

MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING

CLIFTON WATER DISTRICT

FEBRUARY 12, 2026

BOARD MEMBERS PRESENT: Mel Diffendaffer, Dan McElley, Nick Genova, Jeff Cook, and Michael Slauson.

ABSENT:

STAFF MEMBERS PRESENT: Jennifer Pettingill, Jacob Lenihan, Blair Wade, Ty Jones, Mike Simpson, Mark Dalley, Isaac Brown, and Rene Fick.

GUESTS PRESENT: David Upchurch.

REGULAR MEETING – CALL TO ORDER

Chairman Diffendaffer called the February 12th, 2026, Regular Meeting to order at 5:00pm.

MINUTES OF THE JANUARY 8TH 2026 REGULAR MEETING

Director Genova moved to approve the Minutes of the January 8th, 2026 Regular Meeting, seconded by Vice Chairman McElley. Motion carried unanimously.

GUESTS

Manager Jones pointed out that a guest was present at the meeting and David Upchurch introduced himself. He stated that he had purchased a tap several years ago and that he had a deal with Distribution Manager Silva for a 2" line, which he assumed was to only serve his property. He questioned the current status, as it appears another line is being installed. Assistant Manager Lenihan questioned which line David is referring to and explained that there is no need for a second line to serve David's second, yet to be purchased, tap. David expressed concern for retaining the necessary pressure should someone else tap off this line. Assistant Manager Lenihan explained that the 2" line is going to be installed by the District, at the District's expense, and it will be owned, and maintained, by the District. At this time, the District has no intention of allowing another property to tap off this line but since this line will be owned by the District, its purpose, and which properties it will serve, will be at the District's discretion.

FINANCIAL REPORT

Treasurer Slauson moved to approve the Accounts Payable checks, in the amount of \$840,209.51, seconded by Secretary Cook. Motion carried unanimously.

FINANCE DEPARTMENT

Finance Staff Report

- Financial Summary – Finance Manager Wade stated that today’s report contains the year-end figures. Total operating revenue collected was 101% of the budget, with non-operating revenue at 130.93%. Total projected revenue for 2025 was within 4.88% of actual revenue. The District has expended 91.96% of the operating budget, and 52.72% of the non-operating budget. Total projected expenses for 2025 were within 12.44% of actual expenses.

HUMAN RESOURCES DEPARTMENT

Human Resources Staff Report.

- Hiring Updates – The Distribution Technician position has been filled, and he will start on February 9th. Staff expect to be conducting interviews for the Project Manager position by the end of February. The Lead Distribution Operator position was filled internally.
- Human Resources Policies – HR Manager Pettingill noted that the HR policies, as reviewed and discussed during the February 11th, 2026 workshop, is being presented today for approval. Chairman Diffendaffer moved to approve the Compensation Philosophy, PTO-to-Retirement, and Driver Eligibility policies, seconded by Treasurer Slauson. Motion carried unanimously.

ENGINEERING/CONSTRUCTION DEVELOPMENT

Engineering Report

- Water Treatment Plan Project – Assistant Manager Lenihan stated that staff will be requesting signatures from Chairman Diffendaffer and Secretary Cook on the contract for this project. The cost of the next phase of this project is currently estimated at \$1.4 million and will still need to be negotiated.
- Colorado River Transmission Main Crossing Project – Work has started on this project but will most likely need to be halted and resumed in September. Contractors are waiting on delivery of specialized expansion joints with an estimated 16 week lead time. Adding to this delay is the construction restriction from June 1st through August as the projection location is near a potential nesting area of the yellow-billed cuckoo.

- Storage Tank rehabilitation – Staff are working with engineering firm, SGM, on developing a Scope of Work.
- Desert Road Pump Station – Easement negotiations are still underway with the City of Grand Junction.

Vice Chairman McElley inquired about the State Revolving Loan Fund and Manager Lenihan responded that once the Water Treatment Plant project reaches 75% design, the loan application may be submitted. Staff are currently working on the pre-application, and this process involves holding a public hearing where the District will explain why this project is needed, and how it will be completed. It will also provide an opportunity for public comment, which is one of the requirements of the loan application. Staff are aiming for the January 2027 application deadline and the District will fund project-related expenses during the meantime, as was budgeted for.

OPERATIONS

Operations Staff Report – no discussion.

ADMIN/OFFICE

- Safety Policies – Assistant Manager Lenihan presented the safety policies, as reviewed and discussed during the February 12th, 2026 workshop, for approval. Chairman Diffendaffer moved to approve the Job Safety Analysis, Electrical Safety, Personal Protective Equipment, Aerial Lift Safety, and Trenching and Excavations policies, seconded by Vice Chairman McElley. Motion carried unanimously.
- Residential Tap Fee Policy – Manager Jones briefly reviewed the reasons for the update to this policy, including the issues that arose with using square footage for calculating the tap fee. As discussed during the February 11th, 2026 workshop, staff decided to use a flat rate based on meter size and location (In District or Whitewater) instead, and offering a discount for participation in a grey water system and/or the availability of non-potable irrigation. Accessory Dwelling Unit (ADU) tap fees have also been updated, with the tap fee to be waived if the ADU is smaller than 750 square feet. For those ADUs larger than 750 square feet, the tap will be sold at 70% of the main tap fee. Director Genova clarified that the ADU fee will be 70% of the primary tap fee, *not* the tap fee after the grey water and/or irrigation discounts have been applied. Manager Jones confirmed that this was how the tap fee policy presented for approval was written.
- Resolution 2026-03 Drought/Emergency Rates – Discussion ensued on Drought and Emergency rates with a review of the rate tables, as discussed during the February 11th, 2026 workshop. Manager Jones provided information on emergency rates from other water providers. Ute Water Conservation District’s retains the base rate, multiplies tier 1 by 1.5, and tier 2 by 3. The remaining tiers are all at 5 times the standard rate. The City of Grand Junction will charge 3 times the base rate, which includes up to 2k gallons, and also 3 times the standard rate for all other tiers. Vice Chairman McElley moved to adopt Resolution

