

DONALA WATER AND SANITATION DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
February 15, 2018

The Board of Directors of the Donala Water and Sanitation District met in regular session at the District's office, 15850 Holbein Dr., El Paso County, Colorado on February 15, 2018 at 1:30pm.

Directors Present: David Powell
Ken Judd
Bob Denny
Ed Houle
Dennis Snyder

Staff Present: Kip Petersen
Tanja Smith
Christina Hawker

Guests: Bill George
Wayne Vanderschuere

President Powell called the meeting to order at 1:30pm. All arose for the Pledge of Allegiance.

Public Comment Non-Agenda Items:

- None

Review of Minutes:

- Minutes from January 2018 Board Meeting accepted as presented.

Review of Financial Statements and Check Summaries:

- First month of 2018. Remaining budget amount is 92%.
- Some line items at 50% due to paying upfront to receive discounts.
- Judd questioned check to Myers and Sams, last of payment for Doral Way project. Will apply to 2017 budget during the audit.
- Powell mentioned that he did not know that we outsourced the printing of the newsletter.
- Waste plant is on track with 92% budget remaining.
- Chandler report, we are over 2% return on debt fund.
- Houle move to accept financials, Snyder second. All aye.

Manager's Report:

- Received rate increase from CSU last week. Increase was 4.2%, we had budgeted 5%.
- Utility Policy Advisory Committee (UPAC) update. UPAC has been charged with examining what the benefits, and detriments, there are to being a regional service provider. Petersen gave

presentation to Committee in July of 2017, outlining success and challenges we faced in getting to the point where water is being delivered to Donala, through the CSU system. He also noted that each District has unique needs and there is no “one size fits all” solution. UPAC will meet again in March to make their final recommendations to present to the Utility Board.

- Petersen did request that the out of district multiplier be reduced from 1.5% to 1.2%.
- Houle mentioned that we are not pulling water from them, we are providing the water they send us. This is true however CSU does provide a credit to Donala for the water we deliver from Willow Creek. Both Snyder and Judd inquired about the amount of the credit to determine what our true cost is. Petersen will research that and provide details at next month’s meeting.
- Vanderschuere noted that he had been aware of credit, but not sure of what the credit is.
- Houle asked if CSU becomes regional, can we tie into their waster water treatment plant. Petersen noted that that would be extremely expensive. Not to mention we have a lot invested in our own plant.
- Snyder asked if they would ultimately take over Donala, Houle said this was brought up years ago and CSU does not want to take over Donala, our tax base is not beneficial to the city.
- Petersen is pleased that UPAC is making the forward progress they are.
- Petersen attended work session at Cherokee Metropolitan.
- Possibility of storing water in Upper Black Squirrel. CSU may benefit as well from this opportunity.
- Regional discussions have really taken off in the last 3 months.
- Currently have 3 nominations for the 3 board positions available.
- Water Congress summary, did not meet expectations this year.
- Was able to speak with CSU members about our long-term contract. Said they will have it in place in 2019.
- PPRW met on Feb 7. HB1201 pertains to how severance taxes may be used will be a ballot measure in November. Historically these taxes went to fund many water-oriented projects, but with CO Supreme Court ruling, taxes collected over last several years must be refunded to oil and gas industry.
- House bill 1199 addresses using Designated Groundwater Basins for aquifer storage. Authority did direct Rick Fendel to apply for party status on behalf of the Water Authority. Several Basins have stated that it is their belief that once water is introduced it becomes “native” and cannot be withdrawn. This would defeat the intent of storage within the basin.
- House bill 1215 addresses disposal of naturally occurring radiation in our waste stream.
- Arkansas Basin Roundtable met on Jan 10. Donala may request accessing grant funds in the future for a possible regional project.
- Drought monitor chart. Snyder recommended we post on the website.
- Petersen anticipates a spill in Pueblo Reservoir initially with first run off, then likely drought conditions.

Willow Creek Ranch:

- Will continue to operate under Excess Capacity contract for storage in Pueblo Reservoir in 2018.
- Storage needs in 2019 will be under a 40-year long contract.
- Will likely have a bridge agreement before the long-term contract with CSU.
- Spoke to Joan Armstrong, the Pueblo Count Planning Director about our 1041 contract. Stated that the delays are with the attorneys. This has been going on for 3 ½ years now. She agreed to call Ray Petros to expedite the process.

Status of Operations:

- R Hull plant is rehabilitated and producing water.
- Repairs on well 2-A should begin in late March.
- Leak at Forest Lakes, 220,000 gallons of water lost. Lines have been in the ground for 10 years with no water running through it. Now with water flows, and that the lines are set on hard bedrock we anticipate this will happen again.
- Forest Lakes had a service line leak at a home a week later. Initial review indicates it may be an installation issue with the contractor.
- Petersen has concerns about Forest Lakes meeting water demands with only 1 well and the surface water treatment plant not completed.
- Waste plant operating well. Did have a blower motor break down. Repaired it with spare parts.
- Still locating stop boxes on Gleneagle for water line project. Hoping to start project in June.
- Letters for townhome customers went out yesterday.

Development Update:

- District staff have been reviewing plans for new storage facility on Struthers. Construction should begin in Spring.
- My Place Hotel expects to be open end of April.
- Starbucks has been pouring foundation.
- New office building by the previous Peoples Bank has submitted utility plans for review and have been approved. Construction should start in the next month or two.
- 7-11 is in Developmental Services review process. They have not paid TAPs yet.
- Volume report, historically January is lowest volume report.

Additional Comments:

- Judd stated that 12 lots from golf course have been sold.
- Denny stated he will not be at next month's meeting.

With no further comments, the Board adjourned at 3:10 pm.

These minutes are respectfully submitted for record by Tanja Smith on February 15, 2018.