

**MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING  
CLIFTON WATER DISTRICT  
February 8, 2024**

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

**ABSENT:** Wesley Davis.

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

**GUESTS PRESENT:** Martin & Karen Garber, Peter Sichelski, Miriam Sanchez, Dennis Forsgren and Dave Upchurch.

Chairman Diffendaffer called the February 8<sup>th</sup>, 2024 Regular Meeting to order at 5:01pm.

**2024 RATE INCREASE – WHITEWATER IN-DISTRICT**

Chairman Diffendaffer welcomed the Whitewater residents to the meeting. Martin & Karen Garber addressed the Board to protest the 2024 rate increase and the different rates for In District, Out of District, and Whitewater In District customers. Martin stated that his monthly base rate increased by \$11.15 which equals an almost 38% increase in one year. He added that this increase is excessive and explained that he represents those residents that have lived in Whitewater since the 1970's. These properties are located mainly near the Whitewater Post Office and consist of a mostly elderly community living on fixed incomes that rarely use more than the 3k gallon minimum. He feels that the rate should be lower, and questioned why they are charged a different rate than the other In District customers. In his opinion, all Clifton Water District customers should be treated the same. He reviewed the reasons for the increase, as provided by the District, stating that he disagrees with the District's statement of providing "affordable" water. Other reasons include the cost of general upkeep and maintenance. Referencing a 2015 District customer handout regarding the water treatment plant upgrade & customer costs, he pointed out that it lists a \$6 per month customer cost. In 10 years however, this rate has increased to \$40. Martin stated to the Board that he feels they are not looking out for certain people and would like to see some kind of way to figure out how to differentiate the older parts of Whitewater from the new parts with regards to rates. Karen Garber added that she has spoken to some of these customers, and they cannot afford the new rates. She provided the Board with written comments from Whitewater In District customers not in attendance.

Dennis Forsgren stated that his house was built in 1899 and with two properties he now pays over \$80 per month for water. He questioned the justification for charging these higher rates and added

that most of these customers conserve water, with usage under the 3k gallon minimum, resulting in them feeling penalized by these higher rates.

David Upchurch addressed the Board next. He discussed his tap purchase and stated that he had bought all the materials to install a service line from the District's main line to his property. After talking to two of the neighboring property owners, both of whom had expressed interest in obtaining District water, he was led to believe that the District intends to install another main line in the Siminoe Road area. Assistant Manager Lenihan responded that at this time, the possibility of allowing the property owners to install a main line is merely a discussion. He stressed that the District has not made any decisions regarding this water service. Dave responded that a developer had approached him about cost share on a main line and noted that he does not want to pay a third of the cost just to see the developer get taps with no additional cost. Manager Jones assured Dave that right now, the District is only having conversations with parties that have been approaching the District with an interest in water service. It would make sense to install a main line in an accessible location, as opposed to installing multiple, long service lines. Both Manager Jones & Assistant Manager Lenihan made it clear that any possible waterline installation will be at the cost of the property owner(s), with the District inspecting it to ensure compliance.

Chairman Diffendaffer asked Manager Jones for a response to the rate increases & different rate tiers. Manager Jones started by assuring the guests present that the rate increase decision was not made lightly. There had been lengthy internal discussions regarding capital improvements and District projects that simply cannot be put off any longer. He added that Whitewater customers are the furthest away from the treatment plant and there are increased costs involved to get water out to them, in addition to the aging infrastructure and undersized main lines. For the sake of comparison, Manager Jones quoted Ute Water Conservancy monthly rates for pump service at \$52, and the City of Grand Junction Kannah Creek rates at \$49.54. These are both higher than the Whitewater In-District rate. Martin Garber stated that the newer residents to Whitewater can afford the \$40.65 rate and questioned why there is no allowance for the elderly people in the Whitewater area. Manager Jones responded any such allowance would not be treating every customer the same. He noted that the cost of water treatment has increased along with everything else. Martin Garber questioned when the rates decision was made. Manager Jones responded that the notices for the budget meeting were posted online at the District's website and in the Grand Junction Daily Sentinel. Martin Garber asked why it was not posted in the Whitewater Post Office. It was noted that not all Whitewater residents have computers, nor are they regular readers of the Daily Sentinel. Assistant Manager Lenihan & Finance Manager Isley both noted that proper notices were published in accordance with State regulations. Chairman Diffendaffer added that budget meetings are held annually in December. He stated that the Board will review the submitted customer letters and discuss the concerns raised by those Whitewater customers present, with the aim of composing a formal response regarding the rate increase & different rate tiers.

