

DONALA WATER AND SANITATION DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
MAY 20, 2021

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 May 20, 2021 at 1:30pm.

Directors Present: Ed Houle
Wayne Vanderschuere
Kevin Deardorff
Bill George
Ed Miller

Staff Present: Jeff Hodge
Christina Hawker
Mike Boyett

Consultants Present: Brett Gracely

Guests: Allison Robenstein

President Houle called the meeting to order at 1:30pm.

Approval of Agenda:

- Houle asks the Board if there are any changes to agenda. Acknowledges that there is not any.

Public Comment Non-Agenda Items:

- None.

Review of Minutes:

- Minutes from March 2021 Board Meeting accepted
 - George motioned to approve, Deardorff second, all aye.

Review of Financial Statements and Check Summaries:

- Donala revenue at 71.57% and expenses at 76.08%.
- Waste Plant revenue at 74.03% and expenses at 70.75%.
- General Fund return is 0.13%.
- Engineering is high due to studies regarding the District's wells, CSU connection, the Loop, and reuse.
 - George motion to accept, Vanderschuere second, all aye.

Action Items:

- Resolution 2021-2 – Investment Policy:
 - George motion to accept, Deardorff second, approved.
- Resolution 2021-3 Financial Policy:

- Vanderschuere suggests that we specify which reserve fund the monies go to if there is an overflow of revenues in a year. Reviewing the reserve accounts for the needs of the District will be discussed on an annual basis. Motion George, Second Deardorff, resolution approved.
- Tyler Technologies Billing and Accounting Software:
 - Hawker recommends replacing current software with Tyler Technologies due to outdated accounting software and constant issues with our billing software upgrade. The Board gives permission to proceed with Tyler Technologies.
- Bureau of Reclamation Excess Storage Capacity Contract:
 - Gracely explains the different storage options we could pursue if needed. The district currently has a 1041 permit that allows us access to our Willow Creek water through our connection with CSU. However, the 1041 permit does not include our Laughlin water right, return flow options, or any potential water right purchases in the future. Donala's current storage contract with the Bureau of Reclamation is 499 AF. If we needed more storage capacity for Laughlin or other future purchases, we would need to propose the storage increase to 999 AF. Gracely does not think the process would be over a year, however our 1041 contract states there must be a material change or significant impact to be able to amend the contract. Gracely points out the amount the District paid to get the 1041 permit, \$378,000, and states we would probably pay similar costs to amend our contracts. Houle's thoughts are it is premature to start the process when there are so many big decisions the District must make. He believes the District needs to decide what direction to go in before moving forward. It is determined that the Board will readdress the contracts again at the beginning of 2022.

Manager's Report:

- Due to Staff changes Hodge updates the Board of the current operators in charge of each plant. Jeff Hodge oversees Donala's plants, Michael Boyett oversees the Waste Plant, and Joe Lopez oversees the Forest Lakes plant. The Board requests updates on any changes in the staffs' certifications.
- Club Villas Water Line Project: Delayed until 2022 Budget year due to delays in PVC product and pricing.
- Well 7D: Hydro hydrologist found a hole in the well. LRE recommendations not to replace the pump. We are in the process of researching the condition of all our wells to see if it would be beneficial to redrill our 7D well. We could run 7D on an emergency basis, but we do not know how the case will perform.
- PPRWA: CSU Reuse Study Contract has been let and revised completion is Nov. 2021.
- Regionalization Subcommittee of PPRWA: No meetings in last 2 months.
- Northern Water Delivery Line: Tri-View continues to move forward with permitting and construction of this project. Monument and Tri-View held a joint meeting with other northern entities, Commissioner Holly Williams and Commissioner Geitner. Purpose was to request \$25 million from the County's Federal Stimulus Grant Monies (ARP) be granted to fund the project. We continue to submit information for studies regarding this.
- NMCI – nothing new to report.
- Status of Long-Term Water Supply Contract with CSU: Nothing new to report.
- Audit: Will be presented at June Board meeting
- **Board Workshop May 19th Action Items:**
 - (1) Study to Restructure Waste Treatment Rate System
 - New Service "Base" Rules/Fee
 - Link waste fee (currently flat rate) to water use
 - ACTION: GMS (Roger Sams)
 - STATUS: In Work – Need by August
 - SUSPENSE: None Set
 - (2) Donala Fiscal Policy
 - Quantify district reserve requirements and policy for managing.

