

Donala Water and Sanitation District, Dec. 12

Rates, mill levies, and water storage feasibility study approved

By Jennifer Kaylor

The Donala Water and Sanitation District Board of Directors conducted its public hearing on the 2020 budget, including water and wastewater rate increases, at its Dec. 12 meeting. Directors approved multiple resolutions to confirm the district's 2020 financial structure. District Manager Kip Petersen presented an intergovernmental agreement regarding water storage and provided an update on Donala's Willow Creek Ranch renewable water resource.

Rates keep pace with cost of service

Petersen summarized the 2020 budget, explaining that he had provided a detailed review at the district's Oct. 17 meeting. The rate changes, based on the cost of service analysis provided by Meyer and Sams (formerly known as GMS Inc.), included: a 2.4% increase across all water rate tiers, a \$1 increase to the customer service charge, and a 5% increase—from \$35 per month to \$36.75 per month—to the monthly wastewater rate. Petersen deemed the rate increases necessary to accommodate rising operating costs and anticipated capital expenditures such as upgrades on the Upper Monument Creek Regional Wastewater Treatment Facility (UMCRWTF) or a cost-share in the North Monument Creek Interceptor (NMCI)—potential collaboration in a regional wastewater pipeline. The increases will ensure coverage of operating expenses, help the district prepare for the million-dollar expenses, and limit the need to borrow funds, he said.

Donala resident Steve Hrin, in response to a local high school student's residential survey for a cost-of-water project, asked Petersen and the directors if water expenses would ever decrease. The response was a unanimous "no." Petersen cited Donala's reliance on Denver Basin non-renewable water and ongoing maintenance of aging infrastructure. Director Ed Houle added that the district is not immune to the impact of inflation; Donala's electric rates increased by 18% and 9% in the last two years. Essentially, water must be stored, transported, treated, and delivered to customers and those processes cost money.

After the close of the public hearing, the board approved several resolutions. Two resolutions formally approved the 2020 budget and rates, another officially appropriated \$27.45 million for total revenues in the budget, and a fourth appointed Donala Office Manager Tanja Smith as the designated election official for the May 5, 2020 election in which three director positions will be open. Two additional

resolutions established the mill levies for Areas A and B. Area A, the larger portion of the district, receives both water and wastewater services and will be levied 21.296 mills for an estimated revenue of \$1.96 million. Area B, a small area in Chaparral Hills, receives only Donala's wastewater services and will be levied 10.648 mills for an estimated \$3,367 in revenue.

Petersen extended words of appreciation for his staff's extra efforts in helping him develop this "most challenging budget."

Water storage to be explored

Petersen presented a draft intergovernmental agreement between Donala, Triview Metropolitan District (Triview), and the City of Fountain (Fountain) to explore the potential use of former off-channel gravel pits at Fountain Creek—located west of I-25 and just south of Fountain—for water storage. The agreement splits the investigation expenses evenly into one-third portions for each entity. Donala and Triview would bear the initial financial burden in 2019 and 2020 with Fountain—having already funded some preliminary engineering work—funding all expenses in 2021 until it reaches equal financial footing.

The partnership with Triview is helpful since it reduces costs for each district and provides ample opportunity for each entity to evaluate its water storage needs, commented Petersen. This potential water storage would serve Donala's Laughlin Ditch water rights and Triview's Fountain Mutual Irrigation Co. water shares. Engineers will determine the capacity of the potential storage site. In response to a question about transporting the Laughlin Ditch water from Fountain to Donala, Petersen explained that it could possibly be delivered via Colorado Springs Utilities' (CSU) system in a CSU-Fountain-Donala "exchange" and could potentially be treated at CSU's Edward Bailey Water Treatment Plant. Petersen emphasized that the IGA strictly serves as an agreement to explore potential storage.

The board directed Petersen to sign the agreement and pursue the exploration phase.

Postponed capital project reinstated

A capital 2019 project called a residual management facility was postponed so that Donala could explore collaboration on CSU's possible regional wastewater treatment project that might have made the residual management facility unnecessary. See <https://www.ocn.me/v19n7.htm#dwsd>. This facility adds another system for Donala to reduce its arsenic discharge from the UMCRWTF while also helping to

balance water drawn from its groundwater and renewable water resources.

Disadvantageous timing of the CSU project led Donala to restart plans to construct the residual management facility. Petersen revealed that construction costs had risen dramatically. The original estimate of \$1 million climbed to slightly more than \$1.7 million. By reviewing Glacier Construction Co.'s estimate and eliminating or downgrading items, the district was able to reduce costs by \$125,000. The shortfall of more than \$600,000 would be met by reducing water main replacement in the district, Petersen added.

Ranch in hibernation; staff plans for spring

Donala's Willow Creek Ranch is in hibernation, reported Petersen. He and Superintendent of Water Operations Mark Parker visited the ranch, Donala's resource for renewable water, about a month ago. Their inspection tour revealed checklist items to address. Beaver dams were diverting waterflow from the flume thereby reducing the potential water flow credit the district will measure beginning in May. Petersen reported that the district would attempt to trap and relocate the beavers and employ heavy equipment to more fully remove the dams.

Additionally, the district's "No Trespassing" and "No Hunting" signs had been removed along the western boundary, Petersen said, and signs of human encroachment were evident. The district will post new signs using a stronger attachment method in the spring.

Overall, Petersen expressed confidence that the district is ready to meet its water demands. Seasonally lower temperatures caused the district's water consumption to dip from about 17.6 million gallons in October to about 11.6 million gallons in November. The ranch's renewable water supplied 75% of November's consumption, but the district plans to increase well use to offset the cost of Willow Creek Ranch water delivered through CSU's system.

At 2:50 p.m. the board moved into executive session to discuss CRS 24-6-402(4)(f) Personnel Matters, General Manager replacement; CRS 24-6-402(4)(e) Determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators. Petersen confirmed that no actions would be taken as a result of the executive session.

The next board meeting will be held at 1:30 p.m. Jan. 16 at the district office at 15850 Holbein

Drive, Colorado Springs. The directors meet in the district office conference room. Board meetings are normally held on the third Thursday of the month. More information is available by calling (719)488-

3603 or accessing www.donalawater.org.

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