DONALA WATER AND SANITATION DISTRICT
REGULAR BOARD MEETING AGENDA
June 18, 2026

MEETING TIME & PLACE:
1:30 P.M.
DONALA WATER & SANITATION DISTRICT
15850 HOLBEIN DRIVE, COLORADO SPRINGS, CO 80921

BOARD MEMBERS: Wayne Vanderschuere
William George
Kevin Deardorff
Scott McCulloch
Kenneth Judd

Agenda

1. Call to Order
2. Pledge of Allegiance
3. Approval of Agenda
4. Public Comment on Items not on the Agenda
5. Minutes from May 21, 2026, Regular Meeting
6. Financial Reports
7. Action Items:
   a. Resolution 2026-4 Designating John Kuosman as Representative for Major Decisions Under the Terms of Regional IGA (Intergovernmental Agreement) for the Upper Monument Creek Regional WTP
   b. Resolution 2026-5 Authorizing the District Manager to procure and contract with a Public Relations Firm for a time-and-materials contract, not to exceed $85,000, following the District's procurement policies. The Public Relations firm will collaborate with a customer survey firm, procured separately, to help guide strategy, planning, and implementation of communications around Donala's Water Resiliency Program. The General Manager's recommendation will be documented in a memorandum to the Board of Directors.
8. Reports
   a. General Manager
   b. Consultants
9. Directors' Comments
10. Public Comments
11. Executive Sessions
    a. Executive session pursuant to § 24-6-402(4)(e), C.R.S., to determine positions relative to matters that may be subject to negotiation, develop strategy for negotiations, and instruct negotiators regarding Colorado Springs Utilities' Convey, Treat, and Deliver (CTD) agreement.

b. Executive session pursuant to § 24-6-402(4)(e), C.R.S., to develop strategy and determine positions regarding the District's Water Resiliency Program alternatives analysis and evaluation timeline.
c. Executive session pursuant to Section § 24-6-402(4)(f) C.R.S., to discuss and receive legal advice on personnel matters, specifically to receive an onboarding report from the new General Manager regarding employee status, department progress, and workplace dynamics in the District.

12. Adjourn

DONALA WATER AND SANITATION DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
May 21, 2026

The Board of Directors of the Donala Water and Sanitation District met in regular session at the District's Holbein Water Treatment Facility, 15850 Holbein Drive, El Paso County, Colorado on April 16, 2026, at 1:30 P.M.

Director's Present:	Wayne Vanderschuere Bill George Kevin Deardorff Scott McCulloch Kenneth Judd
Staff Present:	John Kuosman Christina Hawker Ashley Uhrin Ronny Wright
Consultants' Present:	Roger Sams (GMS) Brett Gracely (Plummer) Jessie Seibert (Hoelting & Company)
Guests:	Jackie Burhans (OCN) James Howald (OCN)

President Vanderschuere called the meeting to order at 1:30 P.M.

Approval of Agenda:

- No changes to the agenda.

Public Comment Non-Agenda Items:

- No public comments.

Review of Minutes:

- Minutes from May 21, 2026 Regular Board Meeting accepted.
    - Judd motioned to approve, George seconds, all aye.

Financial Report by Christina Hawker:

- Hawker stated that Donala has 74% remaining for revenue which is slightly behind but should be made up in the summer months and 82% remaining for budgeted expenditures.
- Hawker also said the wastewater plant has a budget remaining of 74% which is on track at this point in the year.

- All expenses are tracking well, with Hawker pointing out two water expenses are higher than normal for either water or wastewater.
    - These are for the final payment for the Baptist tank rehab and a partial payment for the rehabilitation of well 9A.
    - All wastewater expenses are on track.

Judd commented that he likes the new format of the presented financials.

- George motioned to approve, Deardorff seconds, all aye.

<u>Presentations</u>

Hoelting & Co – 2025 Financial Statement Audit

- Seibert presented a summary of our annual audit that was performed in March 2026 and pointed out significant differences year over year.
- Seibert stated that staff was prepared as always and there were no issues throughout the audit. Internal controls were tested and an unmodified (clean) opinion was issued meaning that no issues were found, and all presented financials were materially correct. This is the same as last year.
- Seibert stated that balance sheets are also reviewed, and she pointed out a few significant changes from last year.
    - The first difference is a $2000 difference in cash investments. The second difference is in capital assets as outlays exceeded depreciation resulting in an increase of about $1.5 million. She noted a $797,000 decrease in overall liabilities due to paying debt annually. Overall net position increased by $2.5 million and restricted net position consists of debt service reserve, TABOR and an operations and maintenance reserve that has been imposed by the Board.
- Income statements are also reviewed. Seibert stated that here was an overall decrease in operating revenues of $403,000 and an 8% decrease in water revenue, even with the 5% rate increase. This correlates with an overall decrease in annual water usage of about 13%. Sewer revenues increased by 12.5%. Tax revenues were up by 4% with increased valuation, which is not as much as last year, and water and sanitation operation expenses were up 3.6%, an increase from 2% last year. General administrative expenses increased by about 32% and there was a significant increase in TAP fees of $173,000.
- There was a $790,000 decrease in cash used by operations. Capital related funding increased by $1.8 million in cash used. Capital expenditures increased from $1.4 million to $3.4 million due to a $2.9 million increase in water wells and systems that were implemented as well as the TAP fees mentioned earlier.
    - Vanderschuere stated that overall, these numbers seem good considering how much work and upgrades had to be completed.
- Kuosman clarified that the increase in capital resulted in the increase in the asset position. Seibert confirmed that is true. He also asked if depreciation had been taken into account for some of the capital assets but Seibert said that doesn't happen until after construction is complete and they are put into service.
    - George motioned to approve, Judd accepted, all aye.

<u>Action Items</u>

- Resolution 2026-3 Appointing Board Member – The Loop Water Authority
    - This resolution is to add Kuosman to the board for the Loop Water Authority.
    - Cade Pennington will continue to serve as the backup representative.

- George motioned to approve, Deardorff seconds, all aye.

General Manager Report by Christina Hawker:

- Hawker provided an update on our long-term contract with CSU stating that Bishop would be presenting to the CSU Board and doesn't foresee any issues, but there are some ongoing discussions regarding formalities, however Bishop believes the criteria outlined in the agreement should be sufficient to cover these formalities. Once they have sent us the IGA, Kuosman, Hawker and Poznanovic will review.
    - Vanderschuere asked if anyone should attend the presentation. Hawker and Vanderschuere both agreed it would be a good idea to have someone go and watch the presentation and represent Donala.
- Hawker provided an update on the fire mitigation per Vanderschuere's request at the April meeting. The company stated that the project has been scoped and the RPs are being drafted and will be ready by the end of May or early June. The goal is to start in early summer and finish by fall. Vanderschuere asked for monthly updates. Wright and Vialpando visited the ranch in May and found evidence they had been there preparing the site.
- Hawker stated that in April's meeting, there was discussion about evaluating the condition of the abandoned pipeline that would be considered for use for IPR. She asked Sams to provide a cost estimate on those evaluations. Sams determined that the 21" gravity line would cost about $13,000 to inspect and the 8" reclaimed water transmission line would be about $35,000. Hawker and Kuosman will review budget / prioritize needs and determine if we can move forward with the inspections.
    - Vanderschuere stated he has questions but will wait until Sams provides his report and then will ask.
- There are two upcoming conferences this summer. Water Congress is August 18–20 in Steamboat and the Special District Association conference is September 15-17 in Keystone. Board members who would like to attend should contact Hawker to make arrangements.
- Kuosman stated that he was selected by Rocky Mountain Water Conference to present at least two abstracts and just wanted to let the Board know as that conference is also in September. It's located in Keystone as well.
- Hawker provided a workshop checklist that lists out all the items that were covered and discussed during the workshop that need to be addressed. She stated that no action needs to be taken today, but she wanted to discuss the items.
    - Hawker stated that she has reached out to a few PR firms. Two proposals have been received. The first is Magellan Strategies and come highly recommended by several districts. They conduct multiple surveys and provide follow-up to the voters helping them to understand the ballot measure. Their cost is about $15,500. The second is from Bogman PR who came recommended from another District. Their approach would be to establish a dedicated Loop information page on the website, conduct presentations and establish relationships with local relevant organizations, and send out mailers and community letters as well as conduct surveys. The pricing for a 12-month campaign is between $70-95K, though we would not be doing it for 12 months.
    - Vanderschuere stated we need to determine the scope of what we want the PR firm to do. Deardorff stated he thinks the survey approach is better as we get their input instead of just redirecting them to a website. He feels the direct interaction between us and the customers could provide invaluable information. Other board members agreed.
    - Kuosman feels that Magellan may be beneficial for Donala's specific needs while Bogman may be better utilized for the Loop and those costs could be split among all the entities.
    - Kuosman also brought up a PR firm called GBSM that he has worked with in the past. They can do public meetings and survey work but they also have a lot of political connections which

could be beneficial for the Loop. Vanderschuere also stated that NEPCO could be a possible PR firm for the Loop.
    - Vanderschuere also stated that our current County Commissioner, Holly Williams, is termed out. Therefore, there will be a new County Commissioner that will have to be brought up to speed on the Loop.
- Hawker stated that we need to formalize how much we are asking for the debt limit increase on the upcoming ballot. Vanderschuere said in the workshop the discussion had been $75-99K, but Hawker and Kuosman should work together to determine how much we realistically need to ask for.
    - Kuosman stated that he thinks the PR firm could be helpful here as they can find out how voters feel about certain dollar thresholds and what would be our best chance at success.
    - Vanderschuere reiterated that while the majority of the funds would be used for NMCI or Loop, there are other capital expenses coming down the line that should be taken into consideration when determining the amount of increase we are asking for.
- Hawker asked the Board to continue discussions regarding open house / town hall dates so that staff has sufficient time to plan them.
    - Vanderschuere asked that Kuosman and Hawker put together a recommendation with proposed dates. McCulloch stated that he thinks we should have the PR firm hired and in place to ensure a synchronized message.
    - Hawker asked if the Board wants to do formal town halls or casual open houses. The Board members all agreed that the PR firm should be hired first and allow them to help us decide which format would be most beneficial based on the results and feedback they have received throughout their work. Vanderschuere stated the open house last year was a great success, so we may do another one of those as well as a few town halls, but we need more information before a decision can be made. Hawker said she will continue to gather data to make an informed decision.
- Hawker stated that she added the Loop budget as an item to the workshop checklist to ensure we stay on track with the budgeting process and feels we should have something ready for review by the September board meeting. She also stated that it may be challenging because the 60% design amount will not be available until November 2026.
    - Kuosman added that the amount we receive in November still may not be completely accurate and the truer amount may not be available until January 2027.
    - Vanderschuere asked that we get the most accurate number possible to ensure our budget is as close as we can get to being accurate for our 2027 budget in regard to the Loop. Kuosman stated he believes a framework can be provided by the September meeting, but with the caveat of the amount not being confirmed.
- Hawker stated that she would provide a brief summary of the P3 meeting for the Loop. She did state that she cannot provide all the detail in public session and that there is an executive session on the agenda if the Board wants to discuss in more detail, however if they determine that the summary is sufficient, then the executive session can be cancelled. Hawker then went on to provide the summary.
    - Anthony White has been selected as the Loop Executive Director. Negotiations are underway so they hope to have the position filled soon.
    - The P3 firm did identify potential partners that are interested in joining and have some water rights they could bring, however during the negotiations, there were some issues with advanced water treatment and the fact that they could not provide any initial capital into the project, therefore they are not ready to present a proposal. This is not to say that they aren't still interested, but they are waiting until the 60% design totals are provided so they can reanalyze the risk and make a decision.
    - Vanderschuere asked if anyone wanted to go into executive session, board all agreed they did not need executive session. The agenda was adjusted to remove the executive session.

