

DONALA WATER AND SANITATION DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
April 20, 2023

The Board of Directors of the Donala Water and Sanitation District met for a workshop session at the District's office, 15850 Holbein Dr., El Paso County, Colorado on April 20, 2023 at 10:11am.

Directors Present: Wayne Vanderschuere
Bill George
Kevin Deardorff
Ed Miller
Ken Judd

Staff Present: Jeff Hodge
Christina Hawker
Ashley Uhrin

Consultants Present: Roger Sams (GMS)
Brett Gracely (LRE) (Arrived at 11am)
Madison Philips (CEGR)

Guests: Scott McCulloch

President Vanderschuere called the meeting to order at 10:11am.

Personnel Guidelines Presentation

- Philips presented a high-level overview of personnel policy changes that had been recommended by Donala staff and that had been reviewed by general counsel.
- Vanderschuere wanted to confirm that we are compliant with all labor and employment laws, Philips confirmed we are in compliance.
- Vanderschuere also wanted to understand what benefits are being provided to the employees and how those benefits compare to other similar entities. Philips confirmed that Donala provides benefits that go above and beyond what is required by the law.
- Added verbiage that the Denver Consumer Price Index (CPI) will be used to determine cost of living increases. Vanderschuere wanted to know if Donala is held to using only that CPI or if we can utilize it as a guide. Deardorff stated he interpreted it as a starting point. Phillips will adjust language from "determine" to "inform" regarding the use of Denver CPI
- Hodge brought up section 3.9 and the modification of CORA to include text messages. He wanted to confirm this was covered in our policies, Philips confirmed it is
- McCullough asked if we made changes to our Family and Medical Leave of Absence (FMLA). He wanted to clarify that any FMLA used after PTO has been used would be unpaid. Hawker clarified that we do not use FMLA but are required to have it in our policies with clarification that we do not utilize it and have other measures in place to assist an employee that needs long-term aid. Hodge asked that general counsel review that section and ensure it is clear how we handle those situations. McCullough also wanted to clarify if PTO still accrues once paid leave ends. Hodge and Vanderschuere confirmed that PTO would stop accruing once paid leave ends however

once an employee is back on the payroll, their PTO would begin accruing again. McCullough recommended a change in verbiage to make this clearer as he interpreted it that PTO would stop accruing all together if paid leave ends. Hodge said general counsel can review.

- Vanderschuere recommended we add volunteer firefighters and Wildland Fire Team members in the section that describes military leave so that if they are deployed in an emergency, they would receive the same benefits as someone who was called up from military reserves. This leave would not apply to training. General counsel will review and adjust the verbiage in this section.

Rules and Regulations Presentation

- Philips explained that Donala's existing Rules and Regulations were very short, thus a lot was added. Security-Widefield and Upper Thompson's rules and regulations were used as guides.
- Philips provided a high-level overview of changes made to the rules and regulations.
- Section 2 will have some changes as Gracely is still making some updates
- Sections 10-14 are new additions.
- In "Definitions" section, Philips will add in definition for any acts (such as the Clean Water Drinking Act) that are referenced in the document.
- Philips pointed out that homeowners will now receive a bill each month and the tenant will get one as a courtesy. Vanderschuere wanted to know if we could grandfather current tenants in with service in their name and then for new tenants keep it in the homeowner's name. Hawker explained that down the road we want to do that but right now we are still trying to figure out the best process to do that. Judd was concerned that we are complicating things by sending duplicate bills (one to homeowner and one to tenant). Hawker and Philips explained that by keeping the homeowner apprised of what is going on can help shorten the process to collect on delinquent tenant balances. Judd said he felt section 11 was sufficient for making the homeowner ultimately responsible but will defer to the staff on what is best.
- Philips offered to put some language together that we can send to homeowners stating that they need to modify their leases to reflect who is responsible for the utilities.
- George asked if we can force a homeowner to correct a leak that we have identified. Hodge said he did not think so but would have to defer to legal counsel.
- Legal counsel will add verbiage back in to Exhibit A stating that late penalty will not be charged until after grace period.
- Philips clarified that there is a perpetual lien on each property in the district and that the recording process with the county is a different step. She also provided clarification on certifying the funds with the county.
- Vanderschuere asked to circle back to Section 7.3 of Personnel Policies and asked specifically if the section covers the use of the Ranch and that it cannot be used for recreational purposes. It was decided that it was.

Integrated Water Master Plan Presentation

- Presented by Brett Gracely
- Groundwater system for the long run – feasibility study completed in April to be discussed in May board meeting. (ASR). Funding by June. Construction and operations by 2024.
- Well and aquifer testing and analysis to be completed by the end of this year. Looking for long-term trends in our well functions.
- Well 16A should be completed and operational by June 2023.
- Gracely had a conversation with Kip about what's not in the files about Laughlin. Kip said to talk to Gary Barber who was the broker. Gary sent a zip file regarding Laughlin. Brett is in the process of reviewing. There are many risk factors. It has been changed in use, but what is not there is the place of use. Right now, we are legally within our rights to use it. The point of diversion was also changed. We have a lease with AGRA for that water at salvage value. There was a period between irrigation use and the time before Donala picked it up where it

wasn't in use. Water court would want to know why the water right wasn't abandoned. Gray Family Trust kept it off the abandonment list. More investigation is still needed. Before we make the filing, we need to know why there were so many zeros throughout those years. Gray Family Trust was contemplating building a golf course and they were soliciting leasing offers. There has been 3-5 years of no use. No one had contested the lease operations.

- Brett is suggesting to file in water court at the end of this year to use the Laughlin water in the district. Vanderschuere asked if we have to explain how are we going to get the Laughlin water here? The Loop study shows how we would do that.
- Exchange evaluation and the loop project work together very closely. Even though we have more, Jeff has said that we will contribute 500 acre feet at the Chilcott head gate which would be a combination of our return flows.
- We need to finish up our LIRF reporting requirements.
- How much is Laughlin worth... Gracely says probably about 3mil. We paid a lot more than that.
- Merrick and LRE need to talk about treatment and water recovery goals and dates. Also, regulations and permits regarding direct potable reuse.

Meeting adjourned at 12:15pm.

These minutes are respectfully submitted for record by Ashley Uhrin on May 15, 2023.