

DONALA WATER AND SANITATION DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
May 17, 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 May 17, 2018 at 1:30pm.

Directors: David Powell
Ken Judd
Bob Denny
Ed Houle (Absent)
Dennis Snyder
Wayne Vanderschueren

Staff: Kip Petersen
Tanja Smith
Christina Hawker
Mark Parker

Guests: Jim Kendrick
Bill George
Phil Book
Mark Morton (GMS)
Lisa Hatfield

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

Oath of Office for New Board Members:

- President Powell swore in Bob Denny, Dennis Snyder and Wayne Vanderschueren.

Election of Officers:

- Denny nominated Judd as president. Second by Snyder. All aye.
 - Judd nominated Denny as vice president, second by Vanderschuere. All aye.
 - Judd nominated Houle as secretary/treasurer. Second by Snyder. All aye.

Judd excused Houle's absence. Denny mentioned he will miss next month's meeting due to family travel.

Public Comment Non-Agenda Items:

- None

Review of Minutes:

- Minutes from April 2018 Board Meeting accepted as submitted. Snyder motioned to accept. Vanderschueren second. All aye.

Review of Financial Statements and Check Summaries:

- Currently at 66% overall.
- Little behind on TAPS, expect to see that pick up in the next few months.
- Expenses and capital are at 76.48%.
- Judd questioned District engineer cost, Petersen mentioned we are having more design work for projects. We will likely go over on that line item but will be ok overall.
- Vanderschuere questioned misc revenue, Petersen stated that is the Academy Water buy in.
- Denny questioned the Southeast Conservatory District check, Petersen said this is what we are charged for the water we store in Pueblo Reservoir as an “out of District” user.
- Petersen expects a refund from Pueblo Board of Water Works as well as they typically charge us high up front.
- Waste Plant financials on track. Expenditures at 78%.
- Judd asked if repair on blower for SBR2, was it expected? It was not.
- Chandler returns at 2.27% on General Fund and 2.36% on Debt Fund and 1.56% on Bond Project Fund.

Manager's Report:

- Denny attended PPRWA meeting on May 2nd. Substantial part of meeting was discussions on SB167, the 811 Underground Utility Bill. We had expected this Bill to die, however it did pass both the House and the Senate and is going to the Governor for signature. The Water Authority directed Dick Brown to draft a letter of opposition, with Petersen’s signature to send to the Governor.
- The Arkansas Basin Roundtable met in Pueblo. Petersen, Denny and Judd attended. There was a presentation from NOAA concerning the looming drought. Another presentation was a showing of the documentary “From Leadville to Lamar: The Story of the Arkansas River”. Petersen is working with Jean Van Pelt to have film available via web-based media.
- Vanderschuere and Judd will attend the joint Front Range Roundtable meeting in June.
- Drought Report for May 10th shows “exceptional drought” in the San Juan Range, including Mesa Verde and most of SW Colorado along with the Sangre de Cristo mountains.
- A Gazette article regarding the Special District 4-Way Ranch included for information. The District has been sued by its residents over developer-affiliated members stance on debt. Petersen feels actions as these can cause further distrust of local governments.
- Request executive session today per CRS24-6-402(d) Details of security arrangements or investigations.

Willow Creek Ranch:

- The District can legally take credit for water from the Ranch. We have not taken credit as of yet due to concerns about the Willow Creek flume. The Division 2 Hydrographer will verify calibrations next week. We are able, if desired, to take our full May allocation in one week, if necessary. Our decree states we can take 280 AF over a 38-year running average.
- We continue to have problems with beavers creating dams in Willow Creek. CO Parks and Wildlife will not trap or relocate them. We may need to find a local trapper.

- Petersen continues to meet with CSU in discussions of our long-term agreement. As long as the ability to receive our Willow Creek Ranch water exists, the extended timeline for an agreement does not have an impact on the water.
- Received a progress report from Tony Curtis, Chief of Resources Division of the Bureau of Reclamation. Apparently, the delay in our receiving an approvable contract is the result of modeling of the Frying Pan-Arkansas project. Katie Fendel will contact Terry Stroh, the Reclamation staffer who is working on the model, to obtain an update.
- Petersen has requested our attorney, Rick Fendel to attend our June meeting to discuss our status with Pueblo County and our 1041 request.

