

JUC (Cont. from 14)

hearing on policy 17.1. Commission staff members made a decision that would benefit TLWWTF through its participation in the voluntary nutrient reduction incentive program. This program has drastically reduced nitrates and phosphorus in Colorado waterways.

Kendrick said this was positive feedback for Burks and his early application for the state's Voluntary Incentive Program, and the low phosphorus and nitrogen numbers over the last few months were very posi-

tive. "Hurray for the new (chemical total phosphorus removal tertiary) clarifier and the guys at TLWWTF," he said. See www.ocn.me/v18n1.htm#tlwtf.

Burks described a problem with the "muffin monster grinder" that grinds up non-biodegradable "rags," such as mis-named flushable wipes, for disposal in a landfill. The spare grinder on his shelf for use in emergencies was not ready for use, as it turned out. He got help from a company in California to re-configure the incorrect grinder repair part. This way his staff didn't have to keep hauling trucks full of "rags" to the neighboring Upper Monument Creek Regional Wastewater Treatment Facility for disposal.

TLWWTF has replaced all 1,980 air injection diffusers in the aeration basins, and Burks is already noticing a reduction in the facility's electric bill.

The meeting adjourned 10:51 a.m.

The next meeting is scheduled for 10 a.m. Nov. 10 at the Tri-Lakes Wastewater Treatment Facility, 16510 Mitchell Ave. Meetings are normally held on the second Tuesday of the month and are open to the public from all three owner-districts. For information on virtual meeting access, call Bill Burks at 719-481-4053.

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Donala Water and Sanitation District, Oct. 15

"Phenomenal" savings achieved

By Jennifer Kaylor

Directors and staff celebrated Donala Water and Sanitation's savings achieved by the district's recent efforts to refinance loans. Financial planning for 2021 and potential support of a neighboring sanitation district received consideration at the Oct. 15 board meeting.

AA- rating reaps financial gains

For a third consecutive month, Nate Eckloff of underwriter Piper Sandler and Co. returned to provide updates on financial market activity and its impact on Donala's recent steps taken to refinance three of its loans. Because of the district's strong historical financial performance, it received a Standard and Poor's AA- credit rating, a low bond rating insurance premium from Build America Mutual, and green bond qualification. Because of the positive ratings and favorable marketplace conditions, the bond issue was well received and generated robust demand.

As a result, the net interest costs on the taxable bonds, which mature in 2035, fell to 2.24% and the net interest costs on the 2040-maturing tax-exempt bonds dropped to 2.54%. When combined, the overall net interest costs equal 2.41%. The Laughlin Ditch loan, which originally carried a more-than-\$3 million balloon payment due March 2021, incurred a \$60,000 present value expense to extend the loan an additional 18 years. This expense reflects the additional interest the district will pay because of the longer term of the loan. At the August board meeting, Eckloff estimated that the Laughlin loan's present value expense would be more than double the \$60,000 cost. See <https://www.ocn.me/v20n09.htm#dwsd>.

Ultimately, after accounting for the various savings, an expenditure of about \$1 million from the district's debt reserve fund, and expenses, Eckloff calculated that the district's move to reissue the bonds would save about \$1.29 million and reduce the maximum annual debt service from over \$800,000 to \$751,900. He characterized the savings as "phenomenal."

Before Eckloff's presentation, the directors unanimously approved two resolutions pertaining to the bond issuance. Resolution 2020-06 authorized General Manager Jeff Hodge and President Ed Houle to officiate repayment of the respective loans with the Colorado Water Resources Power and Development Authority. The second resolution, 2020-07, authorized the issuance of the revenue bonds to refinance the district's outstanding obligations at lower interest rates.

Because of the parameters resolution that was passed at the district's September meeting, the district's final step was to authorize the bond purchase agreement with Piper Sandler. Closing for the transaction was scheduled for Oct. 27.

2021 budget presented

Houle opened the public hearing for the 2021 budget and Hodge reviewed various line items for the water and wastewater funds. Overall, the district's 2020 fund balance of \$16.9 million would decrease to an estimated 2021 fund balance of about \$15.9 million due to the use of debt reserve funds in the bond re-issuance. Overall, the budget reflected conservative revenue estimates and adjustments for inflation as

well as an additional capital project expense. Hodge proposed hiring a contractor to complete the district-wide meter replacement project. Under the current system, the meter replacements would take an estimated three or four years. By spending the drafted \$470,000—half of what Hodge originally expected—to hire an outside company to install the meters, it would reduce meter-related questions and empower residents to monitor their own water consumption.