## **MINUTES OF THE JANUARY 11<sup>TH</sup> 2024 MEETING**

Treasurer Slauson moved to approve the Minutes of the January 11<sup>th</sup>, 2024, Meeting. The motion was seconded by Vice Chairman McElley. Motion carried unanimously.

## **FINANCIAL REPORT**

Treasurer Slauson moved to approve the Accounts Payable checks to the amount of \$262,232.98, seconded by Director Genova. Motion carried unanimously.

## **FINANCE DEPARTMENT REPORT**

Audit Update - Finance Manager Isley noted that the audit is underway. She met with the auditors on February 6<sup>th</sup> and the first few weeks of the audit will involve reviewing basic items and getting to know the District. She added that the auditing firm is offering a free training session on March 26<sup>th</sup> in Denver. Topics covered will include the Inflation Reduction Act, Ransomware attacks, Fraud Waste & Abuse, and some GASB items. There is also a Budget 101 and Demographics training opportunity, via Zoom, on March 6<sup>th</sup> at the District office.

Revenue Analysis Report - Finance Manager Isley briefly explained that this new monthly report provides both an overall and a closer look at revenue and expenses. This report is meant to go hand-in-hand with the budget-to-actuals report. She reviewed some of the data with the Board, noting that for January, the District was under on projected expenses and over on projected revenue.

## **HR DEPARTMENT REPORT**

HR Manager Pettingill provided some brief updates, noting that there is still nothing to report regarding the Colorado Department of Labor audit. The District has implemented a multifactor verification process for staff log-ins that adds an extra layer of security, as recommended by the District's Information Technology service provider. Staff felt it was necessary considering the multiple hacking attempts on the District's system and this service is provided after paying a one-time fee, with no further monthly/annual fees expected. She further explained that smaller organizations are targeted more frequently and that staff training in cyber security will be held in the near future. Assistant Manager Lenihan commented that the District has to submit a report to the EPA every five years to indicate sufficient security at our facility.

## **ENGINEERING/CONSTRUCTION DEVELOPMENT REPORT**

Water Treatment Plant Project Scope Update - Engineer Schoeny & Assistant Manager Lenihan provided a brief history of updates to the Water Treatment Plant, from installation of the Microfiltration/Ultrafiltration system in 2016, completion of the effluent manifold in 2017, studies on arc flash & the electrical systems, and most recently, the 2023 request for qualifications. As noted in prior meetings, the engineering firm CDM Smith was chosen for this project and Engineer Schoeny discussed the Scope of Work received. He explained that it became necessary to add items to the Scope and provided a description of those additions, the reasons for doing so, and how they plan to address the issues.

- Motor Control Center (MCC) - MCC-1 and MCC-A have both been identified as safety hazards. MCC-1 is located behind the manned plant operations station and staff cannot

enter the room without encroaching the arc flash boundary. Furthermore, MCC-1 was installed in 1977 and should it start to fail, obtaining replacement parts is becoming nearly impossible. MCC-A is currently in very poor condition and the close proximity of water tanks is a major concern. Solutions include removing MCC-1 from the operator's room and replacing it with a new switchboard. MCC-A will also need to be replaced and relocated away from the water tanks. It was determined that a dedicated electrical room will most likely be needed.

