

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 January 19, 2017 at 1:30 p.m.

DIRECTORS PRESENT:

DAVID POWELL
KEN JUDD
BOB DENNY
ED HOULE
DENNIS SNYDER

ABSENT:

STAFF PRESENT:

KIP PETERSEN
BETSY BRAY
SHARON SAMEK

GUESTS

JIM KENDRICK
BILL GEORGE

President Powell officially called the meeting to order at 1:30 pm. He noted for the record that Dave Powell, Ken Judd, Bob Denny, Ed Houle and Dennis Snyder are all present. 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. Both George and Kendrick stated that they had no public comment.

REVIEW OF MINUTES:

The Board then reviewed the minutes of the December 8, 2016 meeting. There were no corrections, so they were accepted as presented.

REVIEW OF FINANCIAL STATEMENTS AND CHECK SUMMARIES:

Petersen then reviewed the Financial Statements for December, 2016. He noted that Donala finished the year with 2% excess revenue. However, since we are “De-bruced”, we are allowed to keep that excess for further capital improvements. Most likely the overage was due to FEMA funds and the Triview water payment. Snyder then asked about the Auto Tax money that we receive from the El Paso County Assessor’s Office. He asked if we receive a portion of the tax money from vehicles that are purchased by Donala residents or from the entire County. As no one knew the answer, Bray stated that she would call the Assessor’s office to try and find out. Petersen then directed the Board to review the Financial Statements for the Waste Treatment Plant. Petersen noted that he had exceeded the budget in working with Leonard Rice to develop the modelling project for the BUREC. Powell then asked about check number 20901- truck fill software agreement. This is to pay for the software that allows Donala to bill for water that is taken from one of our hydrants in the southern part of the District. Check number 20906 was then questioned. It is for a set of study books for our operators to pass their Certification classes. Check number 20922 is to reimburse Julie McDonald for mileage and food as she went to a landscape class to be able to work more effectively in our Donala Gardens and elsewhere throughout our different sites. However, that project is completed and he doesn’t expect any further expenses. He then directed the Board to review the Chandler report. After discussion, it was decided that Petersen will provide the complete Chandler report for the months of June and December each year. Houle moved to accept financials as presented, Denny “second”, all “aye”.

MANAGER’S REPORT:

Petersen asked the Board to formally adopt the District Meeting Schedule. Judd moved, Houle, “second”, all “aye”. The Board noted that the meetings are the third Thursday of each month with the exception of the June meeting which will be the 4th Thursday of the month. The adopted Public Notice will be posted at the Holbein Office next to the payment drop box, on the outside bulletin board at the Holbein Office, next to the payment box at the Loaf N Jug, and at the reception area inside People’s National Bank.

Petersen then provided information on the progress of the District on the Laughlin Ditch Water Right. He stated that Fendel confirmed the legal status of 254 AF of the water, and still attempting to confirm the balance of the 70 AF. The deadline for the first due diligence is February 17, 2017. Petersen is working with CSU to find out if they will “wheel” this water in the same way that they wheel our Willow Creek Ranch water. Petersen has a meeting scheduled with CSU’s Jerry Forte and Dan Higgins to discuss this very issue. Donala may need to extend the diligence period but Petersen stated that if we do extend the diligence, and then back out of the purchase, both deposits will be refunded.

Petersen then stated that he had received the signed agreement from Colorado Springs Utilities that extends our agreement to deliver Willow Creek Ranch water through the CSU system. This agreement is good through December 31, 2017. Donala has the opportunity to extend this agreement one more year. After that the hope is that Donala will secure a 25 year long term agreement with CSU. However, before that can happen, Donala needs to have completed a long term storage agreement with BUREC and approval from Pueblo County on 1041 compliance.

Denny and Petersen attended the Arkansas Basin Roundtable meeting in Pueblo. Petersen noted the conflict between the Tabor rule, the Gallagher rule, and the Colorado/Kansas river compact in 1948. This was a very interesting meeting. The next meeting will be held on February 8, 2017. Houle and Powell plan to attend with Petersen.

The Arkansas River Forum will be held April 26 and 27, 2017 in Colorado Springs at the Hotel Elegante. The VIP dinner will be held on the 25th of April and Petersen feels very confident that the Board of Directors will be invited. Powell and Petersen are both on the planning committee. Powell directed Petersen to speak with Forte about the need for regionalization and CSU's need to help fill the gap. Petersen stated that PPRWA is contributing \$5,000 to be a watershed sponsor and Donala is contributing \$1,000 to be an Aquifer sponsor. Judd stated that he would like to attend. Powell feels that every Board member that can attend, should attend.

