

Donala Water and Sanitation District, Oct. 18

Board evaluates budget draft; rate increase approved

By Jennifer Kaylor

In a shorter-than-expected meeting, the Donala Water and Sanitation District's Board of Directors received the district's detailed 2019 budget draft and a similarly detailed draft of the Upper Monument Creek Regional Wastewater Treatment Facility (UMCRWWTF). District General Manager Kip Petersen presented for consideration an amendment to the current Intergovernmental Agreement (IGA) between Donala and Academy Water and Sanitation District (AWSA). All directors participated; Directors Ken Judd and Bob Denny connected via teleconference.

Petersen thoroughly reviewed the 2019 drafts and their respective narratives for the general Donala and the UMCRWWTF budgets. Donala, Triview Metropolitan District, and Forest Lakes Metropolitan District jointly own the UMCRWWTF and Donala manages the facility. The narratives explained Petersen's reasons for raising or lowering anticipated revenue and expenses for both entities.

Costs of providing services rise, revenues dip

Due to languid residential and commercial construction, intractable precipitation, and the clash of the Taxpayer's Bill of Rights (TABOR) with the Gallagher Amendment, Petersen expressed a desire to forecast the budgets conservatively. He stated that the 2018 district budget reflected an expectation of 12 additional homes, mainly around the former golf course, which would have provided subsequent tap fee revenue; only two homes materialized in the district, thus drastically decreasing this revenue. Petersen estimated only 10 new homes for 2019.

The district relied much more heavily on wells instead of its Willow Creek

Ranch surface water during the 2018 summer months. The cost of pumping the wells brought utility expenses over budget. Petersen expressed a lack of confidence in any substantial drought relief for 2019 and assumed a drier-than-normal water demand season. The draft budget reflects a 25 percent utilities expense increase to account for rate increases as well as greater demand on the pumps.

State officials have also advised special districts such as Donala that the combined restrictions of TABOR and Gallagher have the potential to cause a 16 percent loss of property tax revenue in 2020. With these significant events in mind, Petersen estimated an operating revenue for the district of about \$8.5 million and expenses of slightly more than \$8 million.

Petersen explained that results of an Oct. 10 Operations Committee meeting significantly changed capital expense estimations for the 2019 UMCRWWTF draft budget. He anticipated having more precise estimates in November.

Customer rates likely to increase

Noting the confluence of increased expenses and lost revenue, Petersen presented potential rate and fee increases. In preparation for wastewater treatment upgrades, he proposed a \$2 per month increase for sewer service. Citing the previously mentioned TABOR-Gallagher loss of property tax revenue, a bond fund that will likely be depleted in 2019, and the finite number of remaining lots on which the district can assess tap fees, he also proposed a 4 percent water rate increase. Petersen explained that the bond fund pays for annual upgrades—when the bond fund disappears, the need for an estimated \$2 million-per-year upgrades

won't disappear. The one-time tap fees generated by new home construction will also dry up once the 56 platted lots have been developed. The 2017 Cost of Service Analysis also supports a 4 percent water rate increase.

The board discussed the proposed increases and confirmed the need for the increases to build reserves and minimize future rate increases. In lieu of a regular board meeting, the directors will conduct a work session to scrutinize the 2019 budget and discuss short-, mid-, and long-term goals and objectives on Nov. 15. Petersen encouraged the directors to submit questions, ideas, and requests for information prior to the workshop. Petersen commented that the challenge is keeping water affordable and posed the challenge as a focus for the workshop.

AWSD wastewater fully engaged

Petersen confirmed that all wastewater from AWSA now is pumped via the new lift station to Donala's collection system for treatment at UMCRWWTF. The IGA was established to provide AWSA a more efficient and economical means of treating its wastewater.

Petersen also proposed amending the IGA to more simply and equitably charge AWSA and prevent Donala from having to conduct a Cost of Service Analysis annually. Petersen stated that AWSA favored the change. The directors approved the IGA amendment.

New plan for arsenic disposal

Petersen announced his support of an Operations Committee decision to dispose of arsenic in an alternate way than through the wastewater treatment facility. The decision is expected to fulfill more restrictive arsenic regulations effective in October 2019. Petersen confirmed that Triview, a contributor to the wastewater volume and, therefore, arsenic levels has similar plans.

Director says goodbye

During the meeting Director Bob Denny announced that he will be moving out of state in mid-November and verbally acknowledged his need to resign from the board. OCN later confirmed that Donala will begin the process to fill the vacant position for which the term ends in May 2020. Those interested in being considered for appointment should provide a letter that outlines his or her experience and qualifications to the district office by 5 p.m. Dec. 3. See the vacancy posting on the district's website for residency requirements and other information.

Additional items

- Mark Yoder represented the Western Museum of Mining and In-

dustry in thanking Donala for approving the inclusion agreement that will allow the museum to connect to the district's services.

- Well 3A, which has been nonfunctional for several months, was assessed and deemed irreparable. Although this was Donala's top producing well, the other wells can be pumped harder over the next few years to make up the loss, and they hope to supplement with surface water from Willow Creek Ranch. Petersen determined that the board must examine replacement options for the long term, however.
- Petersen provided Colorado's most recent U.S. Drought Monitor report that can be accessed via droughtmonitor.unl.edu/CurrentMap/StateDroughtMonitor.aspx?CO. Western El Paso County rated a designation of D0—Abnormally Dry—and most of the county's eastern side ranked as D1 or Moderate Drought. Colorado's southwestern corner remained in the D3 and D4 categories, Extreme Drought and Exceptional Drought, respectively. Drought will affect surface water supplied from Willow Creek Ranch.
- Petersen confirmed that the Donala and Triview Metropolitan District boards of directors met for a Sept. 26 joint workshop intended to introduce the directors to one another and discuss their respective goals. The two boards plan to schedule a similar workshop in about six months.
- Directors Ed Houle and Dennis Snyder plan to join Petersen in attending the Arkansas Basin Roundtable meeting scheduled for Nov. 14.

The meeting adjourned at 3:11 p.m.

The Nov. 15 work session will begin at 9 a.m. and is expected to last until 1 p.m. The directors will hold a public hearing on the 2019 budget prior to its adoption at the Dec. 6 board meeting, which will begin at 1:30 p.m. Copies of the budget are available at the district office at 15850 Holbein Drive, Colorado Springs, CO 80921. 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.

Jennifer Kaylor can be reached at jenniferkaylor@ocn.me.

District 38 Accountability Advisory Committee, Oct. 9

Committee hears superintendent's annual report, discusses election

By Harriet Halbig

The District Accountability Advisory Committee of Lewis-Palmer D-38 heard the annual report of the district superintendent, discussed election topics, and learned of changes in the district evaluation process at its Oct. 9 meeting.

Superintendent Karen Brofft spoke of the achievements and goals of the district. Last year's theme was Through Their Eyes and In Their Shoes, encouraging staff and the community to view the world through the eyes of a student.

This year's theme is On a Great Path, focusing on a connection between the district and its students. She enumerated the many awards received by athletics, music, drama, journalism, and academics as a demonstration of the broad scope of the district's achievements.

Brofft also mentioned a connection with the Pikes Peak Business Education Partnership in offering options for students who wish to pursue a career in a certified occupation or who wish to serve an internship in a local business.



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