

DONALA WATER AND SANITATION DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
September 21, 2017

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 September 21, 2017 at 1:30 PM.

DIRECTORS PRESENT: David Powell
Ken Judd
Bob Denny
Dennis Snyder

ABSENT: Ed Houle

STAFF PRESENT: Kip Petersen
Betsy Bray
Christina Hawker

GUESTS Jim Kendrick

President Powell officially called the meeting to order at 1:30 pm. He noted for the record that Judd, Denny, and Snyder are all present. Powell noted Houle's excused absence. Powell then asked the attendees to please rise for the Pledge of Allegiance.

PUBLIC COMMENT NON-AGENDA ITEMS:

Powell then asked if there was any public comment; there was no public comment. Board congratulated Petersen on Collaboration Award from SDA, in conjunction with Triview Metro District. Kendrick took pics of Powell and Petersen with Award.

REVIEW OF MINUTES:

Powell reviewed the Minutes from August 2017 Board Meeting. Board stated that they would discuss Southeast Conservancy District matters at November Meeting. The Board then accepted the Minutes as presented.

REVIEW OF FINANCIAL STATEMENTS AND CHECK SUMMARIES:

Petersen noted that revenue and expenses should reflect 33% remaining in the budget; Donala sold 22 million gallons of water in the month of August. This is lower than in prior months. Also, Donala has not received the anticipated 12 taps projected with the development of the former golf course property. Petersen is not overly concerned because he expects revenue from the hotel "My Place" and the coffee shop "Starbucks". Powell asked about the usage for both places. Petersen stated that fees had been formulated for each place according to usage. Board then asked about the Mining Museum. It was noted that the Mining Museum would need to annex to Donala Water and Sanitation District and while that has been contemplated for a long while, nothing has been done. Petersen then noted that Donala will reach buildout in 4-5 years. The next steps need to be discussed. Board feels that should be discussed in November workshop meeting. After further discussion, the Board then moved on to review the check registers. Board asked about check #21483 in the amount of \$116,030. Petersen explained that this is the payment to Pueblo Board of Waterworks for our winter return flows for Willow Creek. Petersen expects a refund of about \$40,000 next year. Donala "pre-pays" for the water that it keeps in the Pueblo Reservoir and then it is refunded when it has "pre-paid" too much. Board then asked about check #21453 in the amount of \$70. This check is made out to Antelope Trails is for the Fall Landscape Seminar. Then the Board asked about check #21502 in the amount of \$499.72. This pays for the work phones that are used by the Water Operators. Petersen then directed the Board to review the Waste Plant Executive Summary and check register. Petersen said that the revenue remaining should be about 33%. It is now 47%. Petersen stated that he is not concerned because Donala has not yet received the last quarterly payment. He noted Biosolids hauling item is high; this is because the Waste Plant is hauling more and the company also raised their prices. Petersen noted a 3.5% rate increase. Under Fees and Permits, Petersen is still expecting a bill for about \$6,000 from the State Health Dept. for Wastewater permits. He noted that Ladouceur is still under budget and she needs to go ahead and purchase some of the items she has held back on. Further, Petersen asked the Board to review the Chandler report of Donala's investments. After review, all the financial statements were accepted as presented.

MANAGER'S REPORT:

Petersen said that he, Judd and Snyder attended the SDA conference. Petersen and Koger presented their seminar topic- "Purple Mountain Majesties Running Dry?" The presentation seemed to go well, as Petersen was asked several questions and there were several requests for he and Koger to present the Presentation to other entities. Powell asked for a copy of the presentation. Snyder asked that the presentation be put on the website. Petersen said that he would take care of that. At the end of the conference, Donala and Triview were awarded a Collaborations Award for their joint efforts in working together while Triview was almost out of water in July, 2016. Petersen accepted the award for Donala; however, Remington was not able to attend. The Board suggested that the award be put on the website. Snyder also suggested that the website be refreshed occasionally. Petersen will look into this. Judd noted that this was the best SDA Conference he had attended.

