

DONALA WATER AND SANITATION DISTRICT
REGULAR BOARD MEETING AGENDA
May 21st, 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 April 16, 2026, Regular Meeting
6. Financial Reports
7. Presentations:
 - a. Hoelting & Co - 2025 Financial Statement Audit
8. Action Items:
 - a. Resolution 2026-3 Appointing Board Member – The Loop Water Authority
9. Reports
 - a. General Manager
 - i. Review and Discuss Donala Workshop Checklist
 - ii. Loop Update
 - b. Consultants
10. Directors' Comments
11. Public Comments
12. Executive
 - a. Executive session pursuant to Section 24-6-402(4)(e), C.R.S., for the purpose of determining positions relative to matters that may be subject to negotiations, and instructing negotiators regarding the Loop Water Authority.
13. Adjourn

DONALA WATER AND SANITATION DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
April 16, 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 (excused absence)

Staff Present: Christina Hawker
Carla Edwards
Ronny Wright
Jarred Durham
Jason Hermann

Consultants' Present: Roger Sams (GMS)
Brett Gracely (Plummer)
Kelsey Briggs (Spheros)
Carly Bonwell (Spheros)
Matt Poznanovic (HPK)
Nicki Bartak (Raftelis-Call In)
Todd Cristiano (Raftelis-Call In)

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:

- Burhans said she appreciated the new chair lift Donala installed.

Review of Minutes:

- Minutes from March 19th, 2026, Regular Meeting, March 26th, 2026, Workshop, March 27th, 2026, Special Meeting, and April 7th, 2026, Special Meeting accepted.
 - George motioned to approve, Deardorff seconds, all aye.

Financial Report by Christina Hawker:

- Hawker stated that we are done with the first quarter and Donala has 77% remaining for revenue and 87% remaining for expenditures.
- Hawker also said the waste plant has a budget remaining of 78% which is on track at this point in the year.
- All expenses are tracking well, with no unusual expenses for either water or wastewater.
- Hawker said this March was the highest usage we have had in the last 7 years.
 - George motioned to approve, Deardorff seconds, all aye.

Contract with Amrize West Central, Inc. for the County Storm Water Project

- Hawker stated there were a couple of changes made to the contract such as adding a not to exceed amount in the contract and the price dropped to \$273,550 from the original contract price of \$309,190.
- Additionally, Hawker received a response from the county regarding our ARPA grant, and they approved accepting the 7D redrill for reimbursement submittals. This will allow us to use the remaining grant funds, which total \$487,881.91. This will cover the extra \$173,550 of this contract that we did not budget for.
- Sams stated having the contract with Amrize works out in the Districts favor and recommends proceeding with the contract after a thorough review.
 - George motioned to approve, McCulloch seconds, all aye.

Spheros Presentation-Donala Water Rights and Exchange Options by Kelsey Briggs and Carly Bonwell:

- Briggs discussed the purpose and need for water exchanges made. This includes aging and failing groundwater infrastructure, our costly CSU contract, interference from Southeastern Water Conservancy District, and a need to convey our stranded water supply.
- Briggs talked about the different sources of supply, including their advantages and disadvantages, as well as future opportunities each would offer. These sources include; Laughlin and Willow Creek Water Rights as well as Reusable Effluent Return Flows.
- Briggs also explained the exchange-from and exchange-to structures along with their respective advantages and disadvantages, as well as the specific assumptions that were utilized for this study.
- Briggs presented a detailed analysis of several potential exchange scenarios along with their advantages and disadvantages.
- Briggs concluded that Donala's existing infrastructure and conveyance methods are insufficient to maximize use of our existing surface water portfolio and reiterated water exchange is the best way to move water upstream without expensive pumps and pipelines.
- Briggs mentioned Donala will need downstream storage if we do not move forward with the Loop.
- Costs aside, Vanderschuere wanted to know which of the scenarios Briggs presented would help us maximize our goal of trying to become as close as possible to reaching 100% renewable water sources and thereby diminishing groundwater use and return flows.
 - Briggs stated that from her perspective, downstream storage is key and SSRC is a great potential resource that she still believes has capacity to be leased or purchased.
 - Briggs also mentioned that Donala could utilize more than one of these options to achieve our goal. She said it is difficult to make a recommendation based on one thing and our exchange potential could increase if we pursue multiple exchanges instead.

