically avoiding any overestimation of value. Manager Jones added that due to the location of these five acres, a plot line adjustment may be all that is needed and asked the Board for guidance on this trade offer. Director Genova questioned if the landowner would qualify for the purchase of two taps without the trade, and Manager Jones confirmed that he would. Director Genova then questioned if there would be any additional function for these five acres other than erosion control. Manager Jones responded that it could be a good location for solar panels. After brief discussion, the Board was in agreement that staff should pursue the trade.

ADJOURN MEETING:

Meeting Adjourned at 6:05pm by Chairman Diffendaffer.

ATTEST:


Mel Diffendaffer


Dan McElley


Michael Slauson

Excused

Wesley Davis


Nicholas Genova