

DONALA WATER AND SANITATION DISTRICT
BOARD OF DIRECTORS
WORKSHOP MEETING MINUTES
November 17, 2022

The Board of Directors of the Donala Water and Sanitation District met for a workshop session at the District's office, 15850 Holbein Dr., El Paso County, Colorado on November 17, 2022 at 9:00am.

Directors Present: Wayne Vanderschuere
Bill George
Kevin Deardorff
Ed Miller
Ken Judd

Staff Present: Jeff Hodge
Christina Hawker

Consultants Present: Roger Sams (GMS)

Guests: Scott McCulloch

2023 Budget Presentation:

- Revenues are presented with a 4% increase for water and sewer services.
- We will not see much more capital revenue because we only have 6 lots left.
- Property taxes are projected to come in at \$2,174,107.
- Operating expenses are higher because we have moved the maintenance and repair costs on the wells from capital costs to maintenance costs.
- Employee salaries are presented with a 7% increase along with the Denver CPI showing a 7.7 percent increase over the last 12 months.
- Capital improvements for 2023 are to include rehabilitation of three tanks, radium removal, VFD replacements, R Hull water treatment plant upgrades, and design costs for water delivery.
- In 2020 debt was refinanced to avoid large balloon payments. The District will have equal payment amounts throughout the life of the debt payments.
- Brief overview of Reserve Fund Policy.

Cost of Service Analysis:

- Benefits and Disadvantages of a volume-based sewer user charge.
- The revenue model approach considers the costs for day-to-day operations and general & administrative costs of utility system operations, capital improvements, renewals and replacements, and reserves.
- Sams went over the average water and sewer operational costs projected for 2023-2025.
- The cost of service is figured by the by unit functional class.
- Sewer rates were presented as a volume-based sewer charge that will amount to a 2.5% recommended increase.

- The board gives direction to increase water fixed and tiered rates by 5% to cover day-to-day operations and future costs and agrees to the recommended 2.5% on a volume based sewer rate.

The board workshop adjourned at 11:57am.

These minutes are respectfully submitted for record by Christina Hawker on December 5, 2022.