- ACTION: Jeff Hodge
- STATUS: Closed – Annually define and review during the budget process.
- SUSPENSE: Draft for May 20th Board Meeting

(3) Contract (IGA) with WWSD for engineering study of the “Loop”

- Draft IGA with WWSD to conduct/fund the study that will allow board to make informed decision on moving forward
- Include option for Pre-Feasibility Grant
- Jessie (WWSD) provided draft RFP and draft contract for the project
- Issue contract by May 28, 2021
- Report due August 31, 2021
- Sent comments on RFP to WWSD
- ACTION: Jeff Hodge
- STATUS: Draft IGA in work
- SUSPENSE: Sign IGA before awarding contract for the study

(4) Assessment of storing additional Donala water in Pueblo Reservoir

- Includes Laughlin Ditch and Donala effluent
- Flow to and store Pueblo Reservoir
- Storage agreement increased to 999 AF
- Revision of Pueblo 1041 permit
- Agreement with CSU on SDS to deliver water
- Potential for Norris Ranch water
- ACTION: GMS (Roger Sams) and LRE (Brett Gracely)
- STATUS: Board will readdress in the beginning of 2022.
- SUSPENSE: None Set

(5) Pre-Feasibility Grant Submission

- To fund Re-Use Study (PPRWA) and Loop Assessment (WWSD/Donala)
- ACTION: LRE (Brett Gracely)
- STATUS: In Work
- SUSPENSE: None Set

(6) Information Meeting with EPC County Commissioners

- Under auspices of EPC Master Water Plan and EPC Draft Master Plan
- Update commissioners on northern El Paso County initiatives
- PPRWA Reuse Study
- “Loop”
- Northern Water Pipeline (TriView)
- Northern Monument Creek Interceptor (NMCI)
- Long-term agreement with CSU
- ACTION: Jeff Hodge and Ed Houle
- Donala staff working lunch logistics.
- STATUS: Commissioners Holly Williams and Carrie Geitner attended a lunch meeting on Wednesday, May 19th hosted by Donala. Meeting started with details on the water master plan and introductions. All the

entities share the same desire to get water to their customers at a reasonable and cost-effective price. Jessie (manager at Woodmoor Water & San) gave a presentation on the Loop proposal. Looking at long term estimated numbers the costs of the Loop and CSU are about the same after 8 or 9 years. If we work with districts to the east, it increases our ability to be drought proof because of their different storage options. Both options are being explored. The more partners that come together, the lower the cost for each participant. The District needs Roger to look over numbers to help us make our decisions.

- Attendees
 - Donala – Jeff & Wayne
 - EPC – Commissioners Williams & Geitner with Mark Gebhart (Dep Director EPC Planning & Community Development)
 - Woodmoor Water & Sanitation – Jessie Shaffer, Board #1, Board #2
 - Cherokee – Amy Lathen
 - Widefield Water & Sanitation – Lucas Hale
- Report - Jeff

(7) CSU Rate and Tariff Study

- Get a seat “in the audience”
- Review the draft study
- ACTION: Jeff Hodge
- STATUS: In Work

(8) Regionalization

- Concept for long-term regionalization of northern water providers
- Organizational structure/model
- ACTION: Jeff Hodge
- STATUS: Under consideration
- SUSPENSE: None set; long-term

(9) Ed Informal Coffee with WWSD Board Member

- Informal meeting to open dialogue with WWSD board
- Donala ready to partner with WWSD on water issues (NMCI, Loop)
- ACTION: Ed Houle
- STATUS: Met with Board Member which led to the meeting on May 19th at Donala.

Development Update:

- No updates at this time.

Status of Operations:

- Hodge is having a much more detailed look at our water operations. We are looking into updating our SCADA system and electrical issues as well as some deferred maintenance that we may be able to do this year due to the delay in the water line project. Hodge informed the Board of a violation on the Consumer Conference Report. The violation was due to a sample not being taken in the time window requested. The report will soon be mailed out to the Donala customers.
- Waste Plant - April had some minor challenges. There were two critical equipment failures. One regarding the UV bank and the other being a failed pressure regulator. They also experienced an E Coli hit that they are still

currently working on. Everyone is working through the issues. Aaron is coming back full time in August. He is going to help guide the newer maintenance employees. Thank you to Amy for being a part of sampling on the water side.

Additional Comments:

- Brett- Usually the Colorado Water Plan grants are at the end of December; however, they are expecting some sort of July round for Colorado funding. Income of federal dollars for infrastructure and the proposition DD income was greater than the state expected. It is not a stretch that some of Donala's goals would fit the Colorado water Plans goals.

Hodge requested that the meeting be moved to executive session regarding C.R.S. 24.6.402 (4) (f) George motion to accept, Deardorff second, all aye. President Houle adjourned the regular meeting at 4:00 pm.

These minutes are respectfully submitted for record by Christina Hawker on May 20, 2021.