

DONALA WATER AND SANITATION DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
November 21, 2024

The Board of Directors of the Donala Water and Sanitation District met in regular session at the District's Holbein Water Treatment Facility, 15850 Holbein Drive, El Paso County, Colorado on November 21, 2024, at 1:30 P.M.

Director's Present: Wayne Vanderschuere
Bill George
Kevin Deardorff
Ed Miller
Scott McCulloch-Phone In

Staff Present: Jeff Hodge
Christina Hawker
Carla Edwards
Ronny Wright
Aaron Tolman
Joe Lopez
Cade Pennington

Consultants' Present: Roger Sams (GMS)
Helen Malenda-Lawrence (LRE)
Brett Gracely (LRE)
Nate Eckloff (Piper Sandler)
Mark Valentine (Merrick)
Lauren D'Ambra (LRE)
Todd Cristiano (Raftelis)
Nicki Bartak- GoTo Meeting (Raftelis)

Guests: Jackie Burhans (OCN)
James Howald (OCN)

President Vanderschuere called the meeting to order at 1:30 P.M.

Approval of Agenda:

- Vanderschuere stated one change to the agenda
 - Agenda Item #7 moved to the beginning of the meeting due to time constraints

Public Comment Non-Agenda Items:

- No public comments.

Review of Minutes:

- Minutes from October 10, 2024, Regular Board Meeting accepted.
 - George motioned to approve, Deardorff seconds, all aye.

Review of Financial Statements and Check Summaries:

- Hodge stated that water sales are higher than anticipated.
- Hodge stated we are on track to meet our water and wastewater revenue, budget and expenditure goals.
- Financials from November 21, 2024, accepted.
 - George motioned to approve, Deardorff seconds, all aye.

Water and Wastewater Utility Rate Study

- Hodge stated that the rate study was conducted in an effort to determine rates to ensure that capital expenditures can continue to be paid for, and service provided to the district.
- Hodge stated that Raftelis was retained to do the rate study in September.
- Cristiano presented data showing that older infrastructure is beginning to reach the end of its functional life and needs to be repaired or replaced. This has caused an increase in water and wastewater rates across various districts across the nation.
- Cristiano stated that for the analysis, expenses and revenues for water and wastewater were examined separately.
- Beginning with water revenues and expenditures, Cristiano reviewed some line items that are budgeted for increase due to inflation such as chemicals and salaries.
- Cristiano presented two different financial plans with each having a different capital project as the primary. He stated that expenditures and reserve funds for both plans would be covered with a rate increase of about 5%.
- Regarding wastewater revenue and expenditures, Cristiano stated there are some minor capital projects so an increase of 5% would allow for increased wastewater reserves.
- Cristiano stated that the next step is to determine which financial plan the district would like to pursue.
- Hodge stated that we are going to look at the tiers and look at fixed rates being assessed, as well as the number of gallons in each tier.
- Vanderschuere stated the Cost of Service is typically implemented on January 1st. Currently, we are scheduled to approve the budget, have the rate hearing and approve the rates at the December 12th Board Meeting, which is not a lot of time.
- Hodge stated he thinks we continue to do what we have historically done in the past, following those guidelines along with raising the rate by either 4.5 or 5%.
- Vanderschuere stated he did not believe we want to do a rate change more than one time per year.
- Edwards stated if we change water and sewer rates at the same time in March, (effective April 2025 billing) customers would only see a rate change once per year.
- Vanderschuere stated the board has a couple of items they need to provide direction on for the December Board Meeting and going forward:
 - a. Proposal for a 4.5-5% blanket increase
 - b. Timing of the cost-of-service increase
- Vanderschuere stated Hawker will still need to file our budget officially by December 15th, so a decision will still need to be made by the December 12th Board Meeting.
- Hodge stated we will have Todd back in January or February to discuss further.