- Howald asked if the P3 company's concern was only with the financial implications of the water treatment plant or with the entire project? Hawker stated that it's the entire project and without the initial capital, they are still evaluating the project as a whole.
- Hawker stated that we have had a few phone calls regarding something that was printed in the OCN that is not an inaccurate statement but is being misunderstood by the public the way that it is worded. She asked Gracely to please provide some clarification so that a correction could be made.
  - The verbiage causing some confusion is "The NMCI does not provide a way for participating Districts to reuse their water." Gracely explained the NMCI is an infrastructure project and has nothing to do with water rights. Each participating entity is still responsible for maintaining their own water rights accounting. Originally, there was some conversation about CSU managing the return flows for accounting purposes since the discharge point would be at their facility, however CSU said they did not want to do this. This is perhaps where some confusion came from as CSU said they will not manage our return flows, not that we can't get our return flows.
  - Howald asked if it was appropriate to say that "NMCI participants can reuse those flows using methods that are not part of NMCI." Everyone agreed that is fair. He asked if that would provide the necessary clarification for the previous article? Hawker said yes. Howald asked who was complaining? Hawker stated that nobody complained but rather were calling out of concern to ensure that she was not providing false information to the Board.
  - Judd asked if it was the public calling or CSU? Hawker stated she didn't feel it was appropriate to say in the public session, but she did confirm that some of the calls were from the general public and some were not.
  - Kuosman went on to summarize what Gracely has stated that our return flows are not affected by NMCI, but an agreement must be established outside of the NMCI. Gracely stated that that is correct and explained that a water court application would need to be filed. Gracely said he would like to would like to set up a meeting with Kuosman and Poznanovic to discuss submitting a water court application, if we choose to go with the NMCI.
  - Berhans clarified that we would have to have an agreement outside of CSU because CSU is participating in the NMCI, Vanderschuere confirmed that is correct.

<u>Consultants' Comments:</u>

- Gracely said the application to perfect the filing for the Clear Creek exchange was filed this month.
  - Objectors have 60 days to file so we won't know about any until Q3.
- Gracely stated that now that Kuosman has started, a meeting should happen between him, Spheros, Plummer and HPK (Poznanovic) to discuss what types of water court applications should be filed based on the alternatives model that was previously presented.
  - Vanderschuere asked when that will take place? Gracely stated that he and Kuosman have an introduction meeting set for tomorrow and after that they will make a more solid plan. Kuosman stated the goal would be to have something available to present by the June board meeting.
- Plummer continues to collaborate with Spheros regarding the rehabilitation of well 9A and next steps on the ASR feasibility study. He will also continue to collaborate with them regarding our reclaimed wastewater and its storage based on the alternatives models previously presented.
- Due to the American Water Infrastructure Act (AWIA), our Risk and Resiliency Plan (RRA) is due by the end of June to stay compliant with the EPA. That has been drafted and is under staff review. In addition, our Emergency Response Plan (ERP) is due by the end of the year. Though not required, Donala wanted to do a Risk and Resiliency Plan for the wastewater treatment plant which is currently being drafted.

- Vanderschuere stated that after the ERP is complete, he recommended that Kuosman have a staff meeting to ensure everyone knows what their roles are and how to stay safe in the event of an emergency.
    - Kuosman clarified that we can submit the certification for the RRA for the water system even if the wastewater RRA isn't complete. Gracely stated that is correct since an RRA for wastewater is not required.
    - Kuosman asked if the RRA has been presented to the board? Vanderschuere said they have discussed cybersecurity at length, but not the RRA or ERP but the board would like to review them. Kuosman stated he would like to present that to the board if possible. Board agreed that would be fine.
        - Vanderschuere asked if the discussion should be done in executive session due to the sensitivity of the information and asked Hawker to confirm with legal counsel.
- Sams provided an update on the Subaru dealership stating that construction began a few days ago. We are working to protect our infrastructure and waiting for them to submit revised plans after they resolve some ongoing issues with the County. No water or sewer infrastructure is expected for 2-4 months. In addition, 20-foot-high retaining walls will be temporarily put up to allow them the grade they need to work.
    - Burhans asked where the dealership is being built, Sams provided some detail regarding the location and access points.
    - Kuosman asked what kind of infrastructure we have and how it's being impacted by this project. Sams stated that all of the wastewater infrastructure will be theirs and they will have a single service line that will connect to our main line on Struthers. Vanderschuere asked what guarantees we have that they aren't dumping petroleum and other things down the collection system. Sams said there are no assurances, but these owners are part of corporate Subaru and have several locations so they are aware of the rules and regulations regarding what can be deposited into the wastewater collection system. Sams said they have two grease interceptors. Sams will ensure they are aware of our specific regulations. Sams said they will have two domestic water service connections. One will connect to the main building and the other will be to their car wash with a loop added to connect both to the wastewater service line. In addition, all hydrants on the property will be owned and maintained by Subaru in coordination with the local fire department. Deardorff asked if Struthers would need to be widened as a result of this, Sams said he did not believe so as there is no indication of that on the plans.
- Sams provided an update on Rocky Mountain Cycle Plaza. They are modifying the existing building and during the plan review, it was found that an easement that was previously supposed to be signed over to us was not completed, therefore Sams is working with them to complete that.
- Sams stated that Classic Homes is planning on building a new development called Santa Fe Meadows west of the interstate. However, the abandoned pipeline that Hawker referenced earlier in the meeting that we are considering using is located directly underneath the land where Classic Homes wants to build this development. A significant amount of grading will need to take place, which is going to change the amount of cover the lines have. Sams met with Classic to see what impact their design plans have on those pipelines and will work with them to ensure we will still have access to those lines should we decide to use them.
    - Vanderschuere asked if we have an easement across that property for the pipelines, Sams said we do have a 30-foot easement. Judd asked if they would have to pay for any modifications? Sams stated that is accurate. Vanderschuere asked if they want to build over

the easement, Sams stated they do not. Sams said the concern is the feasibility of us accessing our lines if they cover them with an additional 10 feet of dirt.

- Kuosman asked where the reuse line terminate relative to our water infrastructure. Sams stated it ends right behind Maintenance Building 1 (M1) and connects to an older pipeline. That older pipeline then ends at what used to be a pond within the District that is now just dry land. Vanderschuere asked what the pipeline evaluations will tell us? Sams suggested that we have a pre-construction pipeline inspection done on the wastewater pipeline as it carries the most risk. Kuosman asked if there is any risk on us becoming liable for the pipelines being rehabilitated once we do these evaluations? Sams stated that is that possibility, but both Kuosman and Vanderschuere agree that knowing the pipe's condition is important. Vanderschuere asked if there is a location along that pipeline that would be large enough for a treatment plant? Gracely stated he believes M1 could be large enough with some configurations. Gracely said there is also talks happening between him and the staff to possibly rehabilitate the R Hull Plant to accommodate surface water. Hawker said we need to consider that the land at M1 may need to be used to re-drill well 9A for the ASR study. Gracely stated that if 9A is not suitable for ASR or long-term use, we may be able to move it and create more space for a treatment plant. Sams mentioned that the wastewater treatment plant could be a viable option since the flows will decrease drastically with the loss of our partners. Kuosman asked if we are doing pressure testing or camera scoping? Sams said camera scoping first and then maybe pressure testing based on what the cameras see.

