

DONALA WATER AND SANITATION DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
March 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 March 15, 2018 at 1:30pm.

Directors Present: David Powell
Ken Judd
Ed Houle
Dennis Snyder

Staff Present: Kip Petersen
Christina Hawker
Mark Parker

Guests: Bill George
Dan Farmer
Wayne Vanderschuere

President Powell called the meeting to order at 1:30pm. All arose for the Pledge of Allegiance. Bob Denny and Tanja Smith are excused absenses.

Public Comment Non-Agenda Items:

- Petersen introduced Dan Farmer. Dan owns water rights Donala may be interested in.

Review of Minutes:

- Minutes from February 2018 Board Meeting accepted as presented.

Review of Financial Statements and Check Summaries:

- February of 2018. Remaining budget amount should be about 84%.
- Petersen is not concerned the revenue is at 95%. Spring and Summer are our main revenue months. Not many tap fees have been paid so far. Nothing out of line on expenditures.
- Waste is at 84% revenues and 87% expenditures, so we are on track.
- Houle asked if oil for generators are really that expensive. Petersen explained that they are very big generators, so the cost is correct.
- Chandler report, we are over 2% return on debt fund.
- Houle move to accept financials, Snyder second. All aye.

Manager's Report:

- There were 3 candidates who filed to run in the May 2018 District election, and there were 3 positions available. Designated Election Official, Betsy Bray, canceled May election. Bob Denny, Dennis Snyder, and new comer Wayne Vanderschuere will assume office at the May Board meeting.
- Petersen informed board that the auditors were here this month. Exit interview stated there were no negative findings, and they were appreciative that staff was so organized.
- Utility Policy Advisory Committee (UPAC) update. UPAC met on March 7th to review their recommendations they will give to the Utility Board on March 21st.

- The largest change for Donala would be the out of district service charge. Currently our base charge for being out of city limits is 1.5. Petersen has made arguments to UPAC and Utility Board to eliminate or reduce the charge since Donala provides the water to CSU to treat and deliver to common point of connection. UPAC is recommending the out of district charge be reduced to 1.2. Out of district waste water rate will be reduced to 1.1.
- Powell didn't think that waste water was included in our CSU formula. Petersen stated it was not part of Donala's formula, and he doesn't see it ever being in the future.
- During comment stage, Petersen extended our appreciation on behalf of Donala and Pikes Peak Regional Water Authority. Our agreement with CSU was mentioned as being an example of a regional solution and may be the model for future agreements.
- The presentation to the Utility Board will be for discussion only, with action on the policies postponed to the next meeting. There are several City Code changes, and there is a formal process to make those changes. Petersen anticipates further action will be necessary by City Council and it may be 2019 before we see implementation.
- Powell wants to know how many districts could get emergency supply if needed. Petersen stated Donala, Cherokee, and Manitou have connections to CSU. This will open opportunities for new connections to be made and other districts to commit.
- Houle asked if we will need a bridge agreement. Petersen confirmed we will have one for one more full year.
- Powell mentioned districts north of Donala would have to get emergency supply from us. He wanted to know if we have capacity to provide emergency water this summer even if we are in drought. Judd asked if we could support steady assistance to Triview if needed. Mark Parker explained that we could help one other district with emergency water if needed for a few months this summer.
- PPRWA March meeting was delayed one hour due to UPAC meeting held in the morning.
- Discussion on who would be willing to help fund the Authority's legal counsel, Rick Fendel, to attend rule making hearing on aquifer storage rules, the Ground Water Commission will be having in May. Petersen offered to fund up to \$5,000. Woodmoor Water and Sanitation and Triview Metro offered to help as well. Cost for authority member will be no more than \$15,000 total.
- Designated eastern Colorado Basins, such as Upper Black Squirrel and the Big Sandy, will make their arguments that once water is placed in their aquifer, it should fall under their administration and control. Even though it is not native water in the basin.
- Powell wanted consensus from the board regarding Donala funding \$5,000 for the legal counsel. Board approved.
- Special meeting of the Authority on March 28, for audit exemption request for 2017. Next regular meeting is April 4th.
- Powell noted that the rules regarding the basin storage would only apply if Donala stored water in one of the designated basins. Petersen noted that aquifer storage in the Denver Basin for Donala is unpractical. The treated water would have to be untreated to put it back in the ground and the retreated in order to use it. EPA has concerns with how chemicals will react with natural chemicals already in the ground.
- Arkansas Basin Roundtable met on Feb 14. Presentations on funding Colorado Parks and Wildlife and on aquatic Nuisance Species. The next meeting is April 10th.
- Arkansas River Forum is in La Junta, CO. Main focus is on agriculture and this industry's emerging concerns. April 10th thru 12th.

Willow Creek Ranch:

- Monthly meeting with CSU on long-term agreement to treat and deliver our Willow Creek water is next week.
- Bob Rice stated the Environmental Assessment is targeted to complete in late springs. This would include final adjustment to draft contract.
- Rick Fendel left a message for Ray Petros, the attorney assigned to review our 1041 contract. Petros responded via email that Wright Water Engineers has a few revisions to make in their report. Wright and Petros may be out of town and it could be the end of the month before we hear of any developments. Rick did ask that the process be expedited.

Status of Operations:

- Both water facilities are ready for water production for spring and summer demands.
- A second smaller hole in Well 2-D was discovered. Patch will cover both holes without issue, by the Board meeting.
- Petersen mentioned the patch was completed yesterday with no complaints. The only complaints are about a fence repair. It's one of the biggest fences in the district. Petersen is looking into legal ramifications to see who all is responsible for the repairs.
- New screen has been ordered for Waste Water Treatment Plant. Should be delivered in June. GMS is working on design of catwalk that will be installed later this summer.
- Waste Plant has been fighting small outbreak of M-Parvacella in the SBR's, but it appears to be under control.
- GMS continues to review design progress on the AC water main replacement project in Gleneagle Drive. We are targeting late May for start date.
- Snyder asked what area the construction would take place. Petersen hopes it will go from the shopping center to no further than Mission Hills.
- Started E meter replacements. Our goal is to replace 10% of meters each year. Letters have been sent to the group of customers to schedule an appointment. Electronic meters allow access to daily water consumption, pinpoint possible high-water consumption issues, and last 50% longer than the prior brass models.

Development Update:

- My Place Hotel still hopes to open by the end of April.
- Starbucks is framing the building and hope to open end of May.
- New Storage units, between existing storage units and the Shaffer CPA building, will begin construction within a few weeks. Tap fees were paid last week.
- New office building by Community Banks of Colorado, is in County review process and will need to request waiver from the 300-year water rule. No additional water, over our original allocation, will be required.
- Scott Gratrix says Phase I of golf course redevelopment is already 50% sold. Phase II around the former clubhouse, will start the first week of May.
- El Paso County will host meeting for storm water upgrades in the Struthers and Northgate area. Ridgepointe apartments management says there is a proposed sidewalk placed on the east side of Struthers. Construction dates are not firm.

Additional Comments:

- Judd stated that 12 lots from golf course have been sold.
- Monthly volume report is still low on production, but we are at 97% billed and that is good.
- Mark Parker shared that we had a Sanitary Survey for Forest Lakes this month, and they were very pleased with our operation

Public Comment:

- Bill George asked who owns the equipment to put in the patch. Petersen said the contractors do. Bill also noted the Farmers Almanac was spot on for our winter this year.

With no further comments, the Board adjourned at 2:40 pm.