

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
January 6, 2022**

BOARD MEMBERS PRESENT: Dale Peck-Chairman, Stan Sparks-Vice Chair, Melvin Diffendaffer-Secretary, Michael Slauson-Treasurer, and Dan Mcelley-Director

STAFF MEMBERS PRESENT: Dale Tooker, Ty Jones, David Reinertsen, Michelle Obadia, Angie Beebe, Jake Lenihan, Tyler Lehmann, Branden Edmonds, Isaac Brown

Guests Present: Jamie Hamilton, Home Loan and Investment
Michael Santo – Attorney, Bechtel & Santo

REGULAR MEETING

Chairman Peck called the January 6, 2022, Regular Meeting to order at 5:00 p.m. He noted that Directors Sparks and Mcelley had excused absences from this meeting.

MINUTES OF THE December 2, 2021, REGULAR MEETING

Director Peck moved to approve the December 2, 2021, Regular Meeting Minutes. Director Diffendaffer seconded, and the motion passed unanimously.

GUESTS

Manager Tooker introduced Mr. Santo (meeting observer, available for Board personnel policy questions) and Mr. Hamilton.

2022 Property Casualty and Liability Insurance Renewal – Mr. Hamilton summarized the District's 2022 Property Casualty and Liability Insurance (01/06/22 File, Staff Report Insurance - 2022 Property, Casualty, and Liability). There is an increase of \$14,684 or 14% above the 2021 premium rate. Mr. Hamilton detailed the following reasons for the approximate \$14,700 premium increase:

- Previous flood and fire events in Colorado affecting all members of the SDA Insurance Pool
- Added costs due to new equipment and vehicle purchases in 2021
- Due to a reclassification of 10 of the District's 19 locations into FEMA Flood Zone AE (which is a high hazard risk) when previous designation was Flood Zone X (the lowest flood hazard risk). The CSD Pool has corrected 9 of the 10 reclassifications for the 2022 premium year and the final one will be corrected in the 2023 premium cycle.

Director Slauson made a motion to approve the 2022 Property Casualty and Liability Renewal with the Colorado Special District's Property and Liability Pool and authorized a transfer of \$1,537 from the 2022 Contingency Budget Line Item to the Property and Liability budget line

item to cover the 2022 Property and Liability Insurance Premium for a total cost of \$114,343. Director Diffendaffer seconded, and the motion was passed unanimously.

2022 Workers Compensation Insurance Renewal – Staff presented a Staff Report (01/06/22 File, Staff Report, 2022 Worker's Comp) detailing the Workers Compensation policy administered through the Colorado Special Districts Property and Liability Pool. The 2022 premium is \$11,982, and within the District's funding level of \$25,507 for FY 2022 Budget for Workers Compensation.

Director Slauson made a motion to approve the 2022 Workers Compensation policy issued by the Colorado Special Districts Property and Liability Pool. Director Diffendaffer seconded, and the motion passed unanimously.

Mr. Hamilton exited the Meeting at 5:20 p.m.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Slauson moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$147,664.19, plus Supplemental Checks of \$444,346.35, plus Benefits Checks of \$27,161.54, plus HRA Disbursements of \$9,052.62, for a total of \$628,224.70. Director Diffendaffer seconded, and the motion passed unanimously.

MANAGER'S REPORT

Manager Jones reviewed the November 2021 Manager's Report (1/6/2022 File, Manager's Report).

INFORMATIONAL REPORT

None presented.

EXPRESS AGENDA

Director Diffendaffer moved approve the Express Agenda items as presented. Director Slauson seconded, and the motion passed unanimously.

The Express Agenda items are as follows:

Project RM2019-01 Middle Tank Repairs – Phase 4 Slope Stabilization – The Construction Agreement with MA Concrete Construction, Inc. was issued, and the contractor is planning on beginning site activities by the middle of January 2022.

Project 2021-02 McDonald's/Denny's/Murdoch's New Waterline Project – The District's project design engineer, Tetra Tech has completed the preliminary design for the added project scope to replace approximately 1,000 feet of 10" AC waterline. This AC waterline is over 60 years old and has exceeded its planned service life. The Final Design is due by the end of January 2022 with construction tentatively scheduled for mid to late Spring, 2022.

Project 2021-06 Mesa County 34 Road Bridge Replacement Project – The County’s Contractor, K & D Construction has started removal of the existing 16” AC waterline and placed the new 24” PVC waterline in a new 36” steel casing beneath the Highline Canal. Work is progressing on removal and installation of the new water line south and north of the canal crossing. New waterline construction is on schedule for completion by the middle of January 2022.

