

**MINUTES OF BOARD OF DIRECTORS MEETING
CLIFTON WATER DISTRICT**

March 4, 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, David Reinertsen (present by telephone), Deserae Mora, Angie Beebe, Jake Lenihan

REGULAR MEETING

Chairman Peck called the March 4, 2021 Regular Meeting to order at 5:02 p.m.

MINUTES OF THE FEBRUARY 4, 2021 REGULAR MEETING

Director Diffendaffer moved to approve the February 4, 2021 Regular Meeting Minutes. Director Mcelley 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 \$130,109.22, plus Supplemental Checks of \$341,757.41, plus Benefits Checks of \$27,312.64, plus HRA Disbursements of \$4,073.97, for a total of \$503,253.24. Director Sparks seconded and the motion passed unanimously.

MANAGER'S REPORT

Manager Tooker reviewed the January 2021 Manager's Report (*3/4/2021 File, Manager's Report*).

INFORMATIONAL REPORT

Drought Status Update – Staff presented an Informational Report (*3/4/2021 File, Staff Reports, Drought and DRIP Status*) reporting that Mesa County remains in a D3 – Extreme Drought and D4 – Exceptional Drought status. Weather forecasts still indicate that Spring will likely be below average precipitation and above average temperatures. The DRIP Committee has increased meeting from once a month to every two weeks and will be moving their messaging campaign to identify the stages of drought. The Gnome More Waste Less campaign will be generating more press releases as early as April with additional marketing material placed around the Mesa Mall location. Messaging going into the Spring and Summer months will be based around the community's drought awareness and offering educational material.

Springbrook Software Conversion – Staff reported that the Springbrook upgrade has been completed. Staff is currently working with Springbrook, Paymentis, and Infosend to re-establish connection for customers to be able to view and pay their bills online. Springbrook is working on

custom coding for Paymentis which would allow Paymentis to offer a variety of ways for customers to pay their bills and get notification of their bills. The estimated time of completion for the updates on the website will be end of March.

EXPRESS AGENDA

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

Project RM 2019-01.3 Middle Water Storage Tank – Tank Painting – The District’s contractor, WBS Coatings has completed blasting and prime coating of the entire ceiling structural components and has begun blasting and prime coating the vertical walls. All blasting and priming are scheduled for completion by March 15 with intermediate paint coating application to immediately follow. The few welding repairs identified along with the installation of the new interior ladder will begin on March 1. The project is still on schedule for completion prior to May 15 as identified in the contract.

Project 2020-01 27 Inch Transmission Line Upgrade – The District’s contractor, MA Concrete, plans to begin construction the week of March 1, as soon as all procured materials are on site. The pipe fabrication vendor (Jifco) encountered production delays due to the recent adverse weather conditions in Texas. District Staff is working closely with the contractor and the Black and Veatch project engineer to ensure timely completion of this critical project. All work must be completed prior to the historical increase in customer demand, typically beginning in early to mid-April.

Project 2020-03 E Road Waterline Upgrade – The County’s contractor has completed installation of approximately 80% of the new 10” waterline between 31 Road and 31 ½ Road. District staff completed installation of approximately 160 feet of new 8” waterline connecting two subdivisions across two private parcels. This connection will allow for a redundant water supply to the 60 residential customers in the Pioneer Meadows Subdivision while connections to the new 10” waterline in E Road are made. The new 10” waterline is tentatively scheduled to be placed in service by the end of April.

Project 2021-01 AWIA Evaluation – Staff has completed the Execution of the Engineering Service Agreement with Black and Veatch in the amount of \$92,386. The Board had approved a Not to Exceed expense of \$144,734 at the February 4, 2021 Board Meeting. Black and Veatch will begin immediately to accomplish completion before the June 30, 2021 deadline.