- Vanderschuere asked Briggs in her opinion what her exchange recommendation would be with and without the Loop- what a “plan B” might look like.
 - Briggs stated that we will still have our Denver Basin to fall back on if we need to, so we may need to take it year by year depending on how exchanges perform each year. Also, we could use our wells when demand increases in district if needed or utilize the CSU connection.
- Vanderschuere stated if the Loop was a sure thing, he thinks an exchange from Pueblo to the Chilcott Ditch would be great and has a lot of potential.
 - Briggs agreed that would be a good option.

GMS/Plummer-Updated Donala Alternatives Analysis Presentation:

- Gracely discussed some updates that have been made from the presentation given at the March Board Workshop.
 - Amortization schedule was changed to 30 years instead of 25.
 - Updated SFE’s based on newer lot development in the District.
 - Timing of some of the debt payments have been corrected for the NMCI and continued operation of the UMCWWTF and improvements.
 - Groundwater production costs were corrected to reflect common water system expenses and groundwater specific costs to the amount we are producing.
 - Input the actual amortized payment schedule instead of 30-year average for LWS debt service.
- Gracely briefly reviewed each alternative scenario again, with advantages and potential disadvantages.
- Briggs reiterated that exchanges can be a great supplemental method for conveyance, however they cannot be relied on as a sole method.
- Vanderschuere concluded that Alternative Scenario 0 and 1 would not get us to our goal of ultimately using renewable water sources. We would also not be able to make use of water rights.
 - Gracely agreed this is correct.
- Gracely stated the best renewable option for Donala would be the Loop, with exchanges from Pueblo to Chilcott as well some IPR and DPR from the UMCWWTF and capture the return flows to bring over.

Vanderschuere called a short 5-minute break at 3:20 pm.

- Board meeting resumed at 3:25 pm.

Raftelis Presentation-Rate Comparison with Alternatives Analysis by Nikki Bartak and Todd Cristiano:

- Bartak presented a couple financial plan scenario summaries focusing on the Loop.
 - Some of the highlights scenario 1 focused on were the costs associated with being the sole operator at the existing UMCWWTF, construction and use of the LWS, and use of the CSU interconnect through 2031.
 - Some of the highlights scenario 2 focused on were the construction of both the NMCI to join the WWRF at JD Phillips Plant, use of CSU interconnect through 2031, and construction and use of LWS.
 - Scenario 1 would have a cumulative rate impact of 100% through 2035 whereas scenario 2 would have a cumulative rate impact of 112% through 2035.
- Vanderschuere stated the Board has two important items coming up.
 - One the Board will need to make a decision on whether to ask the voters to increase the debt service limit soon.

- Also, the budget for 2027 will need direction from the Board soon so Christina and John can appropriately allocate funds.
- Burhans asked who John is after hearing his name mentioned regarding the budget.
 - Vanderschuere clarified John Kuosman is our new General Manager for DWSD and will be starting officially on May 19th. It was announced during open session after the Donala Board meet in a Special Board meeting on April 7th. Hawker's title is now officially Deputy General Manager and CFO of DWSD.

General Manager Report by Christina Hawker:

- Hawker attended Southeastern's Resource and Engineering Planning Committee meeting on April 2nd, where the board approved the Regional Water Agreement with Colorado Springs Utilities. The agreement will now be submitted to the Bureau to sign off, and Donala should then be able to secure a long-term contract with CSU.
- Hawker will continue to follow this closely and keep the Board updated on the long-term contract and any changes to district fees.
- Hawker created a workshop checklist that can be referenced to continue to monitor and discuss items throughout the year.
- Hawker plans to have information to present at the next meeting regarding her conversations with the PR firms she is reaching out to. After that, she said it would be a good idea to discuss and plan dates for the open house/town hall meeting.

Consultants' Comments:

- Gracely said he continues to work on the diligence filling for the Clear Creek exchange and based on discussions we should get that filed.
 - Vanderschuere clarified that we don't need Board action for the filing. If Hawker says to go ahead that is fine.
- Gracely said there will be a meeting with El Paso County later in the week regarding their request to exercise some provisions in a contract Donala entered into with them regarding some of our return flows for augmentation purposes.