Hodge discussed his goal to create a more detailed budget. Superintendent of Water Operations Mark Parker expressed appreciation for the inclusion of operational staff in drafting the budget.

Directors asked questions and provided comments throughout the budget review. The board will discuss the budget at its November workshop and present it for approval at the December board meeting.

ORC services requested

Hodge informed the board that the Monument Sanitation District was in transition and had submitted a request for operator in responsible charge (ORC) services from Donala. Parker added that the request solely pertained to providing a licensed operator to monitor and manage the wastewater collection system and complete recordkeeping requirements. The request did not include treatment of MSD's wastewater. After discussing staff availability, potential risks, and revenue expectations, the board directed Hodge to pursue additional information for consideration at Donala's November meeting.

Additional updates

- Progress on the 2020 and 2021 capital projects continued, reported Parker. The 2020 water main replacement was about 65% complete. Parker planned to schedule meetings with the two homeowners associations affected by the 2021 infrastructure project and confirmed completion of preliminary drawings and a roughly estimated budget.
- Hodge provided the most recent drought report that had been released Oct. 1. The majority of Colorado was experiencing severe or extreme drought conditions with small pockets listed under the abnormally dry, moderate drought, and exceptional drought categories. See <https://www.drought.gov/drought/states/colorado> for

more current drought information.

- Parker informed directors that he had been communicating with a compliance specialist from the Colorado Department of Public Health and Environment (CDPHE) about rising radium levels in drinking water. The specialist hypothesized that drought conditions were subsequently creating greater demand on wells and thus many water districts in Teller and El Paso Counties were testing higher for radium. Parker expressed confidence that by working with CDPHE, Donala would maintain its radium compliance.
- Hodge commented on the Pikes Peak Regional Water Authority and the North Monument Creek Interceptor (NMCI). Discussions among the two entities appeared to favor diverting wastewater return flows from NMCI participants—which include Donala—to water storage located along Williams Creek, preferably within El Paso County.
- During public comment, resident Steve Hrin asked if the public could suggest agenda items. The board responded "yes" but with final approval of the directors.

At 2:44 p.m. directors moved into executive session §24-6-402(4)(a), C.R.S. - Potential water right purchase(s) two tenders and interim wastewater conveyance and treatment agreement with Colorado Springs Utilities and Triview. Hodge confirmed later that the directors moved to authorize himself and Houle to negotiate the border for acquisition of water rights following the executive session.

The next board meeting may be held in person and/or an online video meeting depending on the status of coronavirus restrictions; call (719)488-3603 or access www.donalawater.org to receive up-to-date meeting information. In-person meetings are held in the district office conference room on the third Thursday of the month. The next board meeting will include a workshop and is scheduled to begin at 9 a.m. Nov. 19. The district office is located at 15850 Holbein Drive, Colorado Springs. See <https://www.donalawater.org/> to access the current board packet, prior meeting minutes, and the 2020 meeting calendar.

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Monument Sanitation District, Oct. 21

No rate increases for now; learning curve continues

By Lisa Hatfield

The Monument Sanitation District (MSD) board met on Oct. 21 to discuss confusion about the timing of a rates and fees announcement, district cash flow questions, and contracting with a licensed operator in responsible charge (ORC).

A budget workshop preceding the regular meeting had to be cut short due to technical difficulties. Amy Femery of Haynie & Company Certified Public Accountants and Management Consultants answered some questions of the directors about the 2020 budget and 2021 draft budget.

Background: On July 20, MSD District Manager Mike Wicklund left the district. Erin Krueger was appointed interim district manager July 22 and terminated Sept. 12. See www.ocn.me/v20n10.htm#msd.

The board members present for the Oct. 21 meeting in person were Chairman Dan Hamilton, Treasurer John Howe, Secretary Marylee Reisig, Directors Laura Kronick and Katie Saucedo, and MSD Special

District Attorney Joan Fritsche of Fritsche Law. The regular conflict of interest disclosures noted that Reisig's business is a tenant in the MSD building and Hamilton's company provides internet and phone service to the district.

Jim Kendrick, MSD's Environmental/Regulatory Compliance advisor, attended the regular meeting via Zoom but was unable to join the budget workshop due to technical difficulties. Accounts Administrator Cheran Allsup joined the meeting as needed to answer questions.

Legal requirement to mail the rates and fees notice

Kronick, Reisig, and other board members felt "blindsided" that they didn't know about a notice about a November discussion of rates went out to customers with their bills.

Fritsche explained to the board again, as she had in an email to all of them dated Sept. 28, that MSD was not considering a rate change in November. However,

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