UNFINISHED BUSINESS

Project 2020-03 E Road Waterline Upgrade – The Mesa County E Road Improvement Project is complete. Assistant Manager Reinertsen reviewed the Staff Report summarizing final project costs (01/06/22 File, Staff Report, Project 2020-03 Final Project Costs). This waterline upgrade/replacement project was performed under a construction Memorandum of Understanding Agreement (MOU) between Mesa County and the District. Information only, no Board action required

Mr. Santo exited the meeting at 5:45 p.m.

NEW BUSINESS

Designating Time, Location and Postings of Meetings Resolution 2022-01 – Staff presented Resolution 2022-01 Resolution Designating Meeting Time, Place, and 24-Hour Posting Locations (1/6/2022 File, Resolutions). Director Diffendaffer moved to adopt Resolution 2022-01, Resolution Designating Meeting Time, Place, and 24-Hour Posting of Meeting for 2022. Director Slauson seconded, and the motion passed unanimously. Resolution text is as follows:

**RESOLUTION 2022-01
RESOLUTION DESIGNATING MEETING TIME, PLACE
AND 24-HOUR POSTING LOCATION**

WHEREAS, the Clifton Water District designates that all Regular Board of Directors Meetings will be held the first Thursday of each month at 5:00 p.m. located at the Clifton Water District Office, 510 34 Road, Clifton Colorado; and

WHEREAS, the Clifton Water District designates that the posting places for all Board of Directors meetings are the Clifton Water District Office and the following three additional locations; Clifton Sanitation District Office, Clifton Fire Department, and the United Postal Service, Clifton Branch Facility; and


WHEREAS, the Clifton Water District designates that the 24-hour Agenda Notice will be posted at the Clifton Water District Office; and


BE IT FURTHER RESOLVED, that this Resolution be adopted this 6th day of January 2022.

ATTEST:


Dale Peck – Chairman


Stan Sparks – Vice Chairman


Melvin Diffendaffer – Secretary


Edward Dan McElley – Director


Michael Slauson – Treasurer

2022 Fees, Rates, Tolls, Penalties for Water Service C.R.S. 32-1-1001 (2)(a) – A Public Notice was published in the Daily Sentinel November 2, 2021, as well as being posted on the Clifton Water District website that the following items would be discussed at the January 6, 2022, meeting of the Board of Directors.

- a. 2022 Water Rates – Cost of Service Analysis – Staff reviewed the 2022 Water Rates and Plant Investment Fee Adjustment Memorandum (*File 01/06/2022, Board Memorandum*) recommending no change to the District’s Water Rates for 2022. Director Diffendaffer made the motion to keep the existing Water Rates with no changes in 2022. Director Slauson seconded, and the motion passed unanimously.
- b. Plant Investment Fees – Following the Board’s decision in 2016 to make future Incremental Plant Investment Fee increases, Staff presented an increase the standard in the In-District Plant Investment Fee for 2022 from \$8,000 to \$8,500, effective February 1, 2022. This represents a 6.36% increase for a standard Residential ¾-inch x 5/8-inch water tap. The 6.36% increase would be applied to each Plant Investment Fee for all size water taps. Director Diffendaffer made the motion to increase District Plant Investment fees 6.36% for sizes effective February 1, 2022. Director Slauson seconded, and the motion passed unanimously.
- c. Availability of Service Charges – Resolution 2022-02 – Manager Jones presented a Staff Report (*1/6/2022 File, Staff Reports, Availability of Service Charge 2022*) and Resolution 2022-02 Availability of Service Charge (*1/6/2022 File, Resolutions, Resolution 2022-02 Availability of Service Charge*) summarizing the 2021 average billing amounts used to calculate the 2022 Availability of Service Charge and identified the proposed 2022 rates for In-District and Out-of-District. Director Diffendaffer moved to adopt Resolution 2022-02 Availability of Service Charge setting the In-District Availability of Service charge at \$16.65/month per unit and the Out-Of-District Availability of Service charge at \$24.98/month per unit. Director Slauson seconded, and the motion was passed unanimously. Resolution text is as follows:

RESOLUTION 2022-02
RESOLUTION FOR THE AVAILABILITY OF SERVICE CHARGE FOR 2022

WHEREAS, the District has reviewed the Availability of Service Charge Policy; and

