

### Donala Water and Sanitation District, Oct. 12

## 2024 legal budget presented

By James Howald and Jackie Burhans

At its October meeting, the Donala Water and Sanitation District (DWSD) board continued its work on a budget for 2024. It also heard operational reports.

### 2024 legal budget

DWSD District Manager Jeff Hodge began by pointing out that the budget before the board was a "legal" budget, in the format required by the state, with three columns showing the actual year-end figures for 2022, the projected year-end figures for 2023, and the budgeted figures for 2024.

Hodge predicted a \$2 million decline in the district's ending fund balance from 2023 to 2024 due to \$1.6 million needed to repair storage tanks, leaving the district with just under \$9 million in reserves in 2024. Hodge said he expected reserves to increase in 2025 and 2026.

Water sales were \$3.4 million in 2022 and were projected to decrease to \$2.7 million by the end of 2023, a decline of about \$731,000, Hodge said. Water sales are expected to be \$3.2 million in 2024. Sewer service revenue is expected to be about \$1.6 million for both 2023 and 2024.

Hodge said that while the district was neither in

favor of nor against Proposition HH, the 2024 budget was put together on the assumption that it would pass. The district's general property tax revenue is budgeted to increase by \$600,000 in 2024.

Interest income was \$120,144 in 2022, is projected to be \$446,512 at the end of 2023, and is budgeted for \$594,000 in 2024.

Grant proceeds are budgeted for \$1.6 million in 2024, due primarily to American Rescue Plan Act funds awarded to DWSD for radium mitigation.

Overall, revenue is expected to increase slightly in 2024, Hodge said.

On the expense side, Hodge said operating expenses were expected to double from \$3.4 million in 2023 to \$6.1 million in 2024 due to a requirement by the state that certain repair and maintenance projects be included in this line item.

The board scheduled a public hearing on the budget for 1:30 p.m. Dec. 7 at the district offices at 15850 Holbein Drive.

### Highlights of operational reports

- Water Operator Ronny Wright told the board that the district's study of hydrous manganese oxide technology to reduce radium levels in treated

water was going well, and he expected testing to be complete by the end of 2023. The study results will be submitted to the state for review.

- The planned maintenance on the district's water tanks is scheduled to start in May.
- The vault for Well 16A is complete, and work on the electrical system for the well is being scheduled.
- Cracking in the walls of the sequential batch reactor at the Upper Monument Creek Waste Water Treatment Facility will be repaired using pressurized resin injection.

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The next meeting is scheduled for Nov. 16 at 1:30 p.m. Generally, board meetings are held the third Thursday of the month at 1:30 p.m. and include online access; call (719) 488-3603 or access [www.donalawater.org](http://www.donalawater.org) to receive up-to-date meeting information. The district office is located at 15850 Holbein Drive, Colorado Springs.

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### El Paso County Regional Loop Water Authority, Oct. 19

## Board reviews 2024 budget, finances

By James Howald

At its October 19 meeting, the El Paso County Regional Loop Water Authority (EPCRLWA) board briefly discussed a draft of its 2024 budget and its finances for the previous month. It heard a progress report from its Project Planning and Workflow manager (PPWM). The board discussed finding a company to provide financial services for the project. Finally, the board also heard results from the most recent water quality tests.

### 2024 budget and

### September financial report

Board President Jessie Shaffer asked the board for comments on the proposed 2024 budget. EPCRLWA attorney Russell Dykstra asked if the participating districts—Cherokee Metropolitan District, Donala Water and Sanitation District, the Town of Monument and Woodmoor Water and Sanitation District—would be reimbursed in 2024 for the funds they have spent on the project so far. Shaffer said the goal was to reimburse the districts but that depended on how much of the \$4 million in American Rescue Plan Act (ARPA) funding remained after needed studies and design services are completed. Not all district investments would be reimbursable, he said.

John Kuosman, a water practice leader with Merrick and Co. recently hired by EPCRLWA to serve as the project's PPWM, said he thought the money allocated for professional fees was too little and he would work on a better estimate.

