

DONALA WATER AND SANITATION DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
October 17, 2019

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 October 17, 2019 at 1:30pm.

Directors Present: Ken Judd
Ed Houle
Dennis Snyder
Wayne Vanderschuere
Kevin Deardorff

Staff Present: Kip Petersen
Tanja Smith
Christina Hawker
Mark Parker

Guests: Bill George
David Powell
Jennifer Kaylor
James Nelson
Roger Sams
Phil Book
Brett Gracely

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

Public Comment Non-Agenda Items:

- None.

Review of Minutes:

- Minutes from September 2019 Board Meeting accepted as submitted. Snyder motioned to approve, Houle second, all aye.

Review of Financial Statements and Check Summaries:

- Should be at 25%. Operating revenue is at 28.95%. Expenditures are at 22.52%.
- Waste should be at 25% also. Operating revenue at (12.88)%. Expenditures is at 23.8%.
- General Fund return is 1.80% and Debt Fund is at 1.85%.
- Houle motioned to accept, Vanderschuere second, all aye.

Manager's Report:

- Presentation of preliminary 2020 Budget.
 - 2.4% increase in water rates.
 - Increase monthly water service charge from \$26 to \$27.
 - Increase monthly sewer service charge from \$35 to \$36.75.
 - No increase to AVS or TAP fees.
 - Anticipate total Operating Revenue will decrease by 3.9%.
 - Total Operating Budget will decrease by 10%.
- Presentation of Cost of Service Analysis by GMS.
 - Recommendation includes an increase of \$1 per month for water service fee.

- 2.4% increase in rates for tiers 1 and 2.
- 21.5% increase in rates for tiers 3,4 and 5.
- No increase in 6th tier.
- 5% increase to sewer service fee, from \$35 to \$36.75 per month.
- November Board Work Session topics to include:
 - Establishment of a financial policy on reserves necessary to carry the District through an emergency.
 - How to address infrastructure within the various townhomes when it is time to upgrade.
 - Board travel policies.
 - Request Board members to consider topics they would like to discuss submitted no later than Nov. 8th.
- CSU Wastewater Consolidation Update:
 - Memo sent out on Oct. 10 by Jenny Bishop requesting each impacted entity to give permission to CSU and their authorized representatives the ability to access our property during the EA process of the NMCI phase of the project.
- Pikes Peak Regional Water Authority will begin meeting again on Nov. 6th in anticipation of the 2019/2020 legislative session beginning.
- Arkansas Basin Roundtable was held on Oct. 9th in Pueblo. Petersen will attend the Nov. 13 meeting as we have missed the last two months. Houle and Vanderschuere will also attend.

Willow Creek Ranch:

- We have completed our annual ability to take credit for water flowing through the Ranch in 2019.
- Ice has started forming on the beaver ponds. We will send several employees to breach the dam in the next couple weeks.
- Petersen and Parker met with Rick Fendel and Andrew Case from Leonard Rice Engineering to fine tune the accounting process that must be completed daily. Also reviewed the court decree on Willow Creek Water right to determine what additional due diligence is required.
 - Need to file notice of use as we have used more than 75% of the allowed amount of water.
 - If BOWW lease is renewed, modified, replaced or expires, Donala must notify parties within 60 days. Notice is also required if Donala makes other arrangements for replacement of return flows. This might include releases by CSU from Turquoise that it might then recapture.
 - Donala is required to affirmatively relinquish the decreed right to an alternate point of diversion on BLM land in Fremont County if it does not apply for a BLM permit to build the facility within 12 years of the decree. The decree is dated Nov. 15, 2011, so this deadline is Nov 14, 2023.
 - Action required is to either apply for a permit to build the facility on BLM land, or relinquish the decreed right to an alternate point of diversion on BLM land in Fremont County.
 - If CSU abandons its decreed right to divert in Fremont County, Donala must also.
 - Donala may abandon any part of its right to divert in Fremont County without waiting either for expiration of 12 years or for CSU to abandon its right. Fendel recommends giving up the BLM right without waiting until after 2023.

Status of Operations:

- Demands are consistent with warm and dry temps. September usage was 2.5 million gallons higher than August. Of 35,600,845 gallons produced, 90% was from Willow Creek Ranch and 10% from our well system. R. Hull plant will be taken offline for annual rehabilitation. The Holbein facility is currently on-line and producing water.
- The fire hydrant that was damaged by a car that rolled down the owner's driveway has been replaced. The District will be reimbursed by the owner's insurance company.
- The 1,500,000 gallon water tank on Holbein was inspected and cleaned by divers. They noted that the cathodic protection system was damaged. Repairs were made. Also noted a need for repairs to the top support system due to delamination and rust of the metal. Problem may be alleviated by the installation of a solar fan on top of the tank to keep air movement continuous rather than stagnate.

UMCRWWTF:

- Facility operating within permitted parameters.
- Arsenic levels are reducing from previous levels this summer. September level was 2.5 ug/l which is well under the compliance level of 8.7 ug/l.
- Working with partners on the education of our customers on FOG.

Capital Projects:

- Beers Construction has completed the water main replacement. There still remain repairs to Gleneagle that need to be accomplished and paid for by Beers before the County will accept the repairs.
- Preconstruction meeting with Glacier occurred last week in regards to the residuals management facility. Utility upgrades and foundation will start now before the onset of cold weather. Framing of the building is scheduled to start in February. Expect completion in May or June.

Development Update:

- There have been no new contacts regarding additional development.
- Update on Laughlin Water Right, moving forward on feasibility of design of gravel pit for storage. Triview will also participate.

Additional Comments:

- Houle asked where we are in the search for Management replacement, Petersen fell behind the last couple of weeks and will get it advertised soon.
 - As resumes come in, Snyder and Houle to perform initial screen.
- Powell asked how close we are to getting Laughlin Ditch water, still 2-3 years out.
- James Nelson asked if anyone will take used cooking oil, we should post that with FOG info.

With no further comments, meeting adjourned at 3:30pm.

These minutes are respectfully submitted for record by Tanja Smith on October 17, 2019.