WHEREAS, pursuant to Section 32-1-1006(l)(h)(l) C.R.S. the Availability of Service Charges are considered to be an equitable revenue contribution toward the repayment toward debt incurred by the Clifton Water District; and

WHEREAS the Availability of Service Charge Policy is for those customers who benefit from the immediate availability of water service even though they are currently not receiving water; and

WHEREAS all revenue generated by the Availability of Service Charge shall be used to repay the principal and interest on bonds and other outstanding indebtedness; and

WHEREAS, in the 2022 Fiscal Year the District has indebtedness for Water Revenue Bonds; and

WHEREAS the said percentage of the Availability of Service Charge shall be determined by the Board; and

WHEREAS, in 2021 the average water usage charge for a Clifton Water District In-District customer was \$33.30/month per unit; and

WHEREAS, in 2021 the average water usage charge for a Clifton Water District Out-of-District customer was \$58.96 /month per unit.

NOW THEREFORE BE IT RESOLVED that the Clifton Water District Board of Directors establish the In-District Availability of Service Charge for the 2022 Fiscal Year at 50% of the In-District average water bill in 2021, which equals \$16.65 per month per unit and the Out-of-District Availability of Service Charge for the 2022 Fiscal Year at 43% of the Out-of-District average water bill in 2021, which equals \$24.98 /month per unit.

BE IT FURTHER RESOLVED that this Resolution be adopted this 6th day of January 2022 and is effective February 1, 2022.

ATTEST:


Dale Peck – Chairman


Stan Sparks – Vice Chairman


Melvin Diffendaffer – Secretary


Michael Stauson – Treasurer


Edward Dan McElley – Director

- d. Emergency Water Rates – The Board reviewed the Staff Report (1/6/2022 File, 2022 Staff Reports, Water Rates) regarding the 2009 Resolution establishing an Emergency Water Rate, using the current 2021 rates as the basis for the calculation of the 2022 Emergency Rates. Director Diffendaffer moved to reaffirm the 2009 Resolution Establishing and Emergency Rate and adopt the 2022 Exhibit A to Policy #420 (1/6/2022 File, 2022 Staff Reports, Policy #420 Water Usage Fees). Director Slauson seconded, and the motion passed unanimously.
- e. Credit Card Convenience Fees – The District has switched to Paymentus for Credit Card processing. Paymentus collects a Convenience Fee of \$2.50/transaction directly from the customer and does not invoice the District, and therefore, the Convenience Fee is not collected by or charged to the District. Director Diffendaffer moved to approve the following changes to District Policy 12.15.1, ***The District does not charge a Credit Card Usage Fee, however, the Credit Card Merchant Service Processor may implement their own charge.*** Director Slauson seconded, and the motion was passed unanimously.

FY 2021 Audit Services - Chadwick, Steinkirchner, Davis & Co., P.C. – The Standard Letter of Engagement of FY 2021 Audit Services had not been received as of the January 6, 2022 Board meeting. The proposed fee for the FY 2021 Audit is expected not to exceed \$9,150.00, which is the same as the previous year’s audit cost. Staff stated they are pleased with the work performed by Chadwick Steinkirchner Davis & Co. This item was tabled and will be addressed at the regularly scheduled Board Meeting on February 3, 2022.

Resolution Setting Election for May 3, 2022, Resolution 2022-03 – Assistant Manager Reinertsen identified the terms of office for Directors Peck, Slauson, and Mcelley will expire in May 2022. Director Peck is term-limited from running for office. These three terms are of a duration of 3-years due to the revised election cycle as per State Statute.

Director Diffendaffer moved to appoint Assistant Manager Guy Walker as the District's Designated Election Official. Director Slauson seconded, and the motion passed unanimously.

Director Diffendaffer then moved to adopt Resolution 2022-03, the 2022 Clifton Water District Election Resolution (1/2/22File, Resolutions, Elections), setting the election for May 3, 2022. Director Slauson seconded, and the motion passed unanimously. Resolution text is as follows:

RESOLUTION 2022-03

**2022 CLIFTON WATER DISTRICT
REGULAR ELECTION AND APPOINTMENT OF
DESIGNATED ELECTION OFFICIAL RESOLUTION**

WHEREAS, the terms of office of Directors Peck, Mcelley, and Slauson shall expire after their successors are elected at the regular special District election to be held on May 5, 2022 ("Election") and take office; and

WHEREAS, in accordance with the provisions of the Special District Act ("Act") and the Colorado Local Government Election Code ("Code"), the Election must be conducted to elect three Directors to serve for a term of three (3) years, pursuant to Section 1-13.5-111, C.R.S. which moves the regular special district elections to May of each odd-numbered years commencing in May, 2023 and, in connection therewith, adjusts the length of terms served by Directors elected in 2020 and 2022 in order to implement the new election schedule.

