

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT
December 2, 2021**

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, Angie Beebe, Michelle Obadia, Jake Lenihan, Guy Walker, and Branden Edmonds

Public Hearing

Chairman Peck called to order the Public Hearing at 5:00 Pm regarding the District's Proposed FY2022 Budget, in accordance with C.R.S. 29-1-106 *Et.Seq.* The Notice of Public Hearing (12/02/2021 File, 2022 Budget File, Daily Sentinel Legal Notices) was confirmed as published in the Grand Junction Daily Sentinel in accordance with C.R.S. 29-1-106(3)(a). Manager Tooker reported that no inquiries or comments have been received regarding the Proposed Budget from members of the public. No members of the public were present. Chairman Peck closed the Public Hearing at 5:02 p.m.

REGULAR MEETING

Chairman Peck called the December 2, 2021, Regular Meeting to order at 5:03 p.m.

MINUTES OF THE November 4, 2021, REGULAR MEETING

Director Diffendaffer moved to approve the November 4, 2021, Regular Meeting Minutes. Director Sparks seconded, and the motion passed unanimously.

FINANCIAL REPORT AND ACCOUNTS PAYABLE

Director Slauson moved to accept the Financial Report and Approve Accounts Payable Regular Checks of \$125,410.84, plus Supplemental Checks of \$19,804.68, plus Benefits Checks of \$33,293.56, plus HRA Disbursements of \$5,843.69, for a total of \$184,352.77. Director Sparks seconded and the motion passed unanimously.

MANAGER'S REPORT

Manager Tooker reviewed the October 2021 Manager's Report (12/02/2021 File, Manager's Report).

INFORMATIONAL REPORT

Drought Information – Mesa County is at Level D1 Moderate Drought conditions while Colorado is experiencing Level D1 – Moderate Drought or greater. Assistant Manager

Director McElley moved to have Staff submit the 2022 Budget documents to the appropriate reporting entities. Director Slauson seconded, and the motion passed unanimously.

2022 Health Insurance – Manager Tooker reported the District’s Health Insurance transition to Colorado Benefit Trust (CEBT) has been a smooth transition to a January 1, 2022, conversion. In addition to Health Insurance, CEBT will be providing the District provided Life Insurance as a requirement of CEBT and will also be offering the District a Short-term/Long-term Disability plan for consideration.

The Board also confirmed by consensus to offer the option to have an Employee Health Savings Account (HSA) instead of the Health Reimbursement Arrangement (HRA) and contribute the allowed single contribution. This would be an either-or selection since the HSA cannot be used in conjunction with the HRA.

2022 Water Rates and Plant Investment Fees – A Cost of Service Analysis was presented to the Board in preparation of discussion at the January 6, 2022, Board of Directors Meeting. In compliance with C.R.S. 32-1-1001 (2)(a) the Board's discussion of Plant Investment Fees will be scheduled at the January 6, 2022, Regular Board of Directors after notice is provided that the Board will be considering to; fix and/or increase of fees, rates, tolls, penalties of charges for water service. In addition to discussing Plant Investment Fees the Board will also consider Availability of Service Charge, Emergency Rates, Water Rates or any other fees, rates, tolls, or penalties. Staff will prepare the 30-day notification required. No action from the Board is required at this time.

Project RM2019-01 Middle Tank Repairs Phase 4 Slope Stabilization – Assistant Manager Reinertsen reviewed the Project RM2019-01 Middle Tank Repair Staff Report (*12/02/2021 File, Staff Reports, Project RM2019-01*). The District’s Engineer, Burns and McDonnell reviewed all bids to address the Slope Stabilization efforts and provided a Bid Award Recommendation to MA Concrete Construction Company. Director Diffendaffer moved to award Project RM2019-01 to MA Concrete Construction Company in the amount of \$340,721 and for Staff to proceed with issuing the Contract Award documents for signature. Director Slauson seconded, and the motion passed unanimously.

NEW BUSINESS

Budget Transfer Request – The Board reviewed the Staff Report (*12/02/2021 File, Staff Reports, 2021 Budget*) concerning Budget Transfers to address increased Water Treatment Plant costs in 2021.

Water Treatment Plant Chemicals – Director Slauson moved that due to the increased chemical cost increases in 2021 that were unplanned/unexpected the Board approve a Budget Transfer of \$30,000 from Contingency to Water Treatment Plant Chemicals. Director Diffendaffer seconded, and the motion passed unanimously.

Utilities – Director Slauson moved that due to the unplanned increased water production in 2021 associated with demand and providing drought assistance to the City of Grand Junction that the Board approve a Budget Transfer of \$60,000 from Contingency to Water Treatment Utilities. Director Diffendaffer seconded, and the motion passed unanimously.

Reinertsen reviewed the new Clifton Area DRIP Billboard reminding the public the “Winter drought is still drought”.

EXPRESS AGENDA

Director Diffendaffer made the motion to approve the Express Agenda items as presented. Director Mcelley seconded, and the motion passed unanimously. The Express Agenda items are as follows:

Project 2021-06 Mesa County 34 Road Bridge Replacement Project – Staff is working with Mesa County’s construction contractor, K & D Construction, to finalize the start date for the installation of the new 24” PVC transmission line associated with the County’s new 34 Road Bridge Project. Staff is confirming all materials needed are accounted for before permitting removal of the existing 16” AC transmission line to the north storage tanks. Informational only.

Whitewater Village Development – Staff sent out a Request for Engineering Services to four local engineering firms to develop the Preliminary Design package and an order of magnitude construction cost estimate for connecting the District waterlines on Coffman Road and Elk Run Estates Subdivision. Selection of the firm to provide the work scope support will be issued on Thursday, December 9, 2021. Informational only.

