

has used the municipal standard for its wells, Frei said, but the last long-range plan completed by the district allows for some new wells to be built to the standard for commercial wells, which typically use lower quality and less expensive hardware components. Additional savings result from using smaller drilling rigs, she said. Commercial grade wells are usually 77% less expensive than wells built to the municipal standard.

Frei estimated the new well would produce 25 gallons per minute. WWSD's Arapahoe aquifer wells typically produce 200 or more gallons per minute.

Shaffer said the well would be a test case for the district. He pointed out the commercial standard involved a bit more risk but would provide a much lower cost per acre-foot of water produced. The proximity to the CWTP meant less would be spent on pipeline and on building to house the well.

Frei recommended that the contract be awarded to Winegar Well Service LLC, which bid \$219,315 for the project. The board voted unanimously to award the contract as Frei suggested.

Contract re-awarded

At its previous meeting in August, the board awarded a contract to install the infrastructure for a new pressure reduction zone required by the Monument Junction development to Aslan Construction. Classic Homes, the developer

of Monument Junction, was to be responsible for a portion of the project, but in August the WWSD board believed that Classic Homes would have WWSD manage the project and be reimbursed by Classic Homes for its portion of the work. Details about the original award of the contract can be found in a previous issue of Our Community News here: <https://www.ocn.me/v23n9.htm#wwsd>.

In September, Shaffer told the board there had been new developments. Classic Homes opted to use their own contractor to do its share of the work, he said, and Aslan Construction notified him that it had made a \$170,000 error in its bid. As a result, Aslan withdrew its bid, Shaffer said.

Shaffer said he did not recommend rebidding the project. He recommended that the board award the contract to Midcity Corp., which had bid on the work along with Aslan.

After some discussion to sort out the consequences of Classic Homes choosing to use its own contractor rather than let WWSD manage the entire project and be reimbursed, the board voted unanimously to authorize Shaffer to move forward with Midcity's bid of \$438,722.

Tap fee debate continues

At its previous meeting, the board heard a presentation on tap fee strategy from Andrew Rheem of Raftelis, a company that advises WWSD on rates

and fees. At that meeting, the board voted to authorize Raftelis to continue its work, begun a year ago, to help determine how WWSD should set its water and sewer tap fees to ensure the district can fund the cost of service delivery and capital improvements looking out 10 years.

At the September meeting, Rheem and his colleague Harold Smith presented some preliminary results. They said they had developed scenarios that addressed issues such as how WWSD will finance its portion of the water re-use project often referred to as "The Loop," which will build infrastructure to allow WWSD and other participating water districts to divert water from Fountain Creek, including treated effluent, and return it for reuse by customers.

Rheem and Smith said they estimated the final build-out of the WWSD service area would occur by 2042, with 6,500 connections to the water distribution system and 6,200 connections to the sewer system. They calculated the Replacement Cost New (RCN) of those systems to be \$134.87 million. RCN is the amount it would cost to build systems of equal capacity at today's prices and is a factor when tap fees are considered as a fee to buy a share in an existing system.

The discussion that followed raised some questions about the assumptions used to calculate the RCN. Operations Superintendent Dan LaFontaine pointed out that devel-

opers build pipes at their expense that are later conveyed to the district and asked how that was built into the RCN calculation. Other issues were how \$7 million in recent capital improvements were calculated into the RCN, and how to account for the debt incurred by the purchase of Woodmoor Ranch, the debt service for which is paid by district customers every month in the form of the \$40 per month Renewable Water Infrastructure Fee.

Uncertainty about how The Loop water reuse project would be financed—with revenue bonds or general obligation bonds that would require a vote for approval—complicated the issue of future tap fees.

Rheem and Smith presented a case for raising water tap fees, which are one-time fees paid when a new building is connected to the water distribution system, by \$12,000 to \$42,000. Board President Brian Bush argued that increase could not be made in one year. He also pointed out that federal and state regulations governing water quality were not likely to remain unchanged for 10 years and new regulations would impact the cost of delivering water to customers. Shaffer said the increase suggested by Rheem and Smith would raise objections on the part of developers.

The board did not vote following the discussion. Rheem and Smith said they would continue to work on their

analysis, taking into consideration the questions raised.

Highlights of operational reports

- In his financial report, board Treasurer Roy Martinez said that revenue from water sales was down due to the unusually rainy summer and spring.
- The 12-month rolling average for unaccounted water is 5%, which is low by industry standards.
- 1,400 of the district's residential water meters have been replaced with newer meters that are better integrated with the district's billing system and support advanced functions such as helping customers avoid unexpectedly large water bills by notifying them when there is a leak on their property.
- WWSD is issuing water taps for the west side of the Monument Junction development.

The next meeting is scheduled for Oct. 9 at 1 p.m. Meetings are usually held on the second Monday of each month at 1 p.m. at the district office at 1845 Woodmoor Drive; please see www.woodmoorwater.com or call 719-488-2525 to verify meeting times and locations.

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Monument Sanitation District, Sept. 20

Board approves email policy, plans building improvements

By Jackie Burhans and James Howald

The Monument Sanitation District (MSD) board met in September to vote on a resolution outlining the district's email policy. It discussed a preliminary draft of a proposed 2024 budget and took up issues concerning improvements and repairs of the district's headquarters building.