NOW, THEREFORE, be it resolved by the Board of Directors of the Clifton Water District in the County of Mesa, State of Colorado that:

1. The regular election of the eligible electors of the District shall be held on May 3, 2022, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At the time, two Directors will be elected to serve a four-year term and two Directors will be elected to serve a two-year term.
2. There shall be one polling place at the following location:

*Clifton Fire Station
3254 ½ F Road
Clifton, CO 81520*

This polling place shall also be for disabled electors and for eligible electors not residing within the District. If the Designated Election Official deems it to be more expedient for the convenience of the eligible electors of the District (who are also eligible electors in other special districts with overlapping boundaries which are conducting elections on the Election day), the Election may be held jointly with such special districts in accordance with coordinated election procedures as set forth in an agreement between all participating special districts. In such event, the election precincts and polling places shall be as set forth in such agreement. The Designated Election Official is authorized to execute such agreement on behalf of the District, which agreement shall include provisions for the allocation of responsibilities for the conduct and reasonable sharing of costs of the coordinated Election.

3. The Board of Directors hereby designates Guy Walker as the Designated Election Official for the conduct of the Election on behalf of the District and he/she is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Election Laws or other applicable laws. Among other matters, the Designated Election Official shall provide the call for nominations, appoint election judges as necessary, appoint the Canvass Board, arrange for the required notices of election, printing of ballots, and direct that all other appropriate actions be accomplished.
4. Self-Nomination and Acceptance forms are available from the Designated Election Official at 510 34 Road, Clifton, Colorado, or email guvw@cliftonwaterdistrict.org. All candidates must file a Self-Nomination and Acceptance form with the Designated Election Official no earlier than January 1, 2022, nor later than the close of business on Friday, February 25, 2022.
5. If the only matter before the electors is the election of Directors of the District and if, at the close of business on March 1, 2022, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent no later than February 28, 2022, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with the Code.
6. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, it being the Board's intention that the various provisions hereof are severable.
7. Any and all actions previously taken by the Designated Election Official, the Secretary of the Board of Directors, or any other persons acting on their behalf pursuant to the Election Laws or other applicable laws, are hereby ratified and confirmed.
8. All acts, orders, and resolutions, or parts thereof, of the Board which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such in consistency or conflict.
9. The provisions of this Resolution shall take effect immediately.

ADOPTED this 6th day of January 2022.

CLIFTON WATER DISTRICT

ATTEST:


Dale Peck – Chairman


Stan Sparks – Vice Chairman


Melvin Diffendaffer – Secretary


Michael Slauson – Treasurer


Edward Dan McElley – Director

Utility Billing Software Upgrade – Manager Jones presented a Staff report identifying the need for a new District Billing and Financial software package. He stated that the new software vendor shall have a product that covers all aspects of the District’s financial needs, including: General Ledger, Accounts Payable, Utility Billing, Purchasing, Payroll, and Cash Receipts. It was the consensus of the Board to have Staff begin the process to identify a new vendor that meets the District’s financial and billing software needs. Information only, no formal Board action required at this time.

Staff members Jones, Obadia, Reinertsen, Walker, Beebe, Lenihan, Lehmann, Edmonds, and Brown exited the meeting at 6:26 pm.

EXECUTIVE SESSION

At 6:27 pm Director Peck moved to go into Executive Session per C.R.S. 24-6-402(4)(c) for discussing personnel matters. Director Diffendaffer seconded, and the motion passed unanimously.

The Board exited the Executive Session at 7:49 pm.

Manager Jones returned to the meeting.

The Board asked Manager Tooker to remain on staff and gave him a new position as a consultant to the Board. He will work on developing a Planning Report and work on the Major Capital Improvement Plan for the District.

ADJOURNMENT

The Regular Meeting was adjourned at 7:50 p.m. by Chairman Peck.

ATTEST:



Dale Peck

Excused

Stan Sparks



Melvin Diffendaffer



Michael Slauson

Excused

Dan McElley