UNFINISHED BUSINESS

FY 2022 Budget – Manager Tooker presented the Final 2022 Budget for discussion. Director Diffendaffer moved to approve the 2022 Budget and adopt the Appropriation Resolution of the Clifton Water District Board of Directors Acting and Through Its Water Activity Enterprise for the 2022 Budget Year (12/02/2021 File, Resolutions, 2022 Budget File,) and that it is further resolved, that there is appropriated from the funds of the District Acting By and Through its Water Activity Enterprise, Twenty Million Three Hundred Thirty Nine Thousand Five Hundred Eighteen Dollars (\$20,339,518) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2022 or thereafter. Director Mcelley seconded, and the motion passed unanimously.

**APPROPRIATION RESOLUTION OF THE CLIFTON WATER DISTRICT BOARD OF DIRECTORS
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE FOR THE
2022 BUDGET YEAR**

A resolution appropriating sums of money to the various accounts, in the amounts and for the purposes as set forth below, for the Clifton Water District Acting By and Through its Water Activity Enterprise, Mesa County, Colorado, for the 2022 Budget Year.

WHEREAS, the Directors have adopted the annual Budget for 2022 in accordance with the Local Government Budget Law, on the 2nd day of December, 2021, and;

WHEREAS, the Directors have made provision therein to use a combination of revenues and reserves in an amount equal to, or greater than, the total proposed expenditures as set forth in said Budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the Budget to and for the purposes described below, so as to not impair the operations of the District or its Water Activity Enterprise.

NOW THEREFORE, BE IT RESOLVED by the Directors of the Clifton Water District Acting By and Through its Water Activity Enterprise, Mesa County, Colorado that the following sums are hereby appropriated from the revenue and reserves of the Water Activity Enterprise, for the purposes stated below:

ESTIMATED BEGINNING BALANCE		\$12,175,740
<u>ESTIMATED EXPENDITURES</u>		
	Operating Expenses	
Source of Supply		\$37,636
Water Treatment		\$908,981
Transmission & Distribution		\$647,678
General & Administrative		\$371,831
Labor Expenses		\$2,641,710
<i>Total Operating Expenses</i>		<i>\$4,607,835</i>
	Non-Operating Expenses	
Capital Expenses		\$4,134,800
Bond Principal & Interest		\$1,052,133
Emergency Fund		\$437,132
Reserve Fund		\$436,000
Contingency		\$9,671,618
<i>Total Non-Operating Expenses</i>		<i>\$15,731,683</i>
TOTAL ESTIMATED EXPENDITURES		\$20,339,518
<u>ESTIMATED REVENUES</u>		
	Operating Revenue	
Sale of Water		\$5,903,892
System Fees		\$444,570
Sanitation District		\$48,090
Penalty and Fees		\$40,480
Turn Fees		\$84,000
<i>Total Operating Revenue</i>		<i>\$6,521,032</i>
	Non-Operating Revenue	
Plant Investment Fees		\$1,400,000
Main Line Extension Fees		\$40,000
Disposal of Assets		\$10,000
Availability of Service		\$29,366
Interest		\$128,180
Bond/Grant Proceeds		\$0
Property Taxes		\$0
Lease Income		\$15,600
Construction Reimbursements		\$0
Tap Installation		\$1,600
Miscellaneous		\$18,000
<i>Total Non-Operating Revenue</i>		<i>\$1,642,746</i>
TOTAL ESTIMATED REVENUE		\$8,163,778
Estimated From Reserves		\$12,175,740
TOTAL FUNDS AVAILABLE		\$20,339,518
ESTIMATED ENDING BALANCE		(\$0)

IT IS FURTHER RESOLVED, that there is appropriated from the funds of the District Acting By and Through its Water Activity Enterprise, Twenty Million Three Hundred Thirty Nine Thousand Five Hundred Eighteen Dollars (\$20,339,518) for the general expenses of the DISTRICT, and that this appropriation be a continuing appropriation whether said funds be expended during 2022 or thereafter.

I hereby certify the forgoing is a true copy of a Resolution adopted by the Board of Directors of the Clifton Water District Acting By and Through its Water Activity Enterprise at the Regular Board of Directors Meeting held on December 2, 2021. Said Budget was displayed for inspection and notice of said display for inspection was duly published in accordance with C.R.S. § 29-1-106.

2022 Property Casualty and Liability Insurance Renewal – No action was taken on this item due to renewal was not available at the time of the Meeting. Information will be provided at the January 2022 Meeting.

2022 Workers Compensation Insurance Renewal – No action was taken on this item due to renewal was not available at the time of the Meeting. Information will be provided at the January 2022 Meeting.

Financial Operation Authorizations – Manager Tooker reported that several financial operations will need to be completed in the transition process of the Manager position. Authorizing Signature Cards will prepare for the Board to authorize Ty Jones as an additional authorized signer at the January 6, 2022, Board Meeting.

By consensus the Board authorized District Credit Cards to be provided to the new District personnel, Ty Jones Manager, Guy Walker Assistant Manager and Jake Lenihan Assistant Manager of Treatment and Distribution.

EXECUTIVE SESSION

At 7:03 p.m. 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. Manager Tooker, Manager Ty Jones and Michelle Obadia stayed.

Staff members Angie Beebe, Assistant Manager Reinertsen, Branden Edmonds, Jake Lenihan, Guy Walker exited the meeting at 7:03 pm.

The Board exited the Executive Session at 7:26 pm.

ADJOURNMENT

The Regular Meeting was adjourned at 7:28 p.m. by Chairman Peck.

ATTEST:




Dale Peck



Stan Sparks



Melvin Diffendaffer



Michael Slauson



Dan McElley