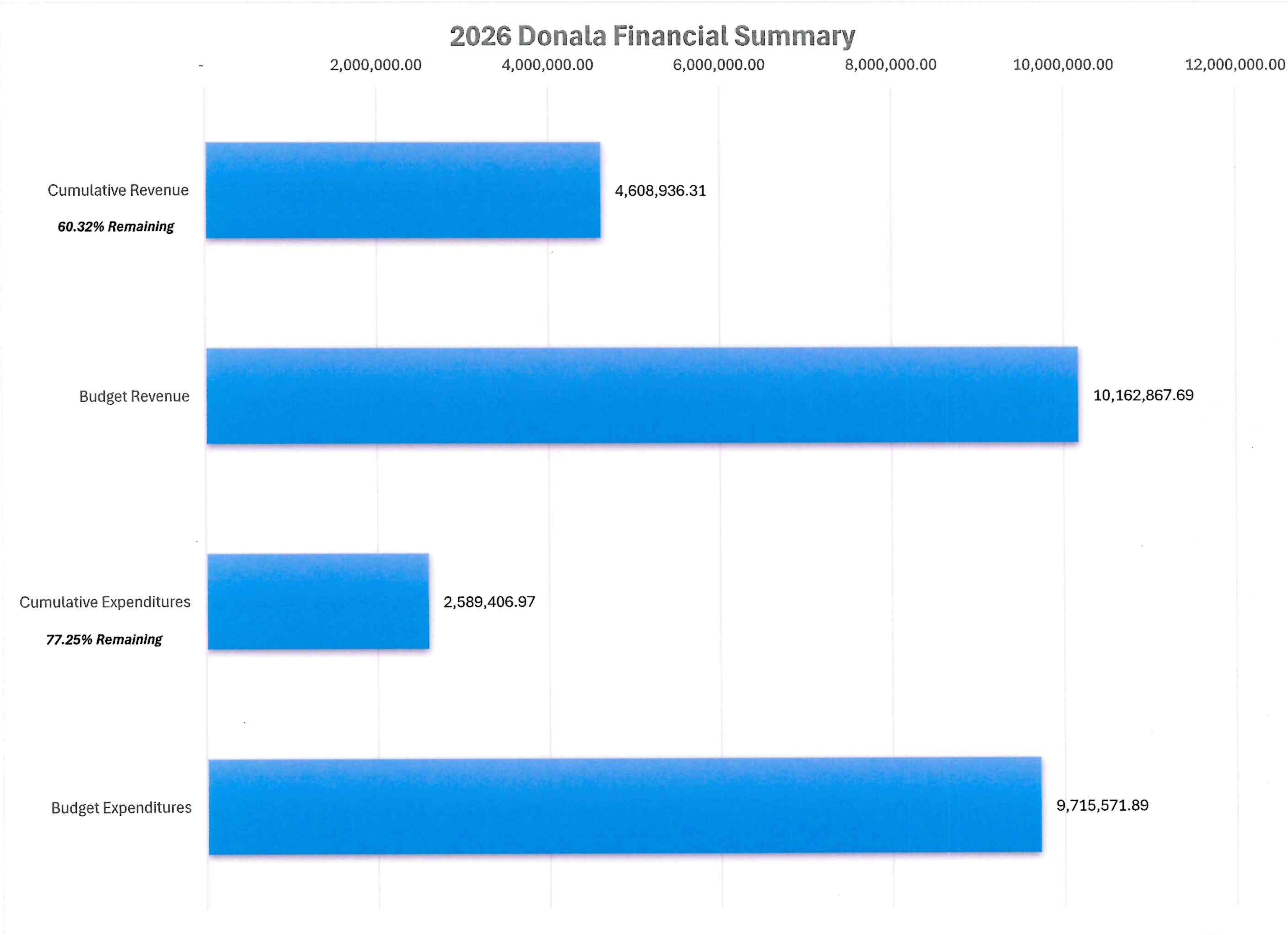
- Sams stated CSU is likely to run part of the NMCI pipeline across the land where Classic Homes wants to build Santa Fe Meadows. Their pipeline will run under ours. Vanderschuere asked if there is an easement under our easement to which Sams replied yes but we have seniority. Sams said we need to make sure their pipeline design is approved to the standard we feel it needs to be for us to still have access to our pipelines.
- Sams said the Latrobe tank is expected to be taken offline the week following Labor Day with interior coating rehab to start the week following that. Staff is currently working to define scope of work for tank inspections. Staff has also requested that the diving team inspect the tank coating on the 1.5 million gallon Baptist tank as it's due for its anniversary inspection as well as clean the tank bottom. The diving team will also inspect the Fox Run Tank as a proactive measure.
    - Kuosman asked what firm we use for the tank inspections. Sams stated it is Cromm Mountain States. Kuosman asked if we have a general service agreement with Cromm or if this would be a new contract. Sams stated it would be a new contract.
- All water main relocations that took place at Struthers and Northgate were completed successfully and the invoice has been sent to Hawker for payment. A notice of final payment has been published, and final payment is expected to be recommended for payment in the middle of June.
- The conditional use permit application in Lake County (within a mile of the ranch) was proposed in September 2025, however the hearing did not occur however they would now like to proceed. Sams stated the proposal is no different than before and the application states it will be a year-round campground with a few camping structures but will mostly be open space for campers. The hearing is currently scheduled for June 8th. Sams stated that if we want to send comments regarding the case, we can do so.
    - Vanderschuere asked if we sent a letter last year when this was first proposed. Hawker stated that we drafted a letter but did not send it because the hearing was canceled. Therefore, unless any new comments need to be added or modified, we can proceed with

sending our comments as originally planned. Vanderschuere requested that the letter be sent with the comments as previously discussed.
    - Sams stated that he will work with Wright to enhance signage to the extent possible to protect our land and assets.
    - Vanderschuere asked if we should attend in person or if we can send comments to the County Commissioner. Sams believes written notice should suffice, but there is likely a virtual option to attend if anyone is interested in attending.
- Sams stated that he will continue to work with Wright to determine how to best keep operations going with the Latrobe tank offline and ensuring contingency plans are in place.
    - Kuosman asked that Sams and Wright document the contingency plans so that he can learn but also so that future SOPs can be created utilizing their documentation.

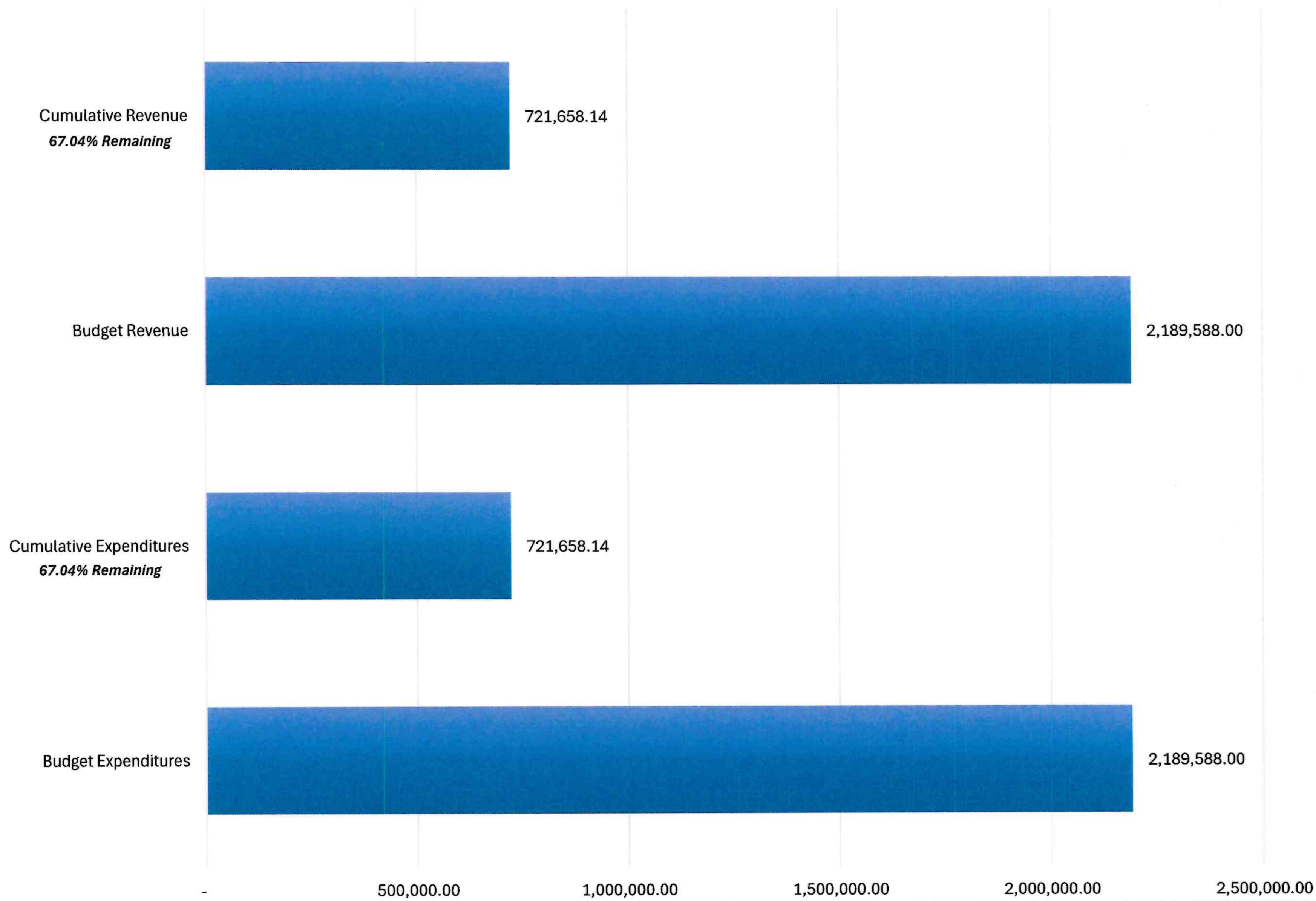
Directors Comments:
- Vanderschuere stated that typically we have one of our annual board meetings at the wastewater treatment plant, so he would like to do that either in June or July and asked staff to coordinate. Vanderschuere also said it would be a good idea to visit the M1 and R Hull sites as well as Maintenance Building 2. Vanderschuere asked staff to put together an itinerary and present it at the June board meeting. The board agreed this would be a good idea.
- Vanderschuere stated he will be out of town until June 17^{th}.