Directors Comments:

- Deardorff asked if Hawker had heard anything about the fire mitigation that was supposed to take place at Willow Creek Ranch.
 - Hawker stated she hasn't heard from them and they are on her list of people to follow up with.

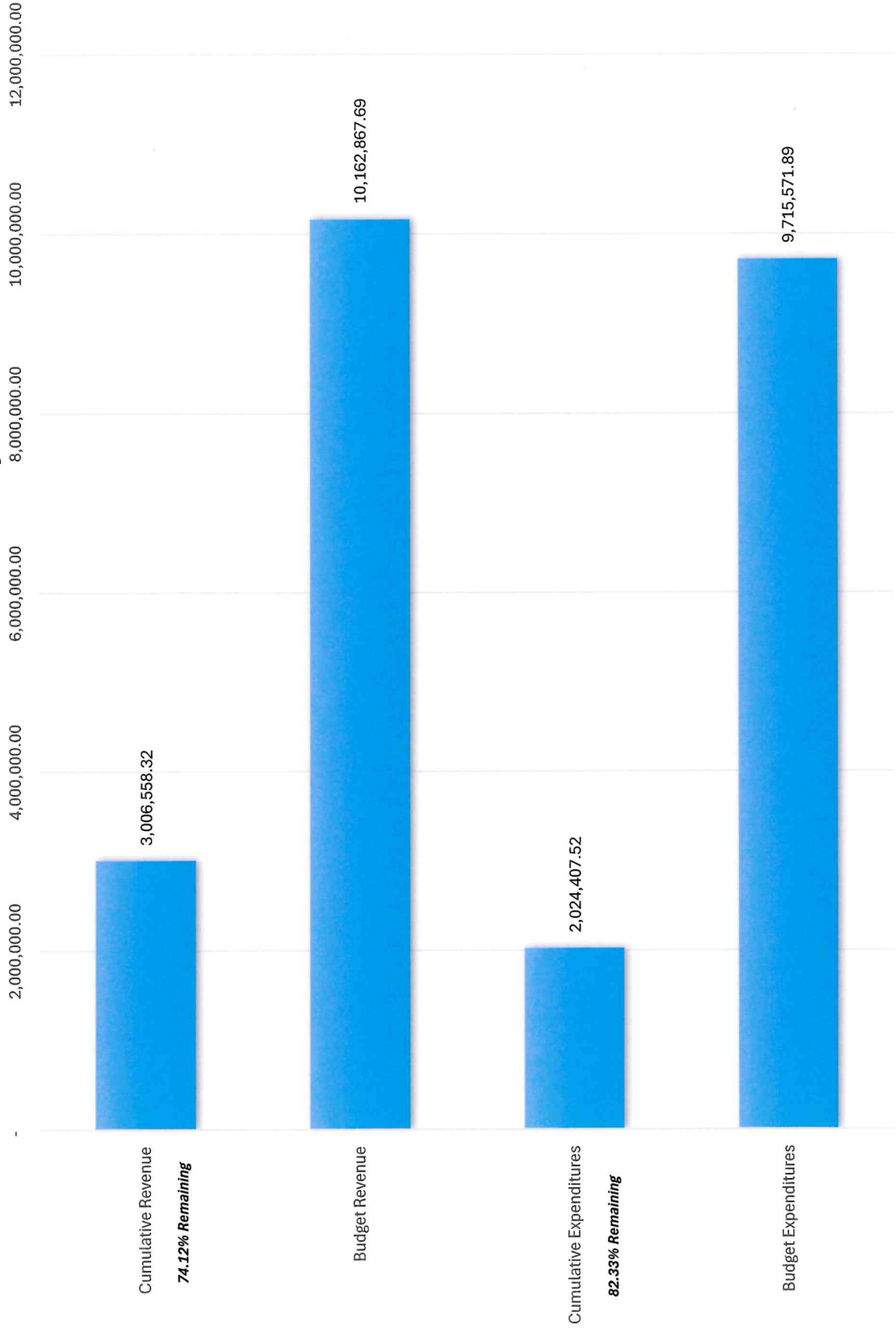
Public Comment:

- None.