Board Secretary Mike Forman pointed out that no additional revenue beyond the ARPA funds was expected in 2024.

The board voted to hold a public hearing on the budget at its December meeting. Shaffer asked the board to prepare for further discussion of the budget at the November meeting.

The board also reviewed the project's claims for September, which consisted of a \$16,375 invoice from BBA Water Consultants Inc. for operations modeling, a \$10,683 invoice from JVA Consulting Engineers for water quality testing, a \$3,955 invoice from Spencer Fane for legal services and a fourth invoice for \$280 from the Froman Co. The board voted unanimously to authorize the payment of the invoices.

### Project report

Kuosman updated the board on his project management activities in September. He said he met with Jenny Bishop, a project engineer for Colorado Springs Utilities (CSU), to discuss how EPCRLWA could work together with CSU. Bishop is working on a grant to implement indirect potable reuse for CSU's customers, and she is reviewing a proposal from EPCRLWA that CSU do some portion of the water treatment required by EPCRLWA's loop project. Shaffer said he wanted EPCRLWA's project specifically mentioned in Bishop's grant language.

At the previous meeting, Kuosman discussed a letter of interest he intended to send to consulting and engineering companies to assess their interest in the loop project. At the October meeting, he said he had received 53 responses that would form the basis of a mailing list EPCRLWA would use to identify contributors.

Kuosman said he met with Dykstra and Shaffer to discuss the legal structure the participating districts will use to define contributions and operations. He said districts would need to make a final commitment to the project in 2024.

Kuosman mentioned he had been authorized to contact Mary Shinn, an environmental reporter at The Gazette, to keep her informed about the loop project. He said Foreman had already made a state-

ment about the project to The Gazette.

### Board seeks financial services company

Shaffer asked about a request for proposal (RFP) from financial services companies. Dykstra said the RFP should be finished later in the day and he would circulate it to five companies that he considered to be specialists in the financial areas required by the project.

The board voted unanimously to authorize Dykstra to write the RFP and circulate it as proposed.

### Water test results show variation

Richard Hood, of JVA Inc., the company EPCRLWA has hired to assess water quality and design the water treatment aspects of the project, told the board the water quality tests done in September showed hardness, alkalinity, total organic carbon, sulfate, chloride and calcium all at their highest levels to date. The samples were taken from the Chilcott Ditch. He said further testing was needed to determine if the most recent results would continue. The board elected to continue testing a wide range of analytes to make sure adequate data was collected to design effective water treatment protocols.

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The next regular meeting is scheduled for Nov. 16 at 9 a.m. Regular meetings are usually held on the third Thursday of each month at 9 a.m. at the Monument Town Hall at 645 Beacon Lite Road. Workshop meetings are held the first Thursday of each month at 9 a.m. at the Cherokee Metropolitan District offices at 6250 Palmer Park Blvd., Colorado Springs. Please see [loopwater.org](http://loopwater.org) or call 719-488-3603 to verify meeting times and locations.

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### Donald Wescott Fire Protection District, Oct. 11

## Subdistrict dissolution process update; tax revenue uncertain

By Natalie Barszcz

At the Donald Wescott Fire Protection District (DWFPD) rescheduled September meeting held on Oct. 11, the Board of Directors received an update on the subdistrict dissolution process, heard about revenue uncertainty, and received the first presentation of the proposed 2024 budget.

### Director Mike Forsythe was excused.

The meeting began at 4:38 p.m. due to a delay with the Zoom link.

### Subdistrict dissolution process update

The district's attorney, Michelle Ferguson of Ireland Stapleton Pryor Pascoe PC law firm, attending via Zoom, said the subdistrict dissolution election is working its way through the process and hopefully the district will have a result on Nov. 8. See [www.ocn.me/v23n8.htm#dwfpd](http://www.ocn.me/v23n8.htm#dwfpd) and [www.ocn.me/v18n12.htm#dwfpd](http://www.ocn.me/v18n12.htm#dwfpd).