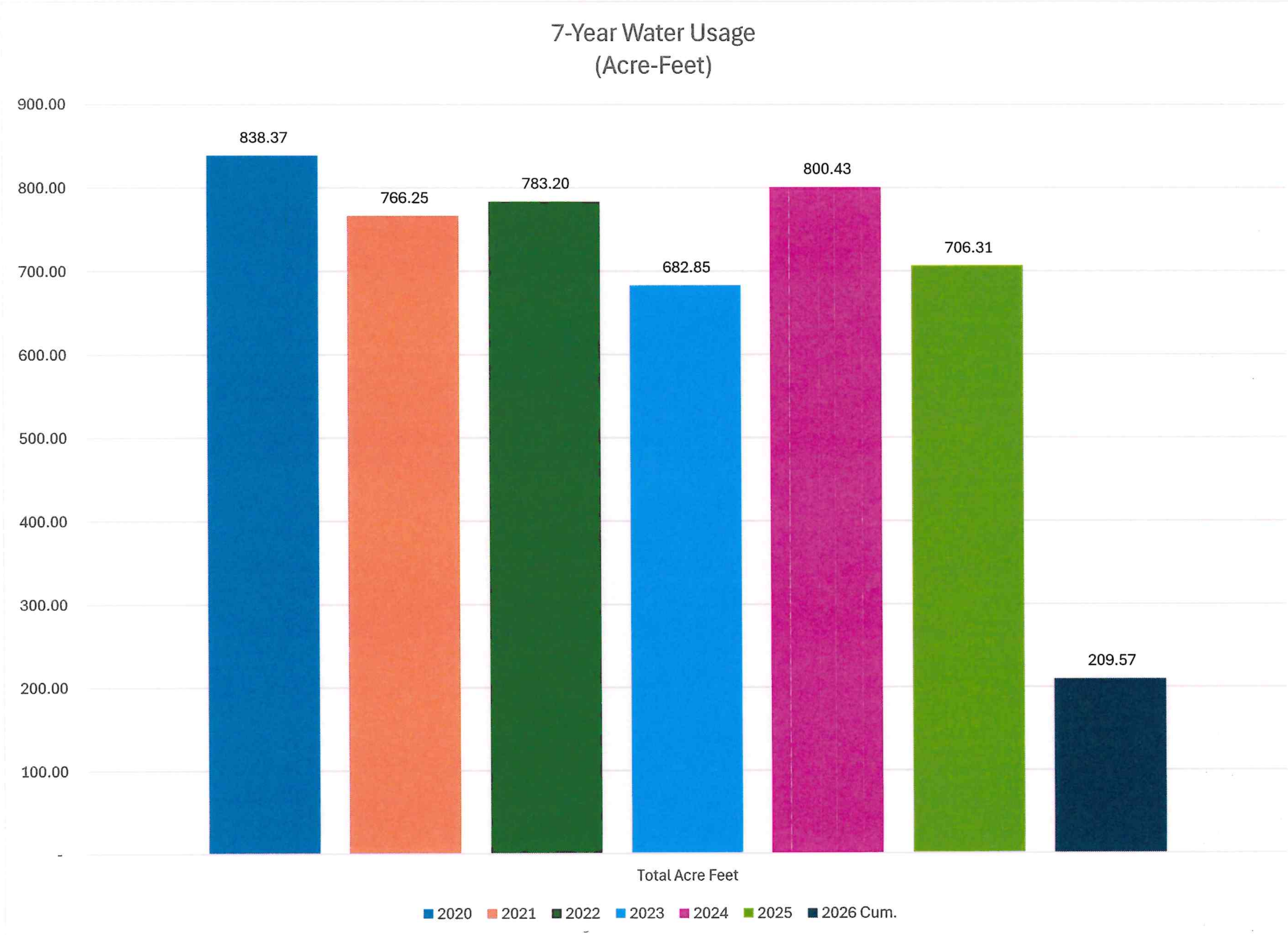
Public Comment:
- None.

President Vanderschuere adjourned the meeting at 3:19 pm.
These minutes are respectfully submitted for record by Ashley Uhrin on June 11, 2026.


2026 Donala Financial Summary
-
2,000,000.00
4,000,000.00
6,000,000.00
8,000,000.00
10,000,000.00
12,000,000.00
Cumulative Revenue
60.32% Remaining
4,608,936.31
Budget Revenue
10,162,867.69
Cumulative Expenditures
77.25% Remaining
2,589,406.97
Budget Expenditures
9,715,571.89

2026 UMCRWTF Financial Summary




7-Year Water Usage
(Acre-Feet)
900.00
800.00
700.00
600.00
500.00
400.00
300.00
200.00
100.00
-
838.37
766.25
783.20
682.85
800.43
706.31
209.57
Total Acre Feet
2020
2021
2022
2023
2024
2025
2026 Cum.

Budget Report

Donala Water Sanitation District, CO

		Original Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
Fund: 02 - Water Fund						
Revenue						
02-00-00-40010	Water Sales	3,588,731.72	264,012.70	1,050,289.75	(2,538,441.97)	
02-00-00-40020	Effluent/Augment	100,000.00	5,477.44	22,690.18	(77,309.82)	
02-00-00-40030	Sewer Sales	1,696,805.96	143,086.61	696,927.16	(999,878.80)	
02-00-00-40060	AVS Revenue	3,128.00	-	2,760.00	(368.00)	
02-00-00-41000	Water Tap Fees	437,325.00	-	8,925.00	(428,400.00)	
02-00-00-41001	Sewer Tap Fees	437,325.00	-	-	(437,325.00)	
02-00-00-41002	Water Developing Fees	-	-	6,825.00	6,825.00	
02-00-00-41004	Installation Fees	-	-	1,575.00	1,575.00	
02-00-00-41005	Water Investment Fee	-	-	4,200.00	4,200.00	
02-00-00-42001	Property Tax	2,918,582.09	681,829.39	1,952,773.34	(965,808.75)	
02-00-00-42002	MV/SO Property Tax	175,000.00	17,881.39	100,796.21	(74,203.79)	
02-00-00-43000	Capital Project Interest	161,849.09	-	47,573.71	(114,275.38)	
02-00-00-43001	Strategic Planning Interest	50,406.17	-	14,816.36	(35,589.81)	
02-00-00-43002	Operating Reserve Interest	129,336.72	-	40,959.93	(88,376.79)	
02-00-00-43003	Property Tax Interest	200,540.02	-	48,723.05	(151,816.97)	
02-00-00-44000	Water Penalty Account	-	159.28	3,099.94	3,099.94	
02-00-00-44001	Sewer Penalty Account	-	(4.48)	1,315.61	1,315.61	
02-00-00-45000	L.T. Investment Revenue	228,837.92	-	106,465.93	(122,371.99)	
02-00-00-47008	Radium Reimbursement	-	487,881.91	487,881.91	487,881.91	
02-00-00-47400	Triview Waste Plant Rev	1,291,200.00	-	-	(1,291,200.00)	
02-00-00-47403	Forest Lakes Waste Plant Rev	162,467.00	-	-	(162,467.00)	
02-00-00-49900	Miscellaneous Revenue	35,000.00	2,053.75	10,338.23	(24,661.77)	
	Revenue Total:	**$ 11,616,534.69**	**$ 1,602,377.99**	**$ 4,608,936.31**	**$ (7,007,598.38)**	**60.32%**
Expense						
02-00-00-54010	Salary-Office	516,861.00	20,730.75	97,763.42	419,097.58	
02-00-00-54400	457 Plan-Donala Expense	33,656.00	1,180.04	5,595.12	28,060.88	
02-00-00-54410	Insurance-Health	223,723.47	17,206.76	83,828.14	139,895.33	
02-00-00-54500	Salary-Board Members	6,000.00	430.60	4,198.35	1,801.65	
02-00-00-56650	Debt Reserve	1,250,000.00	-	-	1,250,000.00	
02-01-00-54420	Disability, Life Ins.	14,934.89	1,129.60	5,053.84	9,881.05	
02-01-00-54430	Identity Protection	1,500.00	140.00	700.00	800.00	
02-01-00-54450	WASTE PLT./Salary,Taxes	735,921.00	-	-	735,921.00	
02-01-00-57002	Miscellaneous Expense	5,000.00	-	1,938.40	3,061.60	
02-01-00-58001	Credit Card Expense	180,000.00	-	67,004.02	112,995.98	
02-01-00-58005	Office Expenses	100,000.00	6,030.41	23,321.56	76,678.44	
02-01-00-58010	Large Office Equipment	20,000.00	-	-	20,000.00	
02-01-00-58015	Publication Expenses	12,000.00	-	8,306.65	3,693.35	
02-01-00-58020	Auditing/Accounting Expense	28,700.00	5,000.00	26,900.00	1,800.00	
02-01-00-58025	County Treas. Fee-G.F.	50,000.00	10,247.76	29,311.94	20,688.06	
02-01-00-58035	Fees, Permits	20,000.00	-	14,738.40	5,261.60	
02-01-00-58040	Insurance-Bldg.	137,880.00	-	129,832.23	8,047.77	
02-01-00-58045	Insurance-Auto Ins.	-	-	70.00	(70.00)	
02-01-00-58056	Insurance-Workmen's Comp.	18,000.00	1,095.41	16,619.60	1,380.40	
02-01-00-58060	Legal - General	50,000.00	4,464.00	20,737.38	29,262.62	
02-01-00-58065	Legal - Water	50,000.00	3,542.00	10,516.00	39,484.00	
02-01-00-58070	Training Expenses	35,000.00	-	2,408.53	32,591.47	
02-01-00-58075	Contract Services	150,000.00	14,908.74	97,043.86	52,956.14	
02-01-00-58080	Communications	30,500.00	1,830.97	12,346.26	18,153.74	
02-02-00-52000	Repair & Maintenance- General	200,000.00	16,695.96	189,615.21	10,384.79	
02-02-00-52010	Tools & Equipment	10,000.00	-	15.00	9,985.00	

