

DONALA WATER AND SANITATION DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
January 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 January 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: Jennifer Kaylor
Bill George
David Powell

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

Oath of Office:

- President Judd swore in Kevin Deardorff as a Board of Director.

Board Position:

- Houle recommends Vanderschuere for the position of Vice President.
- Snyder recommends Houle.
- Vanderschuere declined and recommended Houle. Deardorff seconds. All aye.
- Director Houle is appointed as Vice President.
- Houle nominates Snyder as Sec/Treasurer, Vanderschuere second, all aye.

Public Comment Non-Agenda Items:

- None.

Review of Minutes:

- Minutes from December 2018 Board Meeting accepted as submitted.

Review of Financial Statements and Check Summaries:

- Generated more revenue from water sales than anticipated
- Zeroed out our water infrastructure loan.
- Came in at 4.83% over anticipated revenues.
- Total expenditures were 16% under, however we have not received all of 2018 invoices yet.
- This is one of the closest years Petersen has budgeted.
- Judd asked about District Engineer costs, they were high due to development of Academy Gateway project as we have to review all of the construction plans. We will be implementing new policies so that in the future new development will pay for those costs.

- Houle asked if we are planning to refinance the Laughlin Water Right. Petersen will review that later in the year or next year. Likely we will refinance.
- Wastewater quarterly billing to the partners has been moved to monthly going forward.
- O&M Capital Projects are low because we have experienced material delays. Project should be complete in March.
- General Fund at 2.56% return, Debt Fund at 2.58% and Bond Fund at \$0.00 remaining
- Houle motion to accept, Snyder second, all aye.

Manager's Report:

- 2019 Board Meeting Schedule adopted with a correction of Jan 16, 2019 to 2020. Vanderschuere motioned to adopt, Judd second, all aye.
- Ark River Forum will be in Pueblo on the 24th and 25th of April. Houle, Snyder and Judd will attend.
- Petersen announced that Lindsay Beavers is in Denver today taking the oath of citizenship. Congratulations offered by the entire Board.
- CSU water delivery agreement extended for another 3 years. Will begin long term agreement process once we receive the contract from the Bureau of Reclamation and an approved 1041 permit from Pueblo County.
- PPRWA met on Jan. 2nd. This was the last meeting with Petersen as the President of the Authority.
- Arkansas Basin Roundtable met on Jan. 9th in La Junta. Petersen was unable to attend. Houle and Snyder will attend next meeting with Petersen.
- Drought report shows the front range has seen a reduction on the drought classification. SW Colorado remains in exception drought currently.

Willow Creek Ranch:

- The Bureau of Reclamation has approved our request for a long-term contract. We have received the signed Environmental Assessment as well as the Finding of No Significant Impact (FONSI). All we are waiting on is the final contract.
- Petersen and Parker, along with Rick and Katie Fendel met with legal counsels for Pueblo County on Jan 10th to determine next steps for our 1041 process.
 - Reconsideration of the findings will only incur additional legal costs and will not likely provide positive results. Due to the costs and delays, we will provide what is necessary to complete the 1041 permit application at this time.
 - The 1041 permit will allow Donala to use the Southern Delivery system as a means of transport.
 - They advised that we can amend our request to increase the amount of water in storage and to transport from 499 AF to up to 1,000 AF.
 - Petersen requested to have permit completed within 6 months.
 - Vanderschuere asked how long it will take to complete the application. Petersen believes we can get it done in 30-60 days.
 - Deardorff asked what more they need to complete the application, Petersen noted just some additional data.
 - Houle recommends we amend the application to the full 1,000 AF. All agree.

Status of Operations:

- Demands on water plants are at seasonal numbers with approximately 12,309,000 gallons produced, with 77% provided by Willow Creek Ranch.
- Pump for Well 9 is on order, lead time is 12 weeks. 800 feet of piping will need to be replaced as well. It will be up and running in time for irrigation season.
- We had an increase in water production in 2018. 840 AF produced vs. 790 AF in 2017. Judd asked that we be consistent on labeling Willow Creek water as such, and not as CSU water.
- UMCRRWWTF is operating within established standards.
 - Have noticed an upset in the system this week. Ladouceur is working hard to level everything out.
 - Ladouceur continues to address M. Parvacella bacteria, resulting from fats, oils and grease being dumped down the drain.

- Arsenic removal process at R. Hull Water Production Plant is moving forward. Current plan will require a new building behind R. Hull to house the slurry and arsenic press. This process will remove almost all the arsenic from the source water before it is sent to the Waste Plant. The estimated cost is \$970,000. Parker met with GMS earlier this week and requested they move up the time line by 30 days to ensure we meet the Oct. 2019 deadline.
- Discussions continue with CSU on the possibility of consolidating waste treatment on Monument Creek. We have conveyed that our participation depends on cost and retention of our return flows. Meeting is scheduled for Feb. 7 to discuss progress.
 - Vanderschuere mentioned that Petersen should ask what CSU is looking at in the utility corridor, what is their exact location?
 - Snyder asked what the timeline is for arsenic and for CSU tie-in. Petersen stated that arsenic is Oct. 2019 and CSU project he guesses at 3 years or more.
- Phase 1 of Gleneagle water main replacement is complete with landscaping to commence in the spring. We anticipate awarding Phase 2 in mid-February.
- Concrete has been poured at the Waste Plant for the screen unit. Contractors are experiencing equipment delays and projects have been extended to March 2019.

Development Update:

- The final 12 lots on the golf course redevelopment are under review by Development Services. Petersen predicts final plat will be approved by late Feb.
- Several homes are under construction currently.
- The Covington Office Building, which will be located on the vacant parcel by Community Banks of Colorado, has not been scheduled for Planning Commission or Board of County Commissioners action as of yet.

Additional Comments:

- Powell asked what the timeline is for Laughlin Water. Petersen estimates another 3 years.
- Book stated that the contractors have work to do along the ditch on Gleneagle.

With no further comments, it was moved by Houle, second by Snyder, to adjourn into Executive Session, under the provisions of CRS24-6-402(4)(d) to brief the Board on an on-going investigation as well CRS 24-6-402(4)(f) Personnel matters. Motion carried and the Board went into Executive Session at 2:45 pm. The Board adjourned the Executive Session at 3:50. The Board stated that the performance evaluation of the General Manager was discussed, and they stated that they are well satisfied with his performance and as such, provided for an increase in salary in the amount of 7.4%.

There being no further business before the Board, it was moved by Houle, second by Snyder, to adjourn the meeting at 3:52 pm. Motion carried.

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