UNFINISHED BUSINESS

2021 Fees, Rates, Tolls, Penalties for Water Service C.R.S. 32-1-1001(2)(a) – A Public Notice was published in the February customer billing statements as well as being posted on the Clifton Water District website that the following items would be discussed at the March 4, 2020 meeting of the Board of Directors.

a. 2021 Water Rates – Manager Tooker reviewed the Water Rates and Plant Investment Fee Recommendations Memorandum (3/4/2021 File, Staff Reports, 2021 Water Rates and Plant Investment Fee Recommendations) and explained that based on financial evaluation while considering long term Depreciation recovery Water Rates for 2021 should not need to be increased. Staff is recommending that there be no change to the District’s water rates for 2021. Director Mcelley made the motion to retain the current Water Rate structure with no rate increase for 2021. Director Diffendaffer seconded, and the motion passed unanimously.

b. 2021 Plant Investment Fees – Manager Tooker reviewed the Water Rates and Plant Investment Fee Recommendations Memorandum (3/4/2021 File, Staff Reports, 2021 Water Rates and Plant Investment Fee Recommendations) and based on the Equity Based evaluation method Staff recommended the Plant Investment Fee for a standard ¾ inch by 5/8 inch In District Residential Water Tap for 2021 be increased from \$7,500 to \$8,800 and for the same Out of District Water Tap be increased from \$11,000 to \$12,000 effective May 1, 2021. Director Mcelley made the motion to increase the Plant Investment Fee for a standard ¾ inch by 5/8 inch In District Water Tap from \$7,500 to \$8,800 and an Out of District a standard ¾ inch by 5/8 inch be increased from \$11,000 to \$12,000 effective May 1, 2021. Director Diffendaffer seconded, and the motion passed unanimously.

c. 2021 Availability of Service Charge – Manager Tooker presented a Staff Report (3/4/2021 File, Staff Reports, Availability of Service Charge 2021) and Resolution 2021-02 Availability of Service Charge (3/4/2021 File, Resolutions, Resolution 2021-02 Availability of Service Charge) summarizing the 2020 average billing amounts used to calculate the 2021 Availability of Service Charge and identified the proposed 2021 rates for In-District and Out-of-District. Director Slauson moved to adopt Resolution 2021-02 Availability of Service Charge setting the In-District Availability of Service Charge at \$17.48/month per unit and the Out-Of-District Availability of Service Charge at \$26.22/month per unit. Director Mcelley seconded, and the motion passed unanimously. Resolution text is as follows:

**RESOLUTION 2021-02
RESOLUTION FOR THE AVAILABILITY OF SERVICE CHARGE FOR 2021**

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 2021 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 2020 the average water usage charge for a Clifton Water District In-District customer was \$34.96/month per unit; and WHEREAS, in 2020 the average water usage charge for a Clifton Water District Out-of-District customer was \$60.91 /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 2021 Fiscal Year at 50% of the In-District average water bill in 2020, which equals \$17.48 per month per unit and the Out-of-District Availability of Service Charge for the 2021 Fiscal Year at 43% of the Out-of-District average water bill in 2020, which equals \$26.22 /month per unit.

BE IT FURTHER RESOLVED that this Resolution be adopted this 4th day of March 2021 and is effective April 1, 2021.

d. 2021 Emergency Water Rate – Manager Tooker presented a Staff Report (3/4/2021 File, Staff Reports, 2021 Emergency Water Rates and Exhibit A) reviewing the 2009 Resolution establishing an Emergency Rate, using the 2020 rates as the basis for the calculation of the 2021 Emergency Rates. Since the 2021 Water Rates did not change no changes to the established Emergency Rates are necessary. Director Mcelley made the motion to adopt the 2021 Exhibit A to the 2009 Resolution and to place the Resolution on hold until further action of the Board. Director Diffendaffer seconded, and the motion passed unanimously.

RESOLUTION TO ESTABLISH AN EMERGENCY RATE

WHEREAS the District wishes to establish an Emergency Rate to preserve water resources in a critical drought situation and/or unforeseen water supply shortage situations and.