Status of Operations:

- Both water facilities are ready to begin producing water in anticipation of spring and summer demands.
- The hole in the casing on Well 2-D has been repaired.
- Well 2-D now has a short in the control system which is under warranty and will be looked at by the vendor.
- Waste Water Treatment Plant running well.
- The arsenic project will not be included in the bid for the screen unit and catwalk. The screen and catwalk need to be installed prior to receiving the waste flows from Academy Water and Sanitation District in September in order to accommodate peak flows without overflowing into the waste container.
- GMS will present to the Board the arsenic issue concerning the Waste Plant, why we must do this, what treatment options do we have, what the potential costs are and a possible timeline, as well as what has been done to date. Mark Morton from GMS briefed:
 - New Arsenic limits for the discharge permit for Upper Monument Creek have been reduced to 8.7 micrograms per liter for effluent.
 - Our final compliance date has been moved to September of 2019.
 - We plan to have a pilot project up and running in the very near future.
 - Pilot project is to test the process. It will be much less financially than the full-scale project. Adjustments to process can be made before full-scale project is developed. Total project construction is estimated to cost \$2.2 million.
 - Denny is concerned about costs and wants to make sure we are not wasting our funds. Morton explained the pilot project is part of the budgeted amount already.
 - Snyder thinks the properties of the resins in the effluent should already be known. Morton stated that the sulfate concentrations could interfere with the resin
 - Snyder asked how long the resins will last. Morton stated not entirely sure. He believes weeks to months, not years.
 - Vanderschueren asked about the effluent limit of 8.7 micrograms, what was it previously. There was no limit before. The limit for safe drinking water is 10 micrograms.
 - Vanderschueren asked how the expense is divided amongst the 3 Districts. Petersen stated it is based on flow.
 - Vanderschueren asked if any other Districts are meeting the 8.7 already. Morton said he would have to research that.
 - Vanderschueren also asked if 8.7 is nationwide, statewide or limited to Monument Creek. Morton stated that it is for that portion of Monument Creek.

- Vanderschuere asked if there are any other new significant rulings coming in the future. Morton stated more than likely. GMS is trying to track what the health dept is doing with their 10-year road plan and using their outreach program to keep abreast of what may be changing.
 - Variance of limits across different areas is based on ph, temperatures, aquatic life, volume of flows, etc..
- AC water main replacement on Gleneagle Dr. design continues. The project will be out to bid on May 28th with award expected at June meeting and construction beginning no later than second week of July. Anticipate completion at the end of September. Will hold an open house prior to construction for those affected.

Development Update:

- 2 TAPS received thus-far. One residential and one commercial. Anticipate a surge of TAPS in the next 60 days.
- Petersen had a discussion with James Barash, in regards to outstanding debt from the agreement entered into in 2000. He will pay back the note once he receives 2 more commercial TAPS. This note carries an 8%, per month rate.
- Storage units are under construction.
- Denny asked about our role in the Pilot Truck Stop. Petersen stated we oversee the installation of water and sewer lines.
- The District pumped 16 million gallons in April.

Additional Comments:

- Mr. George wanted to congratulate the Board Members, those new and continuing.
- Lisa Hatfield praised the organized and civil meeting.

With no further comments, the Board adjourned at 2:55pm and went into executive session.

Executive Session summary – 5/17/18

- Entered ES at 2:55 pm, under the provisions of CRS 24-6-402(4)(d) Specialized details of security arrangements or investigations.
- Petersen presented information on a possible situation involving a violation of the District's Rules and Regulations.
- No action was taken.
- Denny moved to adjourn the ES at 3:30 pm, Vanderschuere second. Motion carried.

There was no further business to conduct by the Board. It was moved by Snyder, second by Denny, to adjourn the meeting at 3:30 pm.

These minutes are respectfully submitted for record by Tanja Smith on May 17, 2018.