2026-03 Drought/Emergency Rate, seconded by Director Genova. Chairman Diffendaffer questioned the difference between emergency and drought rates and Manager Jones responded that both were left the same in order to allow for flexibility. Director Genova commented that it would be up to the Board to determine which trigger applies, and it is not bound by policy. Chairman Diffendaffer made a point of clarification – that each category should be based on severity of the conditions, adding that to customers, it will provide a better understanding of the rates and the situation. The Board agreed that Category 1 and 2 should be renamed Severity Level 1 and 2. Vice Chairman McElley moved to amend his motion, to adopt Resolution 2026-03 Drought/Emergency rates with the updated table heading in Exhibit A to state Severity Level 1 and 2. No objections were made. Motion carried unanimously.

- Resolution 2026-02 Exhibit II Rates and Fees – Manager Jones explained that Exhibit II contains all the District’s rates and fees and the updates to the Exhibit include the new Grand Valley Irrigation Company (GVIC) rate, and the discounts available on tap fees for grey water program participation and availability of non-potable irrigation, along with the percentage of these discounts. Discussion ensued on updating wording from “new developments” to “new housing units”, when referencing the tap discounts. Director Genova moved to adopt Resolution 2026-02 Exhibit II Rates and Fees, with the updated wording of “new housing units” to replace “new developments”, seconded by Treasure Slauson. Motion carried unanimously.
- Residential Tap Fee policy (continued) – Chairman Diffendaffer moved to approve the updated Residential Tap Fee policy, seconded by Director Genova. Motion carried unanimously.
- Clifton Fire District – Manager Jones explained that Clifton Fire District had sent a letter requesting that they not be charged for using water at the fire station. He noted the District is only charging the Fire District for water used for living quarters, and not for fighting fires. The letter from the Fire District questions whether the decision to charge the Fire District was a Board decision or a management decision. Discussion ensued and it was noted that Clifton Fire District now has 24 full time staff and that the District does charge domestic water usage for other fire stations. Manager Jones asked the Board for input on how to proceed. Chairman Diffendaffer moved that Clifton Fire District will pay for domestic water usage, that a meter will be supplied by the District in order to separate domestic usage from fire-fighting equipment usage, where the cost of installation will be responsibility of Clifton Fire District. The motion was seconded by Director Genova. Motion carried unanimously. The Board agreed that staff will send a letter of response to Clifton Fire Department that outlines the vote taken at this meeting and stress the fact that other fire stations served by the District are also charged for domestic water.
- Manager’s Report
 - Manager Jones provided an update on the ADU situation on Patricia Drive. He briefly explained that the District had discovered, during a leak check, that a second building on the property had been converted to an ADU without payment

of either a sewer or a water tap fee. The District has been in communication with the property owner, who claimed having no knowledge of the requirement to pay tap fees for an ADU. Manager Jones explained that staff reviewed notes from 2019, around the time this property was sold to the current owner, and one of the owners had contacted the District to inquire about ADU tap fees. One note specifically states that the owner said he will pay these ADU tap fees once closing was complete. Clifton Sanitation District's Board is willing to recoup their ADU sewer tap fee over a 24-month payment plan. Discussion ensued with Vice Chairman McElley noting that the District is partially at fault for not following up after the property had closed. Chairman Diffendaffer questioned why the customer had let the payment slide. It was explained that upon discovery of the ADU, the customer had ignored multiple phone calls and letters from the District. Director Genova proposed charging the full ADU water tap fee. Vice Chairman McElley proposed a tap fee of 50% of the current ADU tap fee. Manager Jones revisited the authorization given to him by the Board to deal with these situations on a case-by-case basis, but noted that this case is different as the customer was aware of the requirement to purchase ADU tap fees. Vice Chairman McElley commented that flexibility may be needed in this case as the ADU is housing a family member. Front Office Supervisor Simpson confirmed that it is indeed a family member, who is also a co-owner, that resides in the ADU. He added that District staff quoted an ADU tap fee of \$4,900 in 2019, per the notes on the account. Vice Chairman McElley and Director Genova both agreed to charging this fee, with Director Genova commenting that it would have been the fee the customer was charged had this been done in 2019.

- Manager Jones informed the Board that staff has ordered the dump truck that was budgeted for in 2026 and delivery is expected in about 90 days.

ADJOURN MEETING

Meeting Adjourned at 6:20pm by Chairman Diffendaffer.

ATTEST:



Dan McElley, Vice Chairman



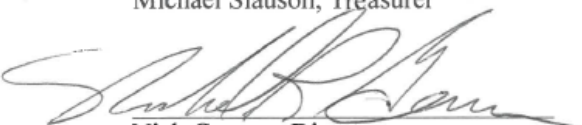
Mel Diffendaffer, Chairman



Michael Slauson, Treasurer



Jeff Cook, Secretary



Nick Genova, Director