

DONALA WATER AND SANITATION DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
January 18, 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 January 18, 2018 at 1:30pm.

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

Staff Present: Kip Petersen
Tanja Smith
Christina Hawker
Mark Parker

Guests: Bill George
Jim Kendrick
Wayne Vanderschuere
Phil Book
Jerad Barnett

President Powell called the meeting to order at 1:29pm. All arose for the Pledge of Allegiance.

Public Comment Non-Agenda Items:

- None

Review of Minutes:

- Minutes from December 2017 Board Meeting accepted as amended.

Review of Financial Statements and Check Summaries:

- 95% complete, still have outstanding 2017 invoices and payments.
- Operating Revenue shows at 16% under, partly because we didn't spend all the money on the bonds. Doral project is completed, the other two were not started.
- TAPS over and above, My Place Hotel and Starbucks paid in Dec.
- Snyder questioned why water and sewer sales are skewed. Petersen explained we are only paying roughly 1/3 of operating expenses and we receive a flat fee for sewer service.
- Denny asked if we look at operating revenue compared to the budget we are 16.49 % below budget, on second page, excluding capital projects, we spent 9% less than the budget. Does this mean we have 7% more revenue for the things we can control cash wise? Petersen stated we will receive bills for 2017 still and that margin will narrow.
- Waste revenue off, will receive more revenue next 30 days.
- Utilities was quite a bit off, will need to re-evaluate why.

- Biosolids is above because they raised the rates and we are hauling more waste with growth.
- Insurance is off and will be evaluated as well.
- Waste came in 21% under budget. Terri is very fiscally responsible on spending.
- Will have capital projects this year, new screen room and cat walk. GMS currently working on plans.
- Nov & Dec Chandler report, investments are getting better return. We are limited on what we can invest in by State Statute
- Houle move to accept financials, Denny second. All said aye

Manager's Report and Presentation of the 2018 Proposed Budget:

- Establish schedule of meetings. Same schedule as last year, moved June meeting. Had talked about evening meetings at last meeting. Would the board like to change 2 meetings to evening? Houle moved to accept schedule as is and look at changing if public requests it, Denny second. All aye.
- Discussion on format for election. Mail in or polling place. Petersen recommend polling place. All agree. Judd motion for polling place, Houle second. All aye.
- PPRWA, Petersen elected as president for another 1 year term.
- Petersen stated that Dick Brown noted at start of legislation there is currently no legislation that will have large impact on water districts at this time.
- Severance Tax will likely be a ballot issue this year.
- Invasive species, zebra mussels, have been found in reservoirs throughout Colorado. Pueblo is clear right now.
- Denny said Mike Fink from Fountain commented that Petersen's presentation at the Arkansas roundtable was received very well. 3 years ago, the Roundtable was very hostile towards El Paso County. Petersen noted that the participation of this board has made a big difference.
- Roundtable meeting discussed lack of money. Projects are fewer and amounts are less due to funding limits at the state level. Petersen noted that income levels is not a deciding factor for approval of state funding.
- Peoples Bank has been sold, we will be talking with branch manager to see if we are grandfathered in for the fee waivers we currently have
- Petersen requested executive session after public meeting to consider personnel matters.
- Motion to accept the budget by Powell, second by Houle, all in favor.

Willow Creek Ranch:

- End of Dec, Mark and Petersen made trip to ranch. Cameras showed creek jumping the bank. During visual inspection it appears this has been happening for years. Repeating freeze/thaw cycle allows stream to settle on top of the ice.
- Installed camera on flume to better judge snowpack. Snowpack was light. Will return later this month and hope to see more snowpack.
- Arch has snapped, strong wind. Noted several trees blown down as well.
- Discussion with staff about unfriendly neighbor. If confronted, walk away and not engage. Sherriff has been called out by other neighbors many times.
- Petersen contacted Joan Armstrong, Planning Director for Pueblo County in mid-December. Checking on application that they have had for 3 years. Replied via voicemail that application held up while attorneys review storm water report that Wright Water Engineers completed in

2016. She stated that she hopes to a determination of an exemption, FONSI or something else this month.

- Bureau of Reclamation still does not have long-term contract. Water storage at Pueblo Reservoir remains under temporary Excess Capacity contract.
- Petersen met with Pat Wells and Brett Gracely in mid-December to push for long-term agreement with CSU prior to end of 2018. Current agreement ending this December. Brett has since left CSU so Abby Ortega and Jenny Bishop will be working with Petersen to complete agreement.
- Petersen met with Fountain Mutual Irrigation Co. to request carriage agreement to run Laughlin water right through their head gate to measure water for accounting purposes. They agreed to provide agreement, but we have not seen that yet. Should see something in next 2 weeks.

Status of Operations:

- R. Hull plant is complete and producing.
- Hole in well casing screen on well 3D. Will perform repairs this year. Should run about \$90k.
- Waste water treatment plant operating normally. Will install new screen unit and cat walk this year as well as installation of small pilot project by GMS to determine if proposed arsenic removal method will be optimal.
- Doral project is complete.
- GMS has been given approval to begin design process for next stage of water line replacement program. Will run from Struthers to Huntington Beach to replace asbestos pipe with PVC. District will host open house to explain construction process as well as notified those affected by letter. Judd recommended we notify HOAs as well to disseminate information. Houle recommended a variable message board. District will research costs for that.
- Robert Hull provided charts for annual water reports. They outline annual AF production, monthly AF production and pumping within different aquifers. The Board found these charts very educational. Will post charts on website.

Development Update:

- Construction continues at Struthers and Northgate.
- Should receive TAPS for 7-11 soon.
- No other requests for construction at this time.
- Project at People's Bank is within authorized water allocation from 1999.
- Lot sales have started on redevelopment of golf course. 2 have sold. No TAPs paid on those nor plans for construction at this time. Judd asked if plans included extending the frontage road. Petersen and Parker did not recall seeing that in the plans submitted for the entire redevelopment.

Additional Comments:

- Phil Book wanted to thank the Board for not only listening to the concerns with the townhome irrigation and multifamily rate structure but for acting on it as well.

With no further comments, the Board adjourned to executive session at 2:50 pm.

The Board met in Executive Session under CRS 24-6-402(4)(f) Personnel Matters to discuss the annual performance of the General Manager, during 2017. The Board adjourned the Executive Session at 3:50 pm and resumed Open Session for any additional comments. The meeting was adjourned at 3:54 pm.

These minutes are respectfully submitted for record by Tanja Smith on January 18, 2018.