Budget Report

		Original Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
02-02-00-52070	Water and Well Engineering	150,000.00	-	48,065.49	101,934.51	
02-02-00-52110	Civil Engineering	120,000.00	64,812.77	111,535.02	8,464.98	
02-02-00-53006	Fuel	14,000.00	1,527.48	4,350.85	9,649.15	
02-02-00-53012	Truck Maintenance	40,000.00	2,397.88	6,340.57	33,659.43	
02-02-00-54020	Salary-Water Operations	543,425.30	49,927.01	253,112.37	290,312.93	
02-02-00-54220	Payroll-Water Tax	40,756.90	-	-	40,756.90	
02-02-00-54400	457 Plan-Donala Expense	38,039.77	3,131.27	14,865.92	23,173.85	
02-02-00-54451	Triview Waste Plant Exp	1,291,200.00	-	-	1,291,200.00	
02-02-00-54452	Forest Lakes Waste Plant Ex	162,467.00	-	-	162,467.00	
02-02-00-56600	Bond - Paying Agent Fees	-	-	1,000.00	(1,000.00)	
02-02-00-56610	CWRPDA Principal $5M	303,632.00	-	143,021.00	160,611.00	
02-02-00-56615	CWAP Interest-$5M	10,319.56	-	12,267.28	(1,947.72)	
02-02-00-56620	2020 Bond B	220,000.00	-	-	220,000.00	
02-02-00-56625	2020 Bond B INT	99,936.00	-	34,095.97	65,840.03	
02-02-00-56635	2020 Bond A INT	116,850.00	-	58,425.00	58,425.00	
02-02-00-57002	Miscellaneous Expense	5,000.00	957.02	957.02	4,042.98	
02-02-00-57100	Tabor Reserves	285,044.00	-	-	285,044.00	
02-02-00-57110	Contigency Exp	100,000.00	-	-	100,000.00	
02-02-00-58070	Training Expenses	15,000.00	1,136.85	6,111.15	8,888.85	
02-02-00-58075	Contract Services	85,000.00	4,778.82	22,331.03	62,668.97	
02-02-00-60000	Capital Projects - General	1,226,677.00	264,546.34	311,689.22	914,987.78	
02-02-00-60003	Loop Group	550,000.00	-	-	550,000.00	
02-02-01-52000	Repair & Maintenance - SCADA	75,000.00	5,792.60	35,715.37	39,284.63	
02-02-41-52000	Repair & Maintenance	10,000.00	-	-	10,000.00	
02-02-41-52010	Tools & Equipment	5,000.00	-	-	5,000.00	
02-02-41-52030	Residuals Management	35,000.00	-	8,469.92	26,530.08	
02-02-41-55030	Natural Gas	1,400.00	64.14	452.57	947.43	
02-02-43-52000	Repair & Maintenance	5,000.00	-	3,400.00	1,600.00	
02-02-43-52010	Tools & Equipment	5,000.00	-	-	5,000.00	
02-02-43-55030	Natural Gas	3,000.00	129.89	1,450.07	1,549.93	
02-02-45-51009	Hazardous Materials Charges	125.00	-	0.75	124.25	
02-02-45-51015	Caustic Soda	25,000.00	-	1,990.42	23,009.58	
02-02-45-51030	Chlorine (Sodium Hypochloride)	4,500.00	70.00	1,074.35	3,425.65	
02-02-45-51040	Potassium Permanganate	1,500.00	-	-	1,500.00	
02-02-45-51060	Lab & Analytical Equip	10,000.00	-	-	10,000.00	
02-02-45-51070	Lab Tests	10,000.00	-	343.47	9,656.53	
02-02-45-51080	Chem-Other	2,000.00	-	167.54	1,832.46	
02-02-45-52000	Repair & Maintenance	30,000.00	-	10,053.41	19,946.59	
02-02-45-52010	Tools & Equipment	10,000.00	-	-	10,000.00	
02-02-45-55010	Utililties-Electric	80,000.00	5,588.00	14,274.00	65,726.00	
02-02-45-55030	Natural Gas	750.00	30.78	338.46	411.54	
02-02-47-51000	Acetylene	1,000.00	88.20	352.80	647.20	
02-02-47-51009	Hazardous Materials Charges	850.00	90.31	350.62	499.38	
02-02-47-51015	Caustic Soda	6,000.00	-	125.00	5,875.00	
02-02-47-51020	Oxygen	900.00	82.20	325.70	574.30	
02-02-47-51030	Chlorine (Sodium Hypochlorade)	3,500.00	1,139.12	1,848.68	1,651.32	
02-02-47-51040	Potassium Permanganate	2,000.00	-	3,528.50	(1,528.50)	
02-02-47-51060	Lab & Analytical Equip	17,000.00	-	6,211.03	10,788.97	
02-02-47-51070	Lab Tests	15,200.00	(301.71)	3,054.22	12,145.78	
02-02-47-51080	Chem-Other	1,000.00	84.60	3,638.64	(2,638.64)	
02-02-47-52000	Repair & Maintenance	30,000.00	393.67	10,293.67	19,706.33	
02-02-47-52010	Tools & Equipment	10,000.00	-	-	10,000.00	
02-02-47-55010	Utililties-Electric	30,000.00	2,259.00	11,211.00	18,789.00	
02-02-47-55030	Natural Gas	2,500.00	76.83	901.39	1,598.61	
02-02-49-52000	Repair & Maintenance	7,500.00	-	-	7,500.00	
02-02-49-55010	Utililties-Electric	2,000.00	200.00	914.00	1,086.00	
02-02-49-55030	Natural Gas	775.00	101.24	863.56	(88.56)	
02-02-93-58080	Communications	4,600.00	239.37	1,196.85	3,403.15	

		Original Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
02-03-71-52000	Repair & Maintenance	10,000.00	-	594.27	9,405.73	
02-03-71-55010	Utililties-Electric	4,000.00	348.00	1,553.00	2,447.00	
02-03-73-52000	Repair & Maintenance	10,000.00	-	841.91	9,158.09	
02-03-73-55010	Utililties-Electric	5,000.00	472.54	1,952.20	3,047.80	
02-03-75-52000	Repair & Maintenance	10,000.00	-	-	10,000.00	
02-04-01-52000	Repair & Maintenance	10,000.00	-	-	10,000.00	
02-04-01-55010	Utililties-Electric	4,000.00	348.00	1,378.00	2,622.00	
02-04-03-52000	Repair & Maintenance	10,000.00	-	-	10,000.00	
02-04-05-52000	Repair & Maintenance	10,000.00	-	-	10,000.00	
02-04-07-55010	Utililties-Electric	-	984.00	2,909.00	(2,909.00)	
02-04-11-55010	Utililties-Electric	65,000.00	-	-	65,000.00	
02-04-11-60000	Capital Projects	-	5,140.80	25,773.87	(25,773.87)	
02-04-13-52000	Repair & Maintenance	10,000.00	-	-	10,000.00	
02-04-13-55010	Utililties-Electric	51,800.00	2,258.00	5,630.00	46,170.00	
02-04-15-52000	Repair & Maintenance	10,000.00	-	-	10,000.00	
02-04-15-55010	Utililties-Electric	35,000.00	3,145.00	16,970.00	18,030.00	
02-04-15-60000	Capital Projects	-	-	140,227.41	(140,227.41)	
02-04-17-52000	Repair & Maintenance	10,000.00	-	-	10,000.00	
02-04-17-55010	Utililties-Electric	8,000.00	449.00	1,796.00	6,204.00	
02-04-19-52000	Repair & Maintenance	10,000.00	-	2,223.00	7,777.00	
02-04-19-55010	Utililties-Electric	50,000.00	3,731.00	8,479.00	41,521.00	
02-04-19-55030	Natural Gas	550.00	33.04	212.63	337.37	
02-04-19-60000	Capital Projects	-	-	9,407.00	(9,407.00)	
02-04-23-52000	Repair & Maintenance	10,000.00	-	-	10,000.00	
02-04-23-55010	Utililties-Electric	2,500.00	5,352.00	15,812.00	(13,312.00)	
02-04-25-52000	Repair & Maintenance	10,000.00	-	-	10,000.00	
02-04-25-55010	Utililties-Electric	65,000.00	5,025.32	20,148.22	44,851.78	
02-04-61-52000	Repair & Maintenance	7,500.00	-	-	7,500.00	
02-04-61-55010	Utililties-Electric	-	152.00	738.00	(738.00)	
02-04-61-60000	Capital Projects	-	-	244,092.51	(244,092.51)	
02-04-63-52000	Repair & Maintenance	7,500.00	-	-	7,500.00	
02-04-65-52000	Repair & Maintenance	7,500.00	-	-	7,500.00	
02-04-81-52000	Repair & Maintenance	6,000.00	-	-	6,000.00	
02-04-81-55010	Utililties-Electric	19,000.00	1,523.00	6,004.00	12,996.00	
02-04-83-52000	Repair & Maintenance	6,000.00	-	-	6,000.00	
02-04-83-55030	Natural Gas	1,050.00	41.34	263.47	786.53	
02-04-85-52000	Repair & Maintenance	6,000.00	-	-	6,000.00	
02-04-85-55010	Utililties-Electric	15,500.00	1,207.00	5,746.00	9,754.00	
02-04-85-55030	Natural Gas	400.00	-	85.17	314.83	
02-04-91-59900	Colo. Spgs Util Convey, Treat, Delive	1,061,859.00	15,294.47	76,472.35	985,386.65	
02-04-91-59901	Pueblo Water Lease Agmt.	160,000.00	5,518.26	17,817.00	142,183.00	
	Expense Total:	**$ 11,454,282.89**	**$ 564,999.45**	**$ 2,605,703.80**	**$ 8,848,579.09**	**77.25%**

Fund: 03 - Wastewater Fund

Revenue

		Original Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
03-00-00-47001	FL O & M Payments	162,467.00	11,698.78	53,984.62	(108,482.38)	
03-00-00-48003	PD-DWSD Salary, Taxes	735,921.00	49,477.35	237,195.07	(498,725.93)	
03-50-00-47000	Triview O & M Payments	1,291,200.00	90,362.46	430,478.45	(860,721.55)	
	Revenue Total:	**$ 2,189,588.00**	**$ 151,538.59**	**$ 721,658.14**	**$ (1,467,929.86)**	**67.04%**

Expense

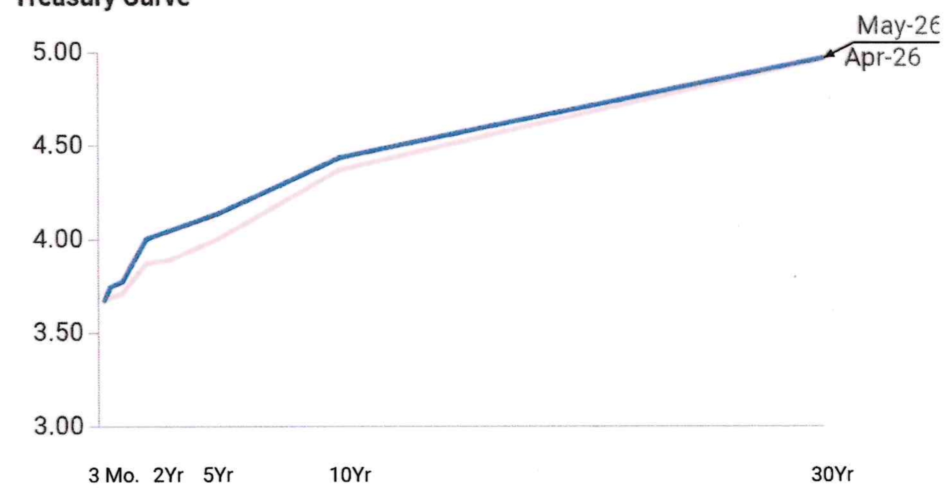
		Original Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
03-00-00-52110	Civil Engineering	-	8,902.60	8,902.60	(8,902.60)	
03-50-00-51011	Magnesium Hydroxide	-	9,521.60	39,476.80	(39,476.80)	
03-50-00-51060	Lab & Analytical Equip	-	12,532.69	15,734.07	(15,734.07)	
03-50-00-51070	Lab Tests	207,920.00	5,559.21	16,052.00	191,868.00	
03-50-00-52000	Repair & Maintenance	355,000.00	10,087.29	87,067.70	267,932.30	
03-50-00-52010	Tools & Equipment	50,000.00	-	-	50,000.00	
03-50-00-52020	Biosolids Hauling	130,500.00	12,169.27	50,926.73	79,573.27	