Note: The board adopted a temporary increase of 7.17 mills (for the district) and 15.25 mills (for the sub-district) in property tax collection for 2023. The mill levy adjustment was approved to offset a loss of revenue that occurred due to the state Legislature's temporary drop in the Residential Assessment Rate for 2023. See [www.ocn.me/v22n12.htm#dwfpd](http://www.ocn.me/v22n12.htm#dwfpd) and visit [www.monumentfire.org](http://www.monumentfire.org) for information regarding the Joint Factual Summary for the DWFPD dissolution and the mill levy certification for each district can be found under transparency for DWFPD.

### Property tax revenue uncertain

Fire Chief Andy Kovacs said the following:

- The district is awaiting the outcome of the Nov. 7

election and the passing or failure of Proposition HH.

- If it does not pass, further state legislation is planned to cap special district revenue at 4%.
- Depending on the outcome of Proposition HH either passing or failing, and if 6A/6B passes or fails, the district will refer back to the board with a new revenue proposal and budget accordingly.
- If the ballot measure 6A/6B passes, residents will see a decrease in the mill levy.
- The combined district revenue for 2024 is estimated to be about \$22 million (includes about \$4.3 million in property tax revenue for DWFPD); the contractual services for providing fire and EMS service to the Wescott customers is projected at about \$4.2 million.

The lion's share of revenue comes from property tax assessments, but the district receives other revenue sources from impact fees within the Town of Monument, specific ownership taxes, and a state supplement for the EMS ambulance has increased by \$30,000 for a total of \$330,000 for 2024, he said.

### Increased costs of doing business

Kovacs said that since 2004, and even 2019, there has been an astronomical difference in the cost of new apparatus, with most engines taking three years to build. The district has three Ford F150 chassis on order, and a new ambulance with an anticipated delivery date in the first quarter of 2024. The ambulance required finding a new vendor due to the district's usual vendor having no availability, resulting in a \$30,000 cost increase. The combined district historically received more revenue in 2023, but the cost of doing business has increased, with higher health care costs for additional family members. Salaries and benefits will need to remain competitive to recruit and retain staff, he said.

### Proposed 2024 budget

Kovacs said budget development consumes the administrative staff from May until it concludes in December. The district has about a dozen budget coordinators, typically lieutenants, engineers, and firefighters that gain budgeting experience by helping

to submit proposals for item requests. The staff use the five-year strategic plan, itemize expenses, complete project appraisals for equipment expenses, use industry standards, and provide explanations for the purchases. Ultimately the requests are submitted to the executive team, and if approved those items are included in the budget by the executive team, he said.

Division Chief of Operations Jonathan Bradley said the district is proposing \$16,000 for additional technical rescue equipment (multiple use items), and supplies (single use items), and each budget line item will be managed separately by two staffers. The water/ice rescue boat (at Monument Lake) is human powered, so an insert is being fabricated to attach an electric motor, he said.

Kovacs said the line staff requested winter jackets be included in the 2024 uniform budget proposed at \$92,800. The winter jacket requests will be at the discretion of each employee, but the uniform budget will probably not be fully expended because some employees have no need for a storm jacket, he said.

Note: For more detailed budget information see [www.ocn.me/v23n10.htm#mfd](http://www.ocn.me/v23n10.htm#mfd) and the Monument Fire District (MFD) article on page 12. The proposed 2024 budgets for DWFPD and MFD and public notices are available to view at [www.monumentfire.org](http://www.monumentfire.org). A public hearing will be held on Nov. 15 at 4:30 p.m. for the DWFPD proposed 2024 budget, followed by the Board of Directors' final approval. The public hearing for the MFD proposed 2024 budget will be held at 6:30 p.m. the same day, followed by the Board of Directors' final approval. See footnote for further details.

### Chief's report

Bradley said the following:

- Staff continue to attend meetings in the region to maintain the district's voice within the county.
- An automatic aid agreement with the Pike National Forest in the mutual threat zone (1 mile beyond the MFD/U.S. Forest Service boundary) and all call types are now active with El Paso County Sheriff's Office Dispatch. The district recently assisted with a couple of vehicle rollovers

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