Groundwater Review by LRE and Merrick:

- Malenda-Lawrence stated LRE has been working with Donala for several years to understand the quality of equipment and our wells in the field.
- Malenda-Lawrence also discussed the variety of wells and the tanks they feed in the district, along with their operational status currently. She made recommendations for well maintenance and replacements.
- Malenda-Lawrence stated that if these certain maintenance issues are not addressed throughout the district, they will lead to well failures in the near future.
- As Malenda-Lawrence mentioned, pumping equipment for our wells should be replaced every 20-30 years, which is the life expectancy.
- Malenda-Lawrence also discussed a well field supply evaluation LRE performed using our two well fields and separating them using two different demand scenarios.

- Malenda-Lawrence stated LRE recommends Donala considers drilling two Denver wells, with one feeding each plant, if we are going to rely on ground water moving forward. This is to provide flexibility, redundancy, and resiliency to Donala's system.
- Malenda-Lawrence explained what a geological investigation is, why we should have one performed before we decide to drill a new well, and why that is so important.
- Vanderschuere suggested we may look at 3–5-year contracts with CSU as a backup if needed.

Water Report by Ronny Wright:

- Regarding 11D, pumping of the chemicals and the screen cleaning were performed. Around 6 tankers full of debris were removed and hauled off. This part of the process is now complete, and they are beginning to move some of the equipment off site so they can begin moving in new pipe. The VFD is already installed, but the wiring just needs to be finished. The well will be videoed one more time to make sure it is in good condition, next week, before any pipe is installed.
- Leak on Palm Springs occurred late on Friday night. Pipe was repaired on Monday, the only thing outstanding is the asphalt.
 - Break from 3:25pm-3:35pm

Budget Review:

- Hodge stated that adjustments were made to Capital projects and the adjustment to rates so the board can see the difference.
- Vanderschuere stated that we will formally approve the budget and have a rate hearing and approve the rates in anticipation of the rates going into effect on April 1st, 2025, subject to the cost-of-service study that Todd Cristiano is going to put together, at the December 12th Board Meeting.

Resolution 2024-7, Calling for a February 4, 2025, Special Election, Authorizing an Election on the Question of Waiving Term Limits, and Appointing a Designated Election Official:

- George motions to approve and Miller seconds, all aye.

General Manager Report by Jeff Hodge:

- PPRA is working on getting their lease up to 99 years. Also, their IPR project is partially funded to the next stage and moving forward.
- During inclement weather, we are trying to make sure our plants can run at least 3 days without operator intervention to ensure staff safety.

Wastewater Report by Aaron Tolman:

- Influent Equalization Basin #1 mixer is repaired and back in service.
- Continued preparation for the SBR PLC replacement with Merrick, TLECC, and Integrated Control.
- UV Disinfection/Effluent instrumentation has been replaced by Beabout, Brock, Easley.
- E-Coli levels are 12.0 MPN, well under the required levels.
- Total effluent is sitting at around 27.309 million gallons.
- BOD removal was 99% and TSS was 99.0%, which is well above the required minimum of 85%.
- Hydraulic loading is at 41.9% and BOD loading is at 33.8%.

Consultants' Comments:

- Sams stated that mobilization should start on May 1st for the tank coating project.

Directors Comments:

- Vanderschuere stated himself and George attended the elected officials meeting for the Loop earlier in the morning and there were elements of discussion that may affect how the board directs Hodge on that project going forward. There will be more discussion on that in the executive session during the December board meeting.

Public Comment:

- None.

President Vanderschuere entertained a motion to adjourn regular session board meeting and move into Executive Session, CRS§24-6-402(4)(e) Determine Positions Relative to Matters that may be Subject to Negotiations, Developing Strategy for Negotiations, and Instructing Negotiators Regarding the UMCWTF IGA.

- George motions to approve and Deardorff seconds, all aye.

Regular Session Meeting adjourned at 4:21 P.M.

Executive Session discussing CRS§24-6-402(4)(e) Determine Positions Relative to Matters that may be Subject to Negotiations, Developing Strategy for Negotiations, and Instructing Negotiators Regarding the UMCWTF IGA was called to order at 4:28 P.M.

Executive Session Meeting adjourned at 4:41 P.M.

These minutes are respectfully submitted for record by Carla Edwards on December 10, 2024.