

(CSU) at its J.D. Phillips Water Resource Recovery Facility at the east end of Garden of the Gods Road, just east of I-25.

The initial phase of the NMCI is to provide a wastewater collection system for the new Air Force Academy Visitor's Center and other associated facilities.

CSU has requested that wastewater entities north of the Academy also consider connecting to the NMCI. The Tri-Lakes Wastewater Treatment Facility (TLWWTF) is jointly owned by MSD, Palmer Lake Sanitation District, and Woodmoor Water and Sanitation District. For TLWWTF to participate, it would require building an interceptor from TLWWTF to the north end of the NMCI adjacent to North Gate Boulevard by the Academy's north gate.

The GMS memo said GMS is continuing discussions for MSD with all involved parties to the NMCI negotiations. Until some associated surface

water rights issues and the return surface water flow issues have been addressed, it will be difficult for northern water districts to move ahead. Note: MSD is only a sanitation district and has no water rights.

The NMCI draft contract for design costs should be coming in September to MSD, Fritsche said. See www.csu.org/CSUDocuments/NMCIfactsheet.pdf and www.ocn.me/v18n12.htm#msd.

Tap fee rate study approved

The board approved a tap fee rate study to be done by GMS for a cost not to exceed \$19,000.

One goal is to make sure tap fees reflect the district's anticipated capital improvement costs by this winter, before a lot of residential sewer taps are sold in the new developments and before the NMCI project might begin.

Another goal is ensuring that these

future tap fees from new construction cover the cost of new additional MSD wastewater infrastructure to provide service to these new developments.

More items in progress

The board discussed a wide variety of other upcoming issues, including:

- The public hearing for the 2021 budget will be Nov. 18.
- Consideration of engagement of Hazen & Klopman Law for personnel matters.
- New cash flow procedures.
- New employee handbook to be drafted by Fritsche and reviewed by Hazen & Klopman to bring it up to date with new state regulations and reflect COVID-19 safety rules.
- Sustaining smooth operations of the TLWWTF.
- Updating the MSD website to comply with new state regula-

tions.

At 10:30 a.m., the board went into executive session to discuss determining positions relative to matters that may be subject to negotiations. Krueger told OCN that when the board came out of executive session at 11 a.m., no announcements were made, and no votes were taken.

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 Sept. 16 at 9 a.m. See <https://colorado.gov/msd>. For a district service map, see <https://colorado.gov/pacific/msd/district-map-0>. Information: 481-4886.

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Donala Water and Sanitation District, Aug. 20

Refinancing step benefits from low interest rates

By Jennifer Kaylor

Nate Eckloff of underwriter Piper Sandler and Co. returned for the Aug. 20 Donala Water and Sanitation Board of Directors meeting to encapsulate refinancing benefits of the district's debt prior to the board voting on a related resolution. General Manager Jeff Hodge and Superintendent of Water Operations Mark Parker apprised directors on various projects and operations.

A win-win financial move

Hodge and district accountant Christina Hawker informed directors of their search for bonding services to refinance Donala's debt. Out of three requests for proposals, two bonding agencies responded and, after a review, Hodge and Hawker recommended Piper Sandler and Co.

Eckloff confirmed that interest rates had remained low and the current financial climate presents a good opportunity to refinance the district's Laughlin Ditch loan as well as two other loans. Resolution 2020-4 verified that the Laughlin loan had a five-year

balloon payment due in March 2021 of more than \$3 million. Summarizing the loans, Eckloff stated that the 2007 bonds would mature in eight years at an interest rate of 3.75%. The 2011 bonds had a 4.98% rate and the Laughlin loan had a 4% rate.

In today's market, the shorter-term 2007 debt could net a 1%-1.15% range in interest cost, 2011 bonds would net about a 3% interest cost, and the Laughlin loan, with a term extended to 2040, could net an interest cost of about 2.58%. Because two loan terms remain the same, the district could realize significant savings in interest. The Laughlin loan would have a little bit of a loss because of the extended term from 2022 to 2040, but because of the lower interest rate, the present value of the additional cost is \$138,000 over the life of the loan. Overall, with the level debt structure Piper Sandler proposed, from the present to 2036, Donala could reduce its overall debt service by \$634,000, said Eckloff.

Other benefits attached to the debt refinancing included level, more man-

ageable debt service, enhanced cash flow, adequate debt capacity for future needs, savings for ratepayers, and avoidance of a \$3-million-plus balloon payment.

Directors approved the resolution to refinance Donala's outstanding obligations at lower interest rates. Eckloff anticipated that he would return in September to present the board with a parameters bond resolution before sending the financing package to rating agencies and bond issuers.