Budget Report

		Original Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
03-50-00-52050	Engineering-WP	10,000.00	-	-	10,000.00	
03-50-00-52060	AFCURE	20,000.00	1,475.00	6,450.00	13,550.00	
03-50-00-53006	Fuel	-	495.13	1,512.03	(1,512.03)	
03-50-00-53012	Truck Maintenance	7,200.00	215.87	2,268.00	4,932.00	
03-50-00-54030	Salary-Regional WWTF	618,400.00	47,010.95	254,471.31	363,928.69	
03-50-00-54230	Payroll-Regional	46,380.00	-	-	46,380.00	
03-50-00-54400	457 Plan-Donala Expense	43,288.00	2,906.55	13,726.07	29,561.93	
03-50-00-54410	Insurance-Health	-	5,638.32	26,455.11	(26,455.11)	
03-50-00-54420	Disability, Life Ins.	-	623.42	2,387.40	(2,387.40)	
03-50-00-54430	Identity Protection	-	30.00	150.00	(150.00)	
03-50-00-55010	Utililties-Electric	346,900.00	20,380.99	81,505.22	265,394.78	
03-50-00-55020	Propane	-	3,471.77	13,274.36	(13,274.36)	
03-50-00-57002	Miscellaneous Expense	2,500.00	-	915.96	1,584.04	
03-50-00-57110	Contigency Exp	50,000.00	-	-	50,000.00	
03-50-00-58005	Office Expenses	9,500.00	861.99	2,026.50	7,473.50	
03-50-00-58015	Publication Expenses	600.00	-	-	600.00	
03-50-00-58035	Fees, Permits	25,000.00	-	14,309.06	10,690.94	
03-50-00-58040	Insurance-Bldg.	188,200.00	-	56,711.00	131,489.00	
03-50-00-58060	Legal - General	3,000.00	-	-	3,000.00	
03-50-00-58070	Training Expenses	10,000.00	661.06	1,023.69	8,976.31	
03-50-00-58075	Contract Services	30,200.00	8,032.21	21,844.11	8,355.89	
03-50-00-58080	Communications	15,000.00	962.67	4,468.42	10,531.58	
03-50-00-60500	Capital Projects	20,000.00	-	-	20,000.00	
	Expense Total:	**$ 2,189,588.00**	**$ 151,538.59**	**$ 721,658.14**	**$ 1,467,929.86**	**67.04%**

Portfolio Metrics	May-26	Apr-26	Difference
Book Value	6,037,157	6,038,687	-1,531
Book Yield	3.68	3.68	0.00
AFS %	100.0%	100.0%	0.0%
Market Value	6,020,501	6,026,444	-5,943
Gain Loss $	-16,655	-12,243	-4,412
Gain Loss %	-0.3%	-0.2%	-0.1%
Average Life	0.9	0.9	-0.1
Effective Duration	0.86	0.91	-0.05
Effective Convexity	0.01	0.01	0.00
Px Vol +300bps	-2.55	-2.70	0.16
Next 12 mo Cash Flow (%)	63.4%	63.0%	0.4%
Fixed %	100.0%	100.0%	0.0%
Adjustable/Floating %	0.0%	0.0%	0.0%

Treasury Curve



Sector Allocation

Par Value	May-26	Apr-26	Difference	Sector % Diff
Treasury	6,029,500	6,031,500	-2,000	0.0%

Key Rates	May-26	Apr-26	Difference
Overnight SOFR	3.65	3.66	-0.01
FFT	3.75	3.75	0.00
Prime	6.75	6.75	0.00
3 Month	3.68	3.67	0.01
2 Year	4.01	3.87	0.13
5 Year	4.14	4.01	0.14
10 Year	4.44	4.37	0.07
3mo vs 10yr	0.76	0.71	0.06
2yr vs 5yr	0.14	0.13	0.00
2yr vs 10yr	0.43	0.50	-0.07

RESOLUTION 2026-4

OF THE BOARD OF DIRECTORS OF THE DONALA WATER AND SANITATION DISTRICT

A RESOLUTION DESIGNATING JOHN KUOSMAN AS REPRESENTATIVE FOR MAJOR DECISIONS UNDER THE TERMS OF REGIONAL IGA FOR THE UPPER MONUMENT CREEK REGIONAL WTP

WHEREAS, Donala Water & Sanitation District ("District") is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Article 1, Colorado Revised Statutes; and

WHEREAS, pursuant to §32-1-l00l(l)(d)(I), C.R.S., the Board of Directors of the District ("District Board") may enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, pursuant to §32-1-lO0l(l)(h), C.R.S., the District Board is responsible for the management, control and supervision of all of the business and affairs of the District; and

WHEREAS, the District entered that certain agreement known as the "Upper Monument Creek Regional Wastewater Treatment Facility Intergovernmental Agreement", dated November 11, 1999 (the "IGA"), with Triview Metropolitan District ("Triview") and Forest Lakes Metropolitan District ("Forest Lakes") to provide wastewater treatment services to the parties' residents and property owners, and further to govern the operation, maintenance and expansion of the Upper Monument Creek Regional Wastewater Treatment Facility (the "Facility"); and

WHEREAS, pursuant to Section IO(c) of the IGA, the District Board may designate a representative to make decisions and determinations with respect to Major Decisions regarding the Facility (as defined in the IGA).

WHEREAS, the District Board hereby finds and determines that it is appropriate and necessary to designate a representative under the IGA to make decisions and determinations on behalf of the District with respect to any Major Decisions.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Donala Water & Sanitation District as follows:

1. <u>Designated Representative.</u> John Kuosman, the General Manager of the District, is hereby designated as the Representative of the District for purposes of all Major Decisions related to the Facility under the IGA.

2. Severability. If any part, section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

3. Effective Date. This Resolution shall take effect and be enforced immediately upon its approval by the District Board.

ADOPTED this 18th day of June 2026.

DONALA WATER & SANITATION
DISTRICT

By_______________________________

Wayne Vanderschuere, President

Attest:

____
Kevin Deardorff, Secretary

DONALA WATER & SANITATION DISTRICT
RESOLUTION 2026-5

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DONALA WATER & SANITATION DISTRICT AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A CONTRACT FOR PUBLIC RELATIONS SERVICES IN THE AMOUNT OF $85,000 AND APPROPRIATING FUNDS THEREFOR

WHEREAS, the Donala Water & Sanitation District (the "District") is a political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Colorado Revised Statutes;

WHEREAS, pursuant to Section 32-1-1001(1)(d), C.R.S., the District Board of Directors (the "Board") has the power to enter into contracts and agreements affecting the business of the District, including contracts for work, materials, or services;

WHEREAS, pursuant to Section 32-1-1001(1)(h) and (i), C.R.S., the Board has ultimate authority and responsibility over all business, affairs, and personnel of the District;

WHEREAS, the Board previously adopted a Contracting and Procurement Policy (Resolution 2023-2) to ensure compliance with applicable State and Federal laws and to guide the efficient and effective procurement of work, materials, and services;

WHEREAS, the Board has determined that it is in the best interest of the District and its residents to engage professional public relations services to support the District's communication and outreach efforts;

WHEREAS, the General Manager has recommended the procurement of public relations services in the amount of $85,000, which was not previously budgeted for in the current fiscal year;

WHEREAS, pursuant to the Contracting and Procurement Policy and the District's budgeting procedures, Board approval is required for this unbudgeted expenditure;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Donala Water & Sanitation District as follows:

1. Authorization. The Board hereby authorizes the General Manager to procure public relations services in an amount not to exceed $85,000 and to execute all necessary agreements and contracts to effectuate such procurement, consistent with the District's Contracting and Procurement Policy.

2. Appropriation of Funds. The Board hereby appropriates $85,000 from available District funds for the purpose of retaining public relations services, said amount to be reflected as an amendment to the current fiscal year budget.
3. Ratification. All actions previously taken by the District's staff and agents consistent with the intent and purpose of this Resolution are hereby ratified, confirmed, and approved.
4. Effective Date. This Resolution shall take effect immediately upon approval and adoption by the Board.

ADOPTED AND APPROVED this ___ day of _________, 2026, by the Board of Directors of the Donala Water & Sanitation District.

By: ______________________________

Wayne Vanderschuere, President

Attest:

____

Kevin Deardorff, Secretary

Donala Water & Sanitation District

General Manager's Report

June 2026 Board Meeting

Note: General Manager Kuosman will be presenting this report remotely (via Teams) as he is attending to his daughter's college graduation and return to Colorado.

1) Willow Creek Range Flume Calibration and Watershed Protection

District staff continue to coordinate efforts related to the calibration of the Willow Creek Range flume to improve the accuracy and reliability of raw water flow measurement. Accurate flow data remains critical for water rights administration, operational decision-making, and long-term resource planning.

In parallel, staff is finalizing scope and payment schedules with the Arkansas River Watershed Collaborative regarding improving watershed conditions and protection practices. A kickoff meeting has been tentatively scheduled for June 25 to establish start date of restoration activities.

2) Wastewater System Operations Update

Board meeting at the UMCR WWTP will be scheduled for August to include the tour of M1, R. Hull, M2, and UMCR.

The wastewater system remained compliant and operationally stable during the reporting period; however, staff successfully managed a significant equipment failure event at the Influent Lift Station (ILS) between June 6 and June 9, 2026.

On June 6 at approximately 01:20 a.m., Operator Jake Hawker received an alarm indicating a loss of communication with the ILS. After promptly notifying management, he arrived onsite at 01:58 a.m. and identified a complete loss of power to the station, which serves as the entry point for all raw wastewater into the treatment facility. Power was restored by 02:18 a.m., preventing a potentially catastrophic failure.

Had the issue not been resolved quickly, the loss of pumping capacity could have resulted in wastewater backing up into the collection system and a reportable sanitary sewer overflow impacting the receiving creek. Mr. Hawker's rapid response, troubleshooting ability, and communication were instrumental in avoiding this outcome.

Subsequent investigation revealed a failure of Pump #2's Variable Frequency Drive (VFD). On June 7, staff member JR V. initiated early morning diagnostics and determined that replacement of critical electrical components would be required, necessitating a licensed electrician. Staff coordinated response efforts over the following days, including staging a portable bypass pump to maintain operational redundancy.

On June 8–9, staff managed multiple concurrent operational challenges, including the VFD replacement, a SCADA server failure, routine plant operations, and one of the busiest regulatory sampling periods of the month (including creek and metals sampling, laboratory processing, and required shipment deadlines). Despite these overlapping demands, all regulatory requirements were met and system operations were maintained.

Replacement and programming of the VFD were completed on June 9, and the Influent Lift Station was returned to full operational status by the end of the day.

