

DONALA WATER AND SANITATION DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
June 23, 2016

The Board of Directors of the Donala Water and Sanitation District met in regular session at the District office, 15850 Holbein, Dr., El Paso County, Colorado on June 23, 2016 at 1:30 PM.

DIRECTORS PRESENT:

David Powell
Ken Judd
Bob Denny
Ed Houle

ABSENT:

STAFF PRESENT:

Kip Petersen
Betsy Bray
Sharon Samek

GUESTS

Jim Kendrick
Bill George
Kevin Lusk
Jenny Bishop
Tom Sistare

President Powell officially called the meeting to order at 1:30 pm. He noted for the record that Houle, Judd and Denny are all present. Powell asked the attendees to please rise for the pledge of allegiance. Powell then asked that the Board consider delaying items #2 and 3; interviews with prospective appointees and appointment to fill a vacancy on the Board. Judd noted that he concurred; Denny agreed. Powell then directed the board to elect officers. Judd moved to elect Powell as President of the Board of Directors; Houle second; all "aye". Denny then moved to elect Judd as Vice-President; Houle second; all "aye". Houle then moved to elect Denny as Secretary/Treasurer; Judd second; all "aye".

PUBLIC COMMENT NON-AGENDA ITEMS:

Powell then asked if there was any public comment; there was no public comment. George had no public comment. Neither Lusk nor Bishop had any public comment. Kendrick was asked if he had public comment. Kendrick then noted that he had attended the Water Quality Control Commission hearing. At the meeting, Kendrick stated that provisions of Reg 31 were discussed. Each of the commissioners stated that they don't have enough information to adopt the temperature standards that the EPA wants adopted. All of the other 9 items recommended by AFCURE were universally approved.

REVIEW OF MINUTES:

The Board then reviewed the minutes and the minutes were accepted as presented.

REVIEW OF FINANCIAL STATEMENTS AND CHECK SUMMARIES:

Petersen presented the May Executive Summary and Check Registers for both Donala and the Waste Treatment Plant. Petersen stated we should be at about 59% remaining. Both Revenue and Expenses are looking good. Water sales are short but that will start picking up; operating revenue is 66% and expenses are 66%. Denny asked about Forest Lakes revenue; what is happening there? Petersen stated that we will keep track of Forest Lakes revenue and expenses for budgetary purposes. Powell asked if we are charging mileage-Petersen stated that we are not; however we do feel that we are making a profit. Donala has made sure that the large ticket items are paid for directly by Forest Lakes. Judd then asked about installation fees and operating interest-why are they up? Installation fees relate to taps and operating interest is because interest on accounts have gone up. Higher miscellaneous revenue is due to insurance payments. Petersen hopes to award \$1 million water infrastructure job at July Board meeting. Petersen will try to get all capital projects related to bond money completed this year. Judd then asked what the check #20360 for Green Legacies is all about; Petersen stated that this is for the seminars given twice a year to customers on landscape practices. Judd then asked about two large checks for 285 Dessert Inn Way; what is Donala's total expenditure on this? Petersen stated it will be about \$25,000. This sewer policy will be revisited. Petersen then reviewed the executive summary for the waste water plant. Both Revenue and Expenses are where they should be for this time of the year. Board then asked about the check for Connie King; this is for AFCURE legal representation. Petersen then provided the update on the Chandler accounts.

MANAGER'S REPORT:

Petersen then introduced Kevin Lusk from CSU who presented CSU's Integrated Water supply planning process. After his presentation, he noted that he will send Petersen the presentation via email.

Petersen then asked Sistare of Hoelting and Company to present Donala's 2015 Audit. Sistare hit the highlights of the audit and stated that Hoelting is pleased to represent Donala in their audit. He felt it went very well and he commended Samek and Bray on their work. The audit has no negative findings. The Board then formally accepted the Audit with Powell moving to accept, Judd second and all "aye".

Petersen then discussed the June meeting of the Pikes Peak Regional Water Authority stating that the June meeting will be the last meeting until October. Petersen feels that there are so many things that the Pikes Peak Regional Water Authority should be doing but they have not been done yet. He is hopeful that next year will be more productive. Judd noted that he has had contact with Paul Lundeen, Merv Bennett and Darryl Glen and he will continue to keep in contact with these gentlemen.