The Board would like to table discussion of the feasibility of joining the Southeast Colorado Conservancy District until November workshop, as not all Board members are in attendance today. Denny noted that he would like to address Donala's Emergency Response plan in November as well. Judd would like the Board to also concentrate on future goals, water rights, strategies for financing. Denny would also like an update on Cyber Security.

Petersen stated that he was not able to attend the Arkansas River forum but believes that Donala should continue to participate. The next Arkansas Roundtable will be on October 11, 2017. Denny will join Petersen in Pueblo. Petersen the reported Donala has contracted with GMS to provide a Rate Study for Donala. That is in the works and Petersen expects a report by the end of September, 2017. Petersen is preparing the budget and has allowed for a 4% rate increase and an additional \$1 per month in sewer rates. Once the rate study is received, Petersen will adjust the budget, assuming the Board desires to make amendments, in time for the 60 day time frame before the Board actually adopts the budget in December.

Petersen then explained that he and Sams attended Triview's monthly Board meeting. Sams presented information on the future needs for the Waste Plant. Petersen felt it was a very interesting meeting.

WILLOW CREEK RANCH:

The season on the Ranch is over as of the end of August. It was an average year with the District taking credit for 270 acre feet. The maximum we can take is 280 AF/year. This is a rolling 38 year average. Due to the potential spill in June, Donala did not take credit for water during most of the month. Parker and Petersen will head up to the Ranch next week to winterize the system. Petersen feels that there may be some potential trespassers on the ranch. Donala will continue to monitor this. Petersen noted that he has been in contact with Rice of the BUREC. Rice is optimistic that Donala will have a long term contract with BUREC by end of year. Petersen is getting quite frustrated with Pueblo as we still have nothing on the 1041 request for exemption.

LAUGHLIN WATER RIGHTS:

Petersen met with both Fendels and other representatives of Leonard Rice to begin the process of getting the Laughlin Water Rights perfected. Donala will need to go before the Division 2 Water Court to change the place of use to Donala and potential storage places. Petersen is in discussions with Niles of AGUA to see if Donala can lease our Laughlin Water Rights water to them until the water is adjudicated to us and in discussions with Mitchel of Fountain, regarding storage in their gravel pit storage project. Donala would need to work through logistics of exchanging water to move this water so that it can be delivered to Donala.

STATUS OF OPERATIONS/PROJECTS:

Petersen noted that the R Hull Plant has been decommissioned for a major systems upgrade. Timberline and staff will participate in this upgrade. Our water demands will be met by Holbein Plant and supplemented by Willow Creek Water.

The UMCRWTF is operating well and treating effluent as designed. The effluent flume has been replaced with a new flume that is working well. Donala has submitted a request for a Discharge Permit amendment and that request was approved. This means that the arsenic removal upgrades schedule has now moved to 2019 and 2020, rather than 2018 and 2019. Petersen has provided both Triview and Forest Lakes a draft budget for 2018.

Petersen then stated that the Doral Way project is underway. There have been a few problems, but all in all, it is going well and according to schedule. Donala progress reports are shown on the website.

DEVELOPMENT UPDATES:

Petersen then noted that Donala has been contacted by a group planning for a 64 room hotel on the property owned by Barash. There is a total of 11 lots and we have been contacted by a representative of three of those parcels. One will be an extended stay hotel, My Place, with 64 units. The second will be a Starbucks and the third will be a convenience store.

Donala has met with El Paso County regarding the storm water project planned for the intersection of Struthers and Northgate. Petersen believes this project will start in 2018.

Petersen then stated that he had met with a trustee from the Mining Museum several weeks ago about the process and cost of annexing into Donala Water District. There has been no additional contact.

Petersen stated that he hasn't heard anything from Gratrix recently.

Petersen then provided the Monthly Volume Report.

PUBLIC COMMENT:

Powell asked for public comment; Kendrick mentioned that he has written an article for the OCN regarding potable water and the Prairie Waters Project in Aurora, CO.

Denny motioned, Judd seconded, all "aye" to adjourn to at 3:00 pm.

These minutes are respectfully submitted for record by Betsy Bray on September 22, 2017.