Wastewater projects make incremental progress

In reference to the proposed North Monument Creek Interceptor (NMCI)—a regionalized pipeline that would transport wastewater flows from six northern El Paso County wastewater service providers for treatment at the Colorado Springs Utilities (CSU) J.D. Phillips Water Resource Recovery Facility—Hodge reported that he had received a contract from CSU that detailed the pipeline's design costs. The deadline for returning the contract was in August, but Donala and some of the other northern entities—which include Forest Lakes Metropolitan District, Triview Metropolitan District, Monument Sanitation District, Palmer Lake Sanitation District, and Woodmoor Water and Sanitation District—raised concerns about getting credited for return flows, the treated wastewater that is returned to surface or ground water. The northern entities were pursuing a meeting with CSU but had not determined a specific date and time, said Hodge.

Related to the NMCI, the contract for a potential temporary pipeline that is intended to expedite wastewater services to the U.S. Air Force Academy Visitors Center (AFAVC) remained unsettled as of Donala's August board meeting. Although the AFAVC would normally be served by CSU, Donala and Triview are coordinating efforts with CSU to provide temporary wastewater services to the Academy while CSU completes a lengthy environmental assessment that is a required step in completing the NMCI. For more information, see <https://www.ocn.me/v20n6.htm#tvmd> and <https://www.ocn.me/v20n8.htm#dwdsd>.

At the July board meeting, directors authorized Hodge to pursue revisions in the interim contract. Hodge and Parker had voiced concerns about unforeseen complications pertaining to the intergovernmental agreement between Donala and Triview, as well

as logistical and accounting efficiencies.

Hodge confirmed that the interim contract had circulated among the three districts and the revisions were currently under CSU's review.

PPRWA subcommittee taking shape

The Pikes Peak Regional Water Authority subcommittee on drinking water regionalization met for organizational purposes in July, reported Hodge. Some of the challenges facing the group entail gathering and organizing information to brainstorm a regional system that connects water sources with consumers as well as structuring the administrative responsibilities to maximize efficient, consistent communication and division of labor.

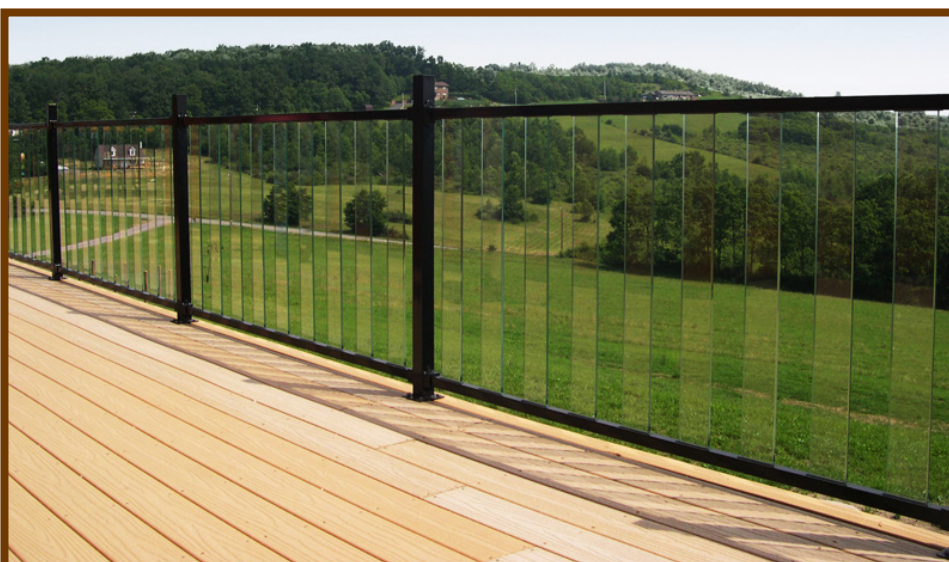
Additional updates

- Parker praised newly hired Chief Waste Plant Operator Michael Boyett and Water Quality Specialist Amy Azevedo for rapid assimilation into their respective roles.
- The residual management facility was completed, and staff members are working with manufacturer M.W. Watermark to maximize operational efficiency. See <https://ocn.me/v20n7.htm#dwdsd> for additional information about arsenic and the residual management facility.
- Central El Paso County maintained its classification of moderate drought as of Aug. 4, and the eastern edge remained in a severe drought status.
- Staff members are working with Hydro Resources to restore the functionality of well 7. Parker estimated that the well could serve the district for another two decades.
- The district produced 39.75 million gallons of water in July. Some residents are still watering midday, which not only violates district policy but essentially wastes the customer's water because of evaporation.

At 2:16 p.m. directors moved into executive session §24-6-402(4)(a), C.R.S. – potential water right purchase(s) and interim wastewater conveyance and treatment agreement. Hodge confirmed later that directors did not vote on any motions or make decisions following the executive session.

Board meetings are normally held on the third Thursday of the month. The

DONALA (Cont. on 16)



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