- Plant Control System - The current system is a combination of several different Programmable Logic Controllers (PLCs), some of which were installed when the plant was built, with more PLCs added as the plant expanded. This has caused problems with trouble shooting, and the inability to optimize process control for chlorination and the effluent and reverse osmosis pumps. The goal is to get full integration of all PLCs.
- Reverse Osmosis forwarding pumps - Assistant Manager Lenihan explained that these pumps are beyond their useful life expectancy. The building housing these pumps does not allow for enough head room to safely remove the pumps and modifications to this building to make it maintenance friendly was added to the Scope.
- Effluent Pumps - Only one of these pumps runs on a variable frequency drive (VFD), the other eight are all "hard start" pumps. Ideally, all nine pumps should run on VFDs which will add considerable operational flexibility in addition to energy savings. He noted that rebates and energy cost savings may offset some of the costs involved.

Engineer Schoeny explained the next step in this process involves obtaining a 30% design completion, which will constitute Phase 1A, and provided a cost breakdown of \$1,154,665 for this initial design work. Getting to 30% of the design will allow for a better understanding of what the total costs may be and at that point, a discussion will be needed on how to proceed and where to obtain the necessary funds in order to proceed. He quoted a very rough total estimate of \$10 million but with this plan in place, a more accurate budget can be set based on reliable costs and this preliminary design. Project bundling and logical sequence of completion is another aspect of this process. He noted that the Scope is very detailed, and the design needs to be somewhat further along to get a reliable cost estimate. Vice Chairman McElley commented that if the District is spending \$1.1 million on a 30% design plan, we need to be committed and follow through with this plan. Engineer Schoeny & Assistant Manager Lenihan noted that they tried to see if any parts of the Scope could be removed but found that they simply could not as it involved the safety of the staff. He asked the Board to approve authorizing Manager Jones to sign the contract, pending a review and possible modifications by the District's legal counsel, and not to exceed the \$1,154,665 cost. Manager Jones added that this initial design cost was included in the 2024 budget. Vice Chairman McElley moved to approve, seconded by Director Genova. Motion carried unanimously.

WaterSMART Water and Energy Efficiency Grant - The Board was provided with a draft copy of the grant application requesting funding assistance for the purchase and installation of approximately 6,800 Advance Metering Infrastructure (AMI) capable meters, remote fixed base data collectors, and a web-based customer portal. Engineer Schoeny explained that fixed data

collectors will greatly assist with water conservation and provide near real-time usage data. The software for AMI was budgeted for in 2023 and will be installed soon. Engineer Schoeny referenced studies on water conservation through utilizing AMI and for the District, it could result in approximately 90 million gallons of water saved. This represents around 10% of our billing. He added that they hope to meet the February 22<sup>nd</sup> submission deadline, pending some registration obstacles with the System for Awards Management. Should those obstacles not be cleared up, the next deadline will be in October.

## **OPERATIONS**

Sanitary Survey - Assistant Manager Lenihan stated that the Colorado Department of Health & Environment Water Quality Control Division Sanitary Survey is still scheduled for February 12<sup>th</sup>. Staff have been submitting documentation for the last month or so and it should only be a one-day site visit.

3.0 MG Tank Hatch - Staff discovered a leak at the access hatch on the side of the 3.0 MG tank. The tank was drained, and it appeared that the gasket was compromised. A new hatch is being manufactured that will need to be welded on to the tank upon receipt. This should put the tank back in service. It was noted that the tank had only been leaking for a day or two as staff inspect the tanks once a week for leaks or any other issues.

27" Transmission Line Repair - Distribution staff responded to a report of a leak on E Road caused by boring operations. A small hole was punched in the line and it was quickly isolated and drained. The line was fixed soon after due to the welding crew's timely response. This transmission line is now back in service.