District email for business use only

State law requires governmental organizations that maintain email systems to have a written policy governing their proper use. District Manager Mark Parker told the board that work on MSD's email policy was begun with their previous lawyer and was now ready for a vote.

Resolution 9202023-1 specifies:

- MSD's email system is owned by the district and is limited to messages related to district business. Personal or private messages are not allowed.
- Use of personal email systems for district busi-

ness is not allowed and may subject the district to discovery orders, seizure, and inspection in the event of litigation.

- Messages sent through the district's email are public records and are available to the public through Colorado Open Record Act requests.
- The district may monitor messages sent through its email system.
- The email system is an extension of the workplace and is subject to the district's personnel policies.

Board President Dan Hamilton summed up the policy by pointing out that there is no privacy in use of the email system. Parker pointed out that board members would need to be careful in their use of the "Reply All" feature, as emails going to three or more board members constitute a meeting. Parker said he used the blind carbon copy feature to prevent board members from inadvertently creating a meeting by replying to everyone on the distribution list.

The board voted unanimously to approve the resolution.

Preliminary 2024 budget discussed

Parker gave the board a preliminary draft of the 2024 budget and asked for their feedback at the next board meeting. He said he estimates income low and expenses high, and that generally works out. Legal and engineering fees were underestimated in the previous budget. Legal fees were somewhat higher than expected in the 2023 budget because of the legal work needed on the district's bylaws and employee handbook. For the 2024 budget, he assumed a 10 percent increase in worker's compensation costs and a large increase in the cost of gas and electricity. Interest income is up due to higher interest rates, he said.

Parker pointed out that MSD could impose a 7.734 mill levy, but that was not needed because the district is able to cover its cost of service through tap fees and user fees.

HQ building needs roof repair, HVAC upgrade

MSD owns the building at 130 Second St. that houses the of-

fice space and conference room used by the district, as well as three businesses: the Black Forest Foods Café and Deli, Santa Fe Trail Jewelry, and the Second Street Hair Studio.

Parker told the board that, due to age and hail damage, the building's roof needs to be replaced. The cost of replacement is less than the insurance deductible, he explained, so MSD will be paying for the replacement. Parker said he was working with the district's insurance carrier to find alternatives to the current deductible.

Parker asked the board to consider paying for an engineering study to design a comprehensive solution to the building's problems with heating and ventilation. The Black Forest Foods Café and Deli kitchen has created issues with ventilation that were not anticipated when the building was designed. The kitchen hoods pull air out of the building and makeup air is needed to run the building's furnace efficiently, he said. The study would need to assess whether the rafters can support the needed equipment as well as the snow load in the winter months. The building's electric

service would also need to be included. Parker estimated the study cost at \$5,500.

MSD Environmental/Regulatory Compliance Coordinator Jim Kendrick pointed out that over the last 20 years contractors who addressed issues stemming from the restaurant kitchen have put in place ad hoc solutions. He argued the cost of a comprehensive study and design would be money well spent.

The board did not take a vote but agreed that Parker should proceed with the proposed study.

Monument Sanitation District meetings are normally held at 9 a.m. on the third Wednesday of the month in the district conference room at 130 Second St., Monument. The next regular meeting is scheduled for Oct. 18. See <https://colorado.gov/msd>. For a district service map, see <https://colorado.gov/pacific/msd/district-map-0>. Information: 719-481-4886.

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Donala Water and Sanitation District, Sept. 21

Preliminary 2024 budget presented

By James Howald and Jackie Burhans

At its September meeting, Donala Water and Sanitation District (DWSD) General Manager Jeff Hodge and Accounts Payable specialist Christine Hawker presented a preliminary draft of the district's 2024 budget. The board awarded a contract for rehabilitating the district's water tanks, updated a lease to sell effluent water, and made plans to sell a surplus variable frequency drive (VFD). Finally, district staff updated the board concerning the district's testing of hydrous manganese oxide (HMO) to reduce radium in its treated water.

2024 budget overview

The preliminary budget presented showed an increase in total revenue from \$6.86 million projected for 2023 to \$7.60 million budgeted for 2024. Water sales and interest income are projected to increase in 2024. Property tax revenue for 2024 was projected to be \$2.24 million; that number reflects a \$600,000 decrease in the county's assessment due to the possibility of Proposition HH passing. Hodge said the 2024 budget assumes the district will not see any increase in revenue from increased property taxes.


On the expense side, total operating expenses are estimated to increase from \$4.92 million projected for 2023

to \$6.24 million budgeted for 2024. In the 2024 budget, \$365,351 was moved from administrative expenses to operating expenses because upgraded accounting software enables better tracking of contract services. Utility costs for 2024 are budgeted to increase by \$257,000 due to an estimated 10% increase in electrical costs by Mountain View Electrical Association. Engineering costs and well maintenance costs are also projected to increase in 2024.

Total capital and bond expense is estimated to increase from \$3.44 million projected for 2023 to \$4.31 million budgeted for 2023.

DONALA (Cont. on 20)

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