

DONALA WATER AND SANITATION DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES

The Board of Directors of the Donala Water and Sanitation District met in regular session at the District office, 15850 Holbein drive, Gleneagle subdivision, El Paso County, Colorado on February 16, 2017 at 1:30 p.m.

DIRECTORS PRESENT:

DAVID POWELL
KEN JUDD
BOB DENNY
ED HOULE

ABSENT:

DENNIS SNYDER

STAFF PRESENT:

KIP PETERSEN
BETSY BRAY
SHARON SAMEK

GUESTS

JIM KENDRICK
BILL GEORGE
MICHAEL O'HARE
BRIAN SCOTT
BARB INLOW-CHILDRESS

President Powell officially called the meeting to order at 1:30 pm. He noted for the record that Dave Powell, Ken Judd, Bob Denny, and Ed Houle are all present. Dennis Snyder's absence was excused. Powell asked all to rise for the Pledge of Allegiance.

PUBLIC COMMENT NON-AGENDA ITEMS:

Powell then asked if there was any public comment at this time. Mr. O'Hare introduced himself and Mr. Scott and Ms. Inlow-Childress also introduced themselves. They expressed concerns regarding the Mill Levy charged by Donala as well as the rates for water and sewer. There was no other comment from the rest of the public. The Board then thanked the Public for their attendance and input.

REVIEW OF MINUTES:

The Board then reviewed the minutes of the January 19, 2017 meeting. Judd asked about the open question from the last meeting regarding Auto Tax. Petersen stated that the Auto Tax is from all over the county. The entire auto tax received from El Paso County is divided and sent to all entities that have a mill levy, in proportion to their mill levy compared to total mill levy collected. In Status of Operations, there is a trend toward lower overall consumption; will that translate to a lower AFE per customer when determining water needs? Petersen does not feel that the AFE per customer number of .61 AFE will change in the near future. There were no corrections, so they were accepted as presented.

REVIEW OF FINANCIAL STATEMENTS AND CHECK SUMMARIES:

Petersen then directed the Board to review the financials. Petersen noted nothing that is out of line for the first of the year. Insurance is paid up front, as is Amnet. Judd asked what Amnet is; Petersen explained this is our IT support. As of yet, there are no Capital projects. Petersen then asked if any questions on check registers. Denny asked if Donala is happy with Colorado Special Districts insurance? Petersen stated that Donala is indeed very happy with CO. Special Districts insurance. Waste plant exec summary was then viewed. Powell then noted ACZ and asked if the lab reports on arsenic have come out well? Petersen stated that the reports did come back and the arsenic levels are low and well within the acceptable limits. Denny then asked if Petersen has had the water that comes through the Northgate connection from CSU has been tested for arsenic. Petersen stated that the results of the test are unknown. Houle moved to accept the financial as presented, Powell 2nd, all “aye”.

MANAGER'S REPORT:

Petersen then noted that he had provided the Board of Directors with the Donala lookback for 2015 and 2016. Judd noted a typo on the 2016 lookback; the audit should have been for 2015 instead of 2014. Petersen stated that this is indeed an error and it will be corrected.

He then moved on to the Triview Update. He stated that Remington was scheduled to provide a “State of Triview” address to the Monument Board of Trustees. She offered to provide the same “State of Triview” address to the Donala Board and Petersen accepted her offer. Petersen then provided a copy of the summary of what was discussed in the latest edition of the OCN. Triview will be discussed a little further in the Operations report. Denny then asked if Donala knew in advance of the Fountain Mutual shares opportunity. Petersen stated that he did not. Petersen stated that he is normally contacted by Barber or Fendel if there are any potential water sources that are for sale; none of his contacts knew about the Fountain mutual shares. Petersen stated that from personal experience, he feels that some of these sales are not advertised and can be very hard to track down. The Board then asked about conveyance of these shares of water. Petersen had not been contacted about how the water will be conveyed. He stated that most likely in the interim, the water is being leased to AGUA.

Petersen then moved onto a reuse article. This article stated that reuse water is becoming an ever increasing subject of interest in Colorado. As this District continues to search for alternatives for a non-renewable water source, reuse will be one of the options that must be evaluated.

Petersen noted that on February 8, 2017, he and Powell attended the Arkansas Basin roundtable in Pueblo. Two articles were presented; a report on the Upper Black Squirrel Groundwater Quality study that was undertaken through a roundtable grant. The second presentation was an update on the Catlin Lease-Fallow Pilot Project.

The next roundtable will be held on March 8, 2017 and two volunteers are requested. Judd and Houle volunteered.

Petersen then stated that the Ark River forum will be held April 26 and 27th, 2017. Petersen is hoping the Board of Directors will be able to attend. The invitations should be arriving soon. Draft schedule has not been released yet.

Petersen reported on the Pikes Peak Regional Water Authority. He stated that Denny had attended the last meeting. He noted that the severe problems the Colorado State Legislature will be facing are primarily with the budget and subsequent cuts that are up coming. One of Petersen's concerns is the issue of the zebra mussel. If this mussel is not controlled, there is a distinct possibility that the mussel could overtake reservoirs and clog intake and outflow points.

Petersen then noted that Sharon Samek will be leaving the District on March 17, 2017. The District will miss her greatly. Petersen wanted to personally thank Samek for all the great work she has done for the District.