## **ADMINISTRATION/OFFICE**

Resolution 2024-02 - *Resolution to contribute funding towards the purchase of Shoshone Water Rights.* Manager Jones explained that he had a discussion with Andy Mueller, General Manager for the Colorado River District, and even though the District recognizes the importance of purchasing these rights, there are a lot of expenses the District will be facing in the near future. He added that there appears to be lots of support for this purchase and more additions to the list of financial contributors. These factors, in addition to completion of a financial analysis, resulted in the recommended contribution amount being determined at \$250,000. Vice Chairman McElley expressed his agreement with this reduced amount, taking into consideration the approximately \$1.1 million that will be spent on the initial design plan for the treatment plant, as discussed earlier in the meeting. The financial budget prepared by Finance Manager Isley was reviewed. Chairman Diffendaffer moved to adopt Resolution 2024-02 to commit a contribution of up to \$250,000 towards the Shoshone Water Rights purchase. The motion was seconded by Treasurer Slauson. Motion carried unanimously.

**RESOLUTION 2024-02**

**RESOLUTION TO CONTRIBUTE FUNDING TOWARDS THE PURCHASE OF SHOSHONE WATER RIGHTS**

WHEREAS, on December 19<sup>th</sup>, 2023 a Purchase & Sale Agreement was officially signed by the Colorado River District and the Public Service Company of Colorado to transfer the 1,408 cubic foot per second Shoshone water right, and;

WHEREAS, the sale price of the Public Service Company (Shoshone) water right is \$98.5 million, and;

WHEREAS, the Colorado River District is the signer of the Purchase & Sale Agreement, and is dependent on the financial contributions from its Coalition Partners & other interested parties along the Colorado River towards the purchase of the water rights and;

WHEREAS, the Clifton Water District is directly dependent on the Colorado River for the treatment of, and distribution to, their constituents, and;

WHEREAS, it is extremely important to the Clifton Water District that the historical Westward flow of the Shoshone water rights continue to flow West to our diversion points.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CLIFTON WATER DISTRICT, COLORADO;

The Board of Directors for the Clifton Water District will commit to contributing up to \$250,000 to the purchase and preservation of the Shoshone water right purchase by the Colorado River District, with actual payment anticipated to be made in 2027.

ADOPTED, this day 8<sup>th</sup> day of February, 2024.

  
Melvin Diffendaffer, **Chairman**

  
Dan McElley, **Vice Chairman**

  
Michael Slason, **Treasurer**

  
Wesley Davis, **Secretary**

  
Nick Genova, **Director**

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Petition for inclusion: 1000 & 1155 Siminoe Road - Assistant Manager Lenihan explained that this petition was submitted by Daniel & Chirea Brown. He clarified that these properties are located just to the east of David Upchurch's property and reiterated that at this point, with the additional interest in the area, allowing a main line to be installed is still only a discussion. Manager Jones added that since the District does not consider out-of-district requests anymore, a petition for inclusion is the first step in this process. Chairman Diffendaffer moved to approve proceeding with advertising and holding a public hearing for the petition of inclusion of 1100 & 1155 Siminoe Road. The motion was seconded by Director Genova. Motion carried unanimously. Chairman Diffendaffer recommended that staff schedule a meeting with the interested landowners around Siminoe Road to clear up any confusion and discuss the viable options for water service.

**MANAGER'S REPORT**

Manager Jones reported that Assistant Manager Lenihan has updated the reporting data to include taps sales, along with the data normally included in this report.

Chairman Diffendaffer asked what the next steps would be to address those concerns raised by the Whitewater guests earlier in the meeting. Front Office Supervisor Simpson noted that overall complaints about the rate increase have been minimal and added that the District is also fielding calls relating to Clifton Sanitation's rate increase. Discussion ensued on changing the base rate and increasing the tier rates in an attempt to address the concerns regarding those customers that remain in tier one usage. Manager Jones responded that any changes in rates, including tier rates, will need to be published as the District has to follow the rules regarding public notices for any rate changes. It was noted that the District did not increase rates for almost 10 years despite the increase in operating costs over that time. Chairman Diffendaffer and Manager Jones discussed getting together to compose a response to the Whitewater resident's concerns.

**ADJOURN MEETING:**

Meeting Adjourned at 7:20PM by Chairman Diffendaffer.

**ATTEST:**

  
Melvin Diffendaffer

  
Dan McElley

  
Michael Slauson

*Absent*  
Wesley Davis

  
Nicholas Genova