This event underscores both the critical nature of key infrastructure components and the effectiveness of District personnel. Special recognition is extended to Jake Hawker, JR V., Austin, and Jason H. for their professionalism, teamwork, and commitment. Their coordinated efforts ensured continued compliance, system reliability, and protection of public health and the environment.

District Manager is coordinating with Billy Hudson Camera for CCTV sewer inspection. Donala is working to establish an approach for NASSCO PACP and MACP scoring to be stored and managed in the GIS Database.

District Manager met with Jim McGrady at Tri-View to understand Tri-View's perspective of the UMCR WWTF. District Manager will meet with Ann Nichols the week of June 22 to understand Forrest Lake's perspective of the UMCR WWTF.

Effort to refine the development of Level of Service Evaluations as part of Asset Management Improvements has commenced. Daily task planning and cross-department communication process improvements have commenced.

3) Water System Operations Update

The Holbein Treatment Facility was placed into operation this month and District's water system continues to operate reliably and in compliance with all regulatory requirements. Treatment processes are functioning as designed, and distribution system pressures and storage levels remain within normal operating ranges.

Latrobe water tank inspection activities has been deferred until Willow Creek Flow Monitoring has been rectified.

Staff continues to manage seasonal demand increases associated with irrigation use while maintaining system stability. Routine activities—including system monitoring, predictive maintenance, and water quality testing—are ongoing to ensure consistent service and regulatory compliance.

Operational focus remains on maintaining water quality, system redundancy, and long-term supply reliability as the District progresses through the peak demand season.

District Manager has reviewed Plummer scope for condition assessment of the R. Hull Treatment Facility. A decision on this scope, or others, will be impacted by the District's Water Resiliency Programing discussions.

Effort to refine the development of Level of Service Evaluations as part of Asset Management Improvements has commenced. Daily task planning and cross-department communication process improvements have commenced.

4) Professional Services Support

The District continues to engage professional engineering and technical services to support long-term planning and strategic decision-making.

The District Manager has had several meetings with Plummer, Spheros, GMS, CEGR, and Hayes Poznanovic Korver LLC as part of onboarding.

A primary focus of these onboarding discussions is the refinement of a **comprehensive alternatives analysis** evaluating future water supply, conveyance, treatment, and storage strategies. This effort is aligned with the District's long-term planning objectives and will directly inform **2027 budget development**. This effort includes consideration of the LWA, the NMCI, and a variety of water right change applications.

The analysis includes:

- Evaluation of **water supply reliability**, including development of a quantitative framework for dry-year availability
- Comparative assessment of **infrastructure alternatives**, including conveyance, treatment, and storage options
- Development of **planning-level capital cost estimates** across multiple scenarios
- Identification of assumptions related to **third-party delivery costs** and system integration

Staff is working collaboratively with consultants to refine assumptions, develop conceptual layouts, and establish reasonable cost ranges based on professional experience. This work is iterative and intended to provide decision-grade planning information rather than final design-level detail.

The analysis will be presented to the Board for the first time at the **July 16, 2026 Board Meeting** in an executive session workshop. This presentation will be informational only, allowing the Board time to review and ask questions.

A second presentation is planned for the **August 13, 2026 Board Meeting**, at which time staff anticipates requesting Board direction to support incorporation of preferred alternatives into the District's long-term planning and budgeting process.

The District Manager will be presenting on the Risk and Resiliency Evaluation completed by Plummer at the July Board Meeting.

5) Loop Water Authority Update

The District continues to participate in the Loop Water Authority (LWA) as part of regional coordination efforts focused on long-term water supply reliability and infrastructure planning.

Ongoing discussions include system operations, supply planning, and opportunities for coordinated infrastructure development among participating entities. The District remains actively engaged in these efforts to ensure alignment with regional strategies and to support cooperative solutions that enhance long-term sustainability.

JVA has updated cost opinions for the AWT based on a 30% design. JVA will be updating cost opinions for the pump stations and pipelines based on a 30% design. In addition, a Cost Model will be developed by the CMAR constructor based on a 30% design. This information will be valuable in the 2027 budget preparation work.

The Sundance purchase agreement has not advanced and due diligence efforts on the pipeline will not likely occur until 2027. Donala will NOT be required to make a contribution to the first option payment until 2027.

The LWA requested a payment from Donala to fund design, land acquisition, and permitting activities beyond the ARPA grant repayment.

Additional updates will be provided as LWA initiatives progress or require Board consideration.

6) Development Updates

Development activity within the District remains steady, with staff focusing on ensuring infrastructure protection, regulatory compliance, and clear alignment with District policies.

Santa Fe Meadows Development – Infrastructure Evaluation

Staff continues to coordinate with the developer of the proposed Santa Fe Meadows project, where existing District wastewater and reclaimed water pipelines traverse the site.

Consistent with the District's Rules and Regulations (June 15, 2023), the developer has been informed that all costs associated with serving the development—including investigation, analysis, and any required infrastructure improvements—are their responsibility. The District has also reaffirmed its authority to define the scope of work necessary to ensure continued service reliability.

The developer will be directed to perform a **decision-grade infrastructure evaluation**, including:

- Cleaning and CCTV inspection (NASSCO standards) of the **21-inch gravity wastewater pipeline**, including structural and condition assessment of pipes and manholes
- Evaluation and pressure testing of the **8-inch reclaimed water pipeline**, including valve inspection and operational testing
- Assessment of **grading, loading, and potential conflicts** associated with development
- Identification of required mitigation measures (protection, relocation, or replacement)
- Preparation of a comprehensive engineering report documenting risks and recommendations

A coordination meeting is being scheduled to refine scope, update cost estimates, and determine whether the developer will directly manage the work or request District administration under a reimbursement agreement. Outcomes will be brought to the Board for further consideration.

Northgate Development – Easement Coordination

Staff is also working with the Northgate development team to secure a **utility easement** for the District's potable water distribution system.

The District has provided the form of the Grant of Utility Easement, including provisions addressing lienholder consent where applicable. Coordination is underway with TerraNova Consulting Engineers to prepare the legal exhibits defining the easement boundaries.

Final execution of the easement will occur following review and confirmation of the exhibits. This effort ensures the District maintains necessary access and operational control over critical infrastructure within the development.

7) Customer Service, Public Outreach, Conferences, Training, and District Communications

Targeting September 2026 for Open House. Final date will be determined following agenda item feedback this month.

8) Board Member and Staff attendance at the Summer Water Congress

The Summer Water Congress will take place in Steamboat Springs from August 18th to 20th this year. At this time, Wayne and John have been registered to attend on behalf of our organization. If any other board members are interested in attending, please inform Christina as soon as possible. Please note that the Steamboat Grand Hotel is currently fully booked, so timely arrangements are essential.

DONALA

Water & Sanitation District

MEMORANDUM

To: Board of Directors From: John Kuosman

Subject: Recommendation for Phased Public Opinion Research and Engagement Strategy - Approval Request for $85,000

Overview

After reviewing proposals from Magellan and Public Alignment Communications (PAC), I recommend that the Board approve a phased, hybrid approach to public opinion research and targeted public engagement, with total requested approval of $85,000. This strategy is designed to manage financial and reputational risk by sequencing investments around data-driven decision points rather than recommitting to a single vendor or pathway.

Recommended Approach

The phased strategy is structured as follows:

1. True Objective Assessment ($15,000 - $20,000)

   The initial phase involves objective, unbiased research to assess current voter sentiment on key factors, including baseline support, sensitivity to cost/rate impacts, trust in the District, and knowledge gaps. This foundational research-likely conducted by Magellan-will clarify whether there is a viable path to voter approval and will require robust sampling methods (with quotas for age groups and non-digital users, and phone outreach as needed).

2. Data-Informed Communications ($10,000 - $15,000)

   If initial research indicates a possible but uncertain pathway, we will use those insights to inform targeted public education and engagement. The goal is to close information gaps and ensure materials are clear, relevant, and accessible. This work will be competitively bid, with PAC, GBSM, and others considered for this limited initial engagement.

3. Incremental Stakeholder Engagement ($10,000 - $15,000)

   Should the Board see a credible path forward, we will test additional public engagement strategies-providing factual, plain-language information and measuring whether understanding and support improve. Each subsequent investment will be contingent on findings from prior phases, ensuring that resources are committed only when justified.

The combined not-to-exceed amount for these initial three phases is $50,000 before any formal Board "go/no go" decision.

1. Final Pre-Decision Validation and Engagement (additional $33,000)

If the Board decides to proceed toward a ballot measure, a final phase of public education and engagement would be initiated, bringing the total request to $85,000. This allows for continued data collection, stakeholder feedback, and risk assessment to ensure a defensible, transparent decision.

Rationale for the Hybrid Approach:

This sequenced strategy ensures:

- Data-driven decisions at every stage
- Communications are neutral, factual, and compliant.
- Expenditures are aligned with demonstrated needs.
- The Board avoids premature commitment and maintains flexibility.

Governance and Risk Mitigation.

This approach is designed to:

- Protect the District and Board from premature or unsupported commitments.
- Ensure transparent, thoughtful decision-making.
- Align expenditures with evolving evidence and community feedback.

Requested Action

I respectfully request Board approval of the proposed phased engagement strategy and authorization to allocate $85,000 as outlined above.