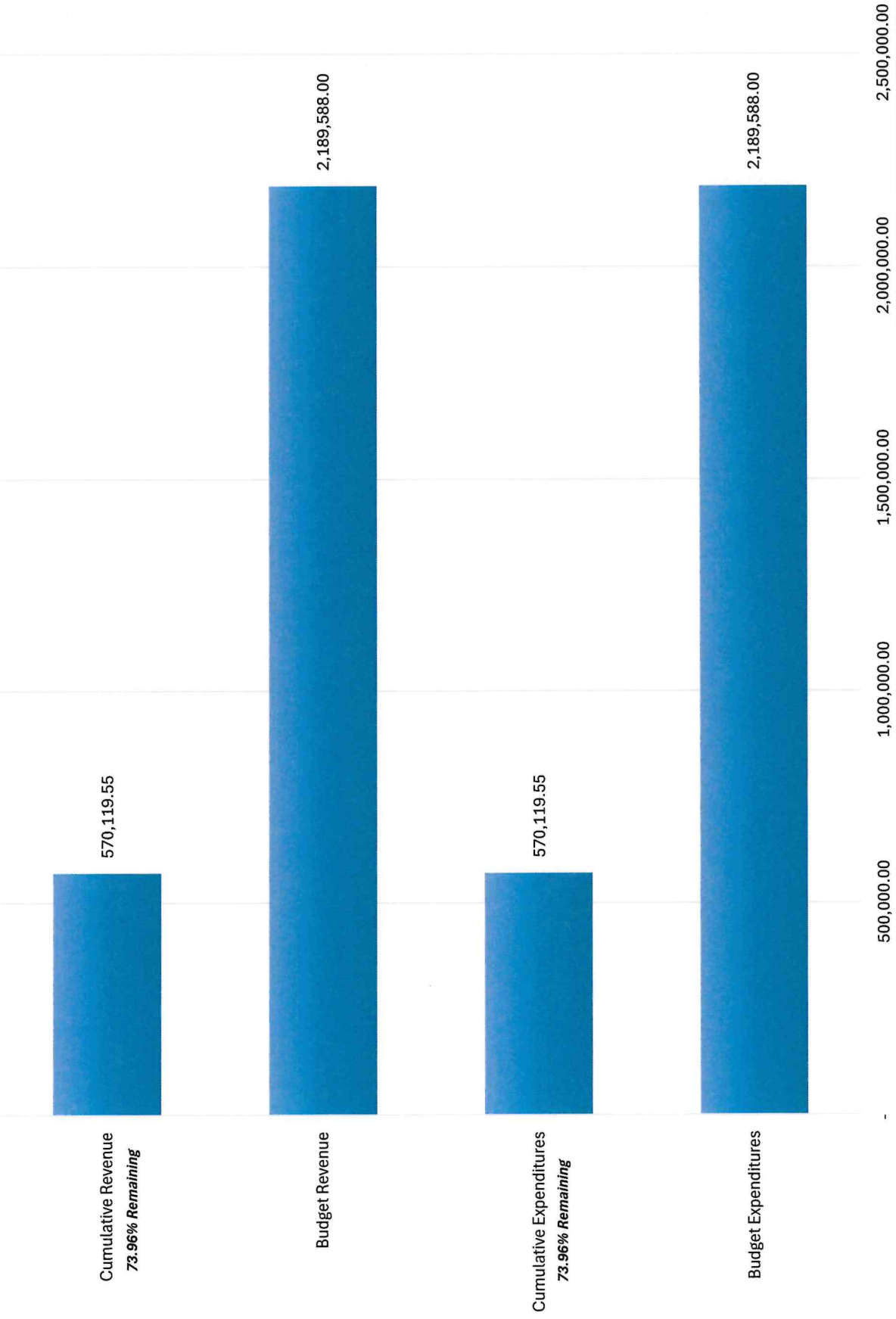
President Vanderschuere adjourned the meeting at 4:00 pm.

These minutes are respectfully submitted for record by Carla Edwards on May 14, 2026.