WHEREAS the District researched effective water conservation pricing programs identifying that increasing block rate structures are used effectively to conserve resources during recognizable water supply problems and;

WHEREAS the Emergency Rate is not established using traditional Cost of Service Analysis and;

WHEREAS the Emergency Rate uses an increased rate structure elevating the charge for water above the cost to produce the water and;

WHEREAS the primary objectives of the Emergency Rate are to reduce the overall consumption of treated water and reduce the peak use and treatment of raw water and;

WHEREAS the District's Emergency Rate shall encourage customers to maintain usage in the minimum monthly billing block of 3,000 gallons per month and encourage all other water users to lower their consumption and;

WHEREAS the District's Emergency Rate shall not penalize minimum water usage customers that are already conserving and;

WHEREAS the District's Emergency Rate shall be evaluated periodically and adjusted according to the prevailing conditions as necessary;

NOW THEREFORE BE IT RESOLVED that the Clifton Water District Board of Directors establish the Emergency Rate (Exhibit A, attached to and a part of this Resolution) effective July 3, 2009

e. 2021 Credit Card Convenience Fees – Manager Tooker reported that since May, due to the COVID Pandemic the credit card Convenience Fee has been suspended. The Convenience Fee pay the Merchant fee for the use of credit card payment. In 2020, Credit Card payments accounted for 24% of the District's transactions. Consideration of eliminating the Convenience Fee would further encourage online Credit Card usage. The District routinely receives comments from Customers concerning the convenience Fees. The Board discussed the costs associated with processing Credit Cards and that that cost should be assessed to the Credit Card users and not all District Customers. No action was taken from the Board on this item and the Credit Card Convenience Fee will remain in place.

Project 2021-05 20 Inch AC Waterline Upgrade Project – Assistant Manager Reinertsen reported on the process of the 20-inch AC Waterline Upgrade project. The preliminary cost estimate of this project was \$325,000.00 price escalation of PVC pipe and lead times of 5-6 weeks may adversely affect the completion of the project. But will be unknown until bids are received. Director Sparks made the motion for Project 2021-05 20 Inch AC Waterline Upgrade Project be put out to bid and make a determination of continuing with the Project once all costs and deliveries are identified. Director Diffendaffer seconded, and the motion passed unanimously.

Updated Out of District Service Request: Curt Haskins/Silver Sage LLC –Assistant Manager Reinertsen presented a Staff Report (*3/4/2021 File, Staff Report, Out of District Service Request Curt Haskins-Silver Sage*) for a request made by Mr. Haskins/Silver Sage LLC to increase the number of lots permitted to be served from 7 to 13 based on the new Mesa County density changes. The District had received previously received engineering analysis that supports increase in lots served. Director Diffendaffer made the motion to approve the change of 7 residential units to 13 while keeping the original conditions of the approval. Director Sparks seconded, and the motion passed unanimously.

Personnel Policy Revisions – Manager Tooker reported that the Personnel Committee had met and reviewed the recommended changes to the Personnel Manual from the District’s Employment Law Attorney Michal Santos and presented the sections that need to be updated to the Board. The Board of Directors when through each section noting the changes. Michael Santos will be invited to the April Board Meeting to discuss and answer questions regarding the recommended changes. No action was required from the Board at this time.

NEW BUSINESS

Colorado Law Enforcement Training Center (CLETC) Plant Investment Fees – Manager Tooker presented a staff report (*3/4/21 File, Staff Report, Fire Line Tap Fees*) identifying that the District has had numerous requests for Fire Lines and has been working to develop options for the equitable assessment of a Fire Line Plant Investment Fee. Staff presented a Fire Line that is based on the sum of the following:

1. Actual cost of Fire Flow Meter
2. Cost of vault, and all parts and material.
3. Cost of installation
4. Applicable sized Main Line Extension Fees (Wet Tap).

Director Mcelley made the motion to revise the Plant Investment Fee for a Fire Line Plant Investment Fee based upon the actual cost of the Fire Flow Meter, vault, and all parts and materials, installation, and Mainline Extension Fee (Wet Tap) based on the Mainline Extension Fee (Wet Tap) Fee Policy #420. Director Diffendaffer seconded, and the motion passed unanimously.

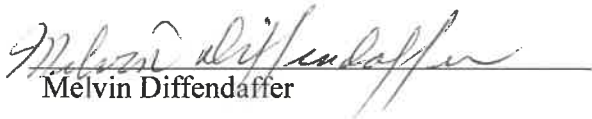
ADJOURNMENT

The Regular Meeting was adjourned at 7:33 p.m. by Chairman Peck.

ATTEST:


Dale Peck


Stan Sparks


Melvin Diffendaffer


Michael Slouson


Dan McElley