THE LOOP WATER AUTHORITY c/o FROMM & COMPANY, LLC PO Box 630588 Highlands Ranch, CO 80163 (303) 912-8401 Please note that we have updated our Address		INVOICE NO. DWSD-2026-1

Donala Water & Sanitation District
Attn: Christina Hawker
15850 Holbein Dr.
Colorado Springs, CO 80921

DUE DATE	AMOUNT DUE
7/6/2026	$ 274,768.50

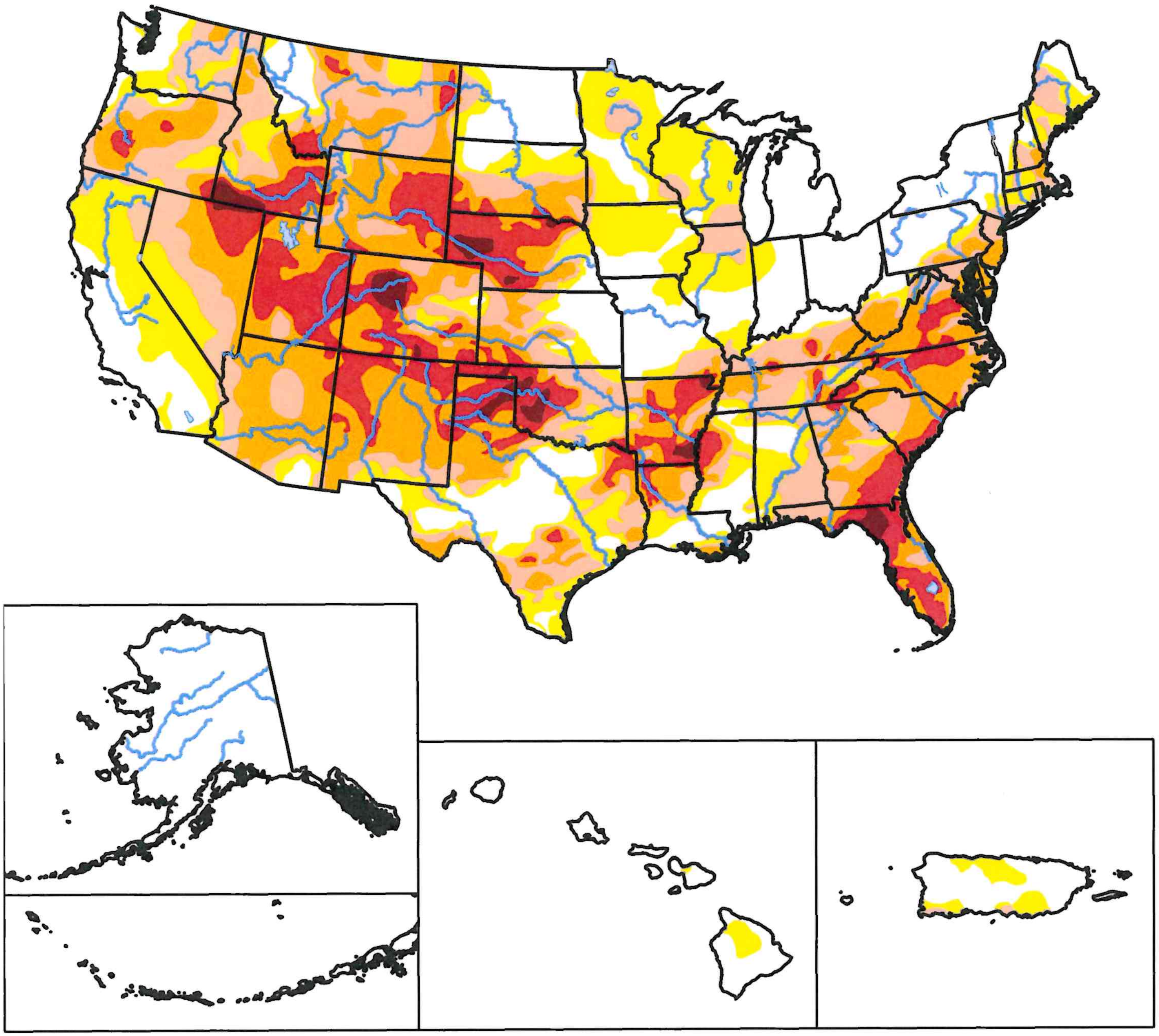
INVOICE NO.		DATE INVOICE MAILED					INVOICE AMOUNT
DWSD-2026-1		6/5/2026					$ 274,768.50
DESCRIPTION							NET AMOUNT
2026- 50% MEMBER FUNDING CONTRIBUTION (REIMBURSABLE) TOTAL 2026 CONTRIBUTION: $549,537							$ 274,768.50
	TOTAL AMOUNT DUE BY			7/6/2026			$ 274,768.50

Loop Water Authority

U.S. Drought Monitor

U.S. States and Puerto Rico

June 2, 2026
(Released Thursday, Jun. 4, 2026)
Valid 8 a.m. EDT



Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to https://droughtmonitor.unl.edu/About.aspx

Author:
Adam Allgood
NOAA/NWS/NCEP/CPC

droughtmonitor.unl.edu

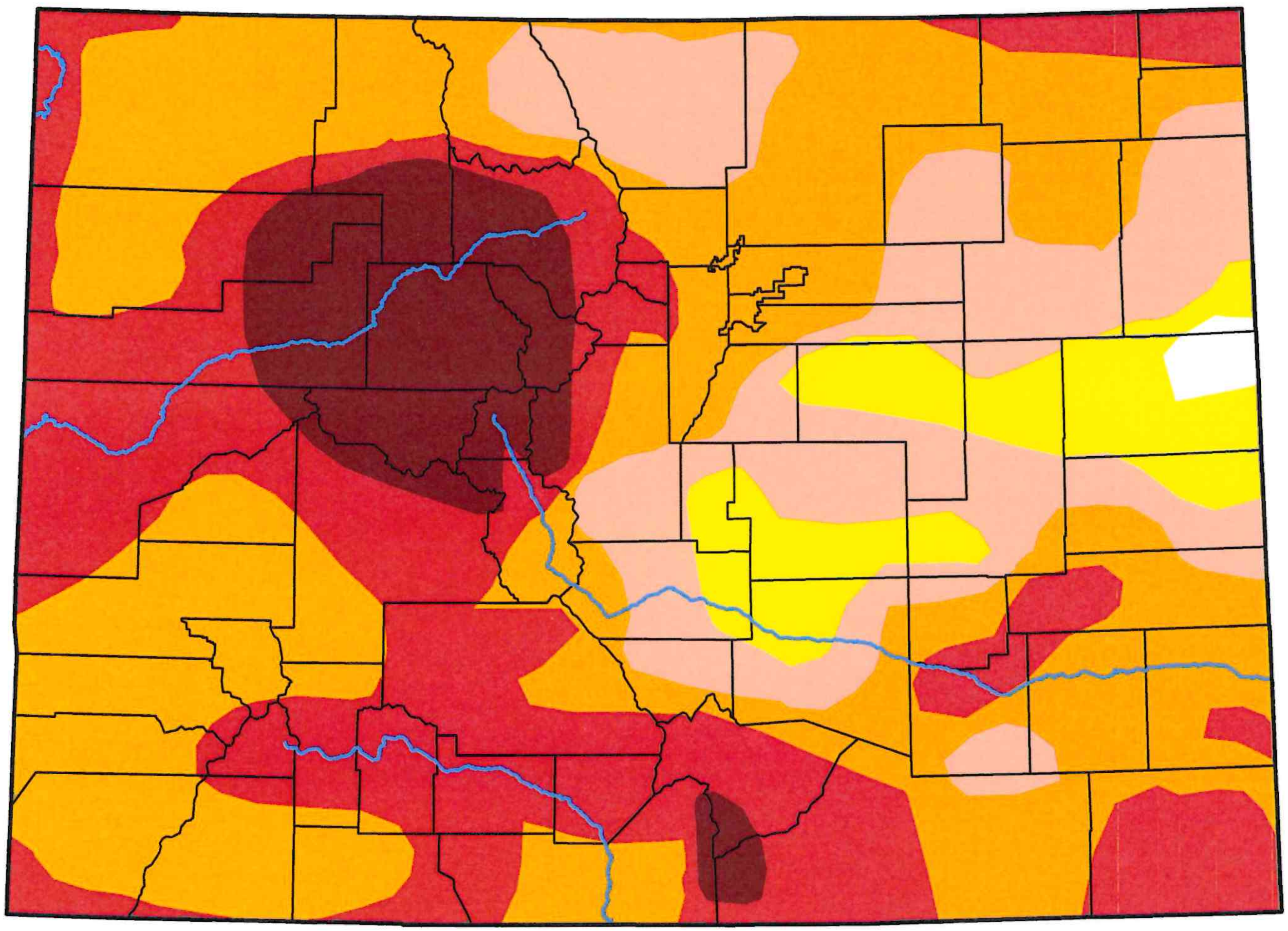
U.S. Drought Monitor

Colorado

June 2, 2026

(Released Thursday, Jun. 4, 2026)

Valid 8 a.m. EDT



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Author:

Adam Allgood
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droughtmonitor.unl.edu

DONALA WATER & SANITATION DISTRICT BOARD STATISTICS -- MONTHLY VOLUME

May 2026

1. Water Pumped	21,202,000	Gallons
Willow Creek Water	0	Gallons
Total Water Produced	**21,202,000**	**Gallons**
Flushing/ Maintenance	-10,000	Gallons
Backwash Waste	-632,404	Gallons
Storage in Tanks	-38,402	Gallons
Non-Revenue Water	**-680,806**	**Gallons**
3. **Billable Water Produced** (Includes #1 Minus #2)	20,521,194	**Gallons**
4. Water Billed All Routes	20,454,064	Gallons
Total Water Actually Billed This Month	**20,454,064**	**Gallons**
Factoring in the difference in read dates using the daily average.		Gallons
Water Billed Plus Average Use in Read Date Difference	**20,454,064**	**Gallons**

5. %Billed vs. Distributed — 99.67% — 67,130 Gallons

6. Donala Waste Influent	10,746,000	32.65%
7. Triview Waste Influent	19,625,000	59.63%
8. Forest Lakes Influent	2,541,000	7.72%

		SF	MF	MF (SFE)	COMM	COM M(sfe)	IRR OTHER	Irr Other (SFE)	TOTAL	TOTAL (SFE)	Growth
2025	JAN	2193	398	398	50	288	35	35	2676	2914	0.00%
	FEB	2193	398	398	50	288	35	35	2676	2914	0.00%
	MAR	2193	398	398	50	288	35	35	2676	2914	0.00%
	APR	2193	398	398	50	288	35	35	2676	2914	0.00%
	MAY	2193	398	398	50	288	35	35	2676	2914	0.00%
	JUNE	2194	398	398	50	288	35	35	2677	2915	0.03%
	JULY	2195	398	398	50	288	35	35	2678	2916	0.03%
	AUG	2195	398	398	50	288	35	35	2678	2916	0.00%
	SEP	2195	398	398	50	288	35	35	2678	2916	0.00%
	OCT	2195	398	398	50	288	35	35	2678	2916	0.00%
	NOV	2195	398	398	50	288	35	35	2678	2916	0.00%
	DEC	2195	398	398	50	288	35	35	2678	2916	0.00%
2026	JAN	2195	398	398	50	288	35	35	2678	2916	0.00%
	FEB	2195	398	398	51	289	35	35	2679	2917	0.03%
	MAR	2195	398	398	51	289	35	35	2679	2917	0.03%
	APR	2195	398	398	51	289	35	35	2679	2917	0.03%
	MAY	2195	398	391	51	289	35	35	2679	2917	0.03%
	JUNE										
	JULY										
	AUG										
	SEPT										
	OCT										
	NOV										
	DEC										