Petersen then stated that he is going to attend the Colorado Water Congress on Jan 25-27, 2017. He will commute back and forth. Houle would like to attend Wed. work session, Denny will attend Thursday and Friday, Judd will attend Wednesday thru Friday, Snyder will attend Wednesday and Powell will not be able to attend at all.

The Pikes Peak Regional Water Authority held its first meeting for 2017 on January 4, 2017. They elected Petersen as President of the authority. This is typically a 2 year term. Board congratulated Petersen on his new office.

Petersen then provided a summary of the rebates given to Donala customers during the year of 2016. Smith had provided a breakdown of the amount as well as the different appliances in the rebates. Also, she provided a copy of the revised rebates that are on the website.

Petersen then requested an Executive Session to consider his annual performance review. Board asked if Donala could also re-publish the Rebate Program to refresh the customers' memories. Board also suggested that Donala publish the success of the Conservation efforts that the customers have participated in. The Board also asked if the new technology that meters provide now will mean that meter readers will become obsolete. Petersen said that that is the case and that attrition and retirement will take care of Donala's meter readers. Petersen will not push them out; this will all take care of itself.

WILLOW CREEK RANCH:

Petersen noted that Leonard Rice and Company has completed the Environmental Assessment and the BUREC is reviewing it at this time. Wright Water Consultants is the consultant for Pueblo county. Donala has provided them with production rates since 1975 and DMR's for the past 5 years. He reiterated that although the Waste Plant could potentially have a major violation due to a missing flume on Triview's part, the water quality from that Waste Treatment Plant has never been an issue. Parker and Petersen plan to go to the Ranch later this month to gauge the snowpack on the Ranch and mountain. Petersen has gotten emails from Roccamorra, stating that snowpack is "awesome". He noted that the Reservoirs are becoming full and there is a possibility of again, a possible spill in Pueblo Reservoir. Therefore, Donala is still using CSU as the conduit to wheel the water from Willow Creek Ranch in an attempt to "draw down" Donala's storage in the Reservoir. Petersen noted that Donala is still hopeful of a FONSI on the 1041 plan. Denny noted that Donala has done the Environment Assessment which shows a Finding of No Significant Impact. Petersen agreed and hopes that Pueblo will agree also. The Board then asked about the 250 af/year that is stored in Pueblo Reservoir-if we don't use it, do we pay for it. The answer is "no".

STATUS OF OPERATIONS/PROJECTS:

Petersen stated that Donala expects to spend approximately \$300,000 for overhaul of R. Hull Plant this Spring, 2017. The Plant needs significant overhauls in wiring, etc. to prepare it for the next 30 years. Petersen noted that he is seeing a trend in significant reduction in historic consumption. He also noted that Willow Creek Ranch is taking production pressure off of Donala's wells. Petersen also stated that the Gleneagle Golf Course wells have been abandoned.

Petersen then moved on to discuss the Wastewater Treatment Plant. He stated again that there is a potential violation on the flume but he has been working with Remington and McGinn to make sure all is taken care of. Once the flume is installed, Timberline will have to install SCADA equipment and the flume will need to be calibrated. Petersen will keep the Board informed. Snyder then asked if there is a Sunshine Law violation if Petersen sends out an email blast to the Board of Directors? Petersen said there would be no problem as long as no decisions are made. If emails are information only, there is no problem. Judd then asked if Remington is taking this problem seriously and Petersen said that she is.

DEVELOPER UPDATES:

Petersen stated that in discussions with Gratrix, it has come up that there are no official easements on Plats 1 & 2 of the Golf course. Surveys will need to be done and then easements recorded. Gratrix sees no problem with any of this. Donala will pay for the survey. Petersen wants to make sure that the easements will accommodate the service line on Mission Hills Way.

He also noted that Westcott is using the old Clubhouse for fire training exercises. The Clubhouse will eventually be burned as a further training exercise. All 3 HOA's have been notified of this event. Judd then asked if Petersen had heard anything further on a Hotel on Barash's land. Petersen has not heard anything further.

Petersen then directed the Board to review the Monthly volume report.

PUBLIC COMMENT:

Powell then asked if there was any public comment. George had no comment, but wanted to congratulate the Staff on another successful year. Kendrick had not comment.

Petersen then requested an Executive Session. It was moved by Judd, second by Houle, to move to Executive Session, under the provisions of CRS 24-6-402(f) personnel matters. Motion carried and the Board went into Executive Session to discuss the annual evaluation of the General Manager. It was moved by Denny, second by Judd, to adjourn the Executive Session and move back into open session. Motion carried.

It was then moved by Judd, second by Houle, to accept the salary recommendation that was discussed during Petersen's annual evaluation. Motion carried.

There being no further business before the Board, it was moved by Houle, second by Judd, to adjourn the meeting at 3:30 P.M.

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