Additionally, applications are being accepted for summer hires. They must be individuals that are motivated, between the ages of 18 and 22, and are hard working.

Finally, Petersen noted that he has been advertising for the new hire for Donala. This person will be mainly working on the water side, but will cross over to Waste water as needed. The deadline for advertising is March 10, 2017. He is looking for someone with a minimum C license and Water Distribution I.

Petersen then noted as part of his Managers Report, he requested to speak to the Board in Executive Session for the purpose of discussing the Laughlin Ditch Water Right.

WILLOW CREEK RANCH:

Petersen stated that to his knowledge, the Environmental Assessment and the 1041 application are still under review. He has no estimated time line for an answer and this is the frustrating part. He noted that he had read that the Pueblo Board of County Commissioners had decided to attempt to become part of the lawsuit filed by the EPA and the State Health Dept. related to COS storm water management activities over the last several decades. Petersen sees this as an indication that storm water concerns may well be a major consideration with Donala's 1041 request.

It was noted at the last Water Congress, that the potential for a spring "spill" of Pueblo Reservoir is indeed a real potential. With this in mind, Petersen has directed staff to pull the water we have in storage in Pueblo to reduce a potential loss. Also, this will make room for the Willow Creek Ranch spring melt this Spring, 2017. Houle asked if Donala gets notice of potential spill; Petersen said that Donala does indeed get notified. Houle noted that he will be going by Leadville on the first of March, 2017. He will check out the snowpack then.

Parker and Petersen have not been to the ranch lately, as there were scheduling conflicts. According to Rocky and Therese, this has been an epic snow season.

STATUS OF OPERATIONS/PROJECTS:

The water treatment facilities are in nominal production. There has not been as much demand for use of the plants due to the Willow Creek water.

Petersen noted that the Waste Treatment Plant is working well and is discharging treated effluent that is well within our permit standards and limits. Petersen reported that his concern with the Triview flume has been resolved with a temporary flume and a permanent, calibrated flume should be in place by the end of February, 2017. As a result of quick work by John McGinn, Triview's consulting engineer, in speaking with the State Inspector, the flume problem was noted under "Other Findings", rather than as a Major Finding.

Petersen then went on to note that the District will undertake a major water main replacement in the area of Doral Way. Petersen has put an article in the Newsletter to let residents know of the large capital project and a letter to each impacted resident will be sent as we get closer to construction. He is also considering an Open House to speak with customers personally. Preliminary engineering places the cost around \$775,000. Once the bids are submitted, a formal award process will be conducted by the Board.

Denny asked when Academy Water and Sanitation District will begin flowing to the Waste Water Treatment Plant. Petersen expects that this will occur in late 2017 or early 2018. A meter will need to be installed to make sure that Academy's flow is metered.

DEVELOPER UPDATES:

Petersen stated that the Golf Course developer has indicated that he is hopeful to be before the Planning Commission this month and the Board of County Commissioners next month for Preliminary and Final Platting.

Petersen then noted that on February 6, 2017, James Barash held an informational meeting at the Antelope Trails Elementary School to gather community support for a signal at the intersection of Gleneagle and Struthers. At this time, a roundabout is in design phase. We will see what happens. Petersen has provided a letter of commitment for the 6 Commercial lots on Mr. Barash's property. This is the amount of water committed for quite some time now. The letter of commitment remains at 14.5 AF.

PUBLIC COMMENT:

Powell then asked if there was any public comment. The public had a few questions regarding water quality and transmission. Petersen answered questions regarding the difference between Colorado Springs and Donala in regards to water quality, and transmission of water. The Board then noted that Donala is very proud of the fact that Donala residents have been conserving water very well since the effort began in 2010. Petersen hopes this trend will continue, as this will lessen the burden on our wells.

Petersen then requested an Executive Session. It was moved by Judd, second by Denny, to adjourn to Executive Session under the provisions of CRS 24-6-402(4)(e) to determine positions relative to matters that may be subject to negotiations, developing strategy for the negotiations and instructing negotiators. Motion carried and the Board went into Executive Session at 4:01 p.m. At 4:10 p.m., the Board adjourned to open session. It was moved by Houle, second by Denny, to authorize the Board President, David Powell, to sign an extension for an additional 60 days to complete due diligence on the Laughlin Water Right. Motion carried.

Petersen then noted that he did have two additional items for the Board's consideration. The first was to approve a change order to the Latrobe Water Line project that would increase the total cost by \$14,776.39, payable to K.R. Swerdfeger Construction, Inc. It was noted that the request for final payment in the amount of \$99,952.36, will close out the project. It was moved by Houle, second by Judd to accept the change order and authorize the General Manager to sign off on the final payment.

The last item Petersen had was a request from Wayne Vanderschuere for a letter of endorsement for appointment to the Colorado Water Conservation Board. The term of Alan Hamel has expired and there is a

vacancy for a representative of the Arkansas River Basin. Mr. Vanderschuere is known by the Board from working with Colorado Springs Utilities as well as being a resident of the District. It was moved by Judd, second by Houle, to direct the General Manager to write a letter of endorsement.

There being no further business before the Board, it was moved by Judd, second by Houle, to adjourn the meeting. The motion carried and the meeting adjourned at 4:15 pm.

These minutes are respectfully submitted for record by Betsy Bray on February 20, 2017.