Petersen mentioned that at the Arkansas Basin roundtable it was noted that there will be substantial problems with funding for water projects. He anticipates that smaller projects will be put forward next year.

Petersen then provided the Board with the proposed amendments to the District's investment policy as directed from discussion with Scott Prickett. The Board was asked to review the policy as it will be voted on in the July 21, 2016 Board meeting.

Petersen then noted that the Latrobe Water Line Extension project will be out for bid on July 15, 2016. He expects work to take 2-3 months. Project should be completed before the frost sets in.

Petersen then noted concerns about Triview's water supply. Donala had been approached by Triview on June 17th with a potential water problem. They seem to have a production of 1.8 MGD with usage of about 2.0 MGD. This is a grave concern and Petersen is watching it. He noted that Donala does have an inner connect with Triview that would allow Donala to send water to Triview. There is also an inner connect that would allow Triview to send water to Donala if needed. Petersen noted that he would provide water to Triview if necessary. He is working on an IGA between the two entities and will provide the finished product to the Board for review and a vote. Board asked to be notified if there are any new emergencies in this area.

Petersen said that the PPRWA is again presenting the movie, "The Great Divide" on June 23, 2016. The authority would like as much public awareness as possible.

Finally, Petersen talked about the problems faced in Southern El Paso County. The main problem is due to a report put out by the EPA of a finding of 70 parts per trillion of PFC's (Perfluorinated Compounds). Although the EPA doesn't know what effect the presence of PFC will have on consumers, it has provided this information. This has caused concern with the affected areas, namely, Security, Fountain and Widefield. Donala should not have this problem as our aquifers are 10 times deeper than our southern neighbors. However, Petersen stated that Donala will test for this constituent and will report the findings to the Board and ultimately the consumers. Petersen plans to discuss this more with the customers in the July newsletter.

WILLOW CREEK RANCH:

Petersen and Parker visited the ranch on June 9, 2016 to meet with Cheston Hart, the Division 2 hydrographer. Mr. Hart was pleased with the accuracy of our flume flows. As they are accurate, he determined that he would not need to come back this year. He did however provide recommendations on the flumes themselves. These ideas were noted and will be worked on during the work week in July, 2016. Fendel has been in contact with Petros, who is Pueblo County's attorney for the 1041 permit. The effect of Donala's water is de minimis. There has been no movement yet, but Fendel is following up on this and will report back to Petersen. The modelling done by Leonard Rice continues. This modelling is essentially complete.

STATUS OF OPERATIONS/PROJECTS:

R Hull plant is in operation. Donala is still using the Northgate connection for additional water. There is about 50 acre feet left in Pueblo reservoir. All wells are operational; however, at this time not all are operating because there is no need for their water.

Waste water treatment plant is going well; SBR basin was cleaned. Due to the expense of the new dump pad, this project will not be done this year. The waste plant will budget for this next year.

DEVELOPMENT UPDATES:

Petersen is still waiting for more information on the golf course redevelopment. Gratrix noted that there is still concern about the conditional letter of commitment until the property is transferred. Petersen will continue to follow up on this. Several have asked about the aerator at the upper pond. The problem is that the power to the aerator will soon be removed as it is in the way of the development of one of the new lots. If the power were then re-run, the problem would then become who would pay for any repairs to the aerator. Donala would donate the aerator for the pond, but will not retain responsibility for cost to power or cost to repair the aerator.

Petersen then directed the board to the monthly volume report. He noted increased usage; from 11 million gallons in April to 19 million gallons in May, 2016.

Petersen then announced the next Donala camp out would be held August 6-8, 2016. Board and staff are all invited. Board then asked if Donala will keep pulling water off of the Ranch to conserve wells. Petersen said that Donala would continue to pull water for just that reason.

There being no further business of the board it was moved by Houle, second by Judd, all "aye" to adjourn the meeting at 2:47PM. Motion carried.

These minutes are respectfully submitted for record by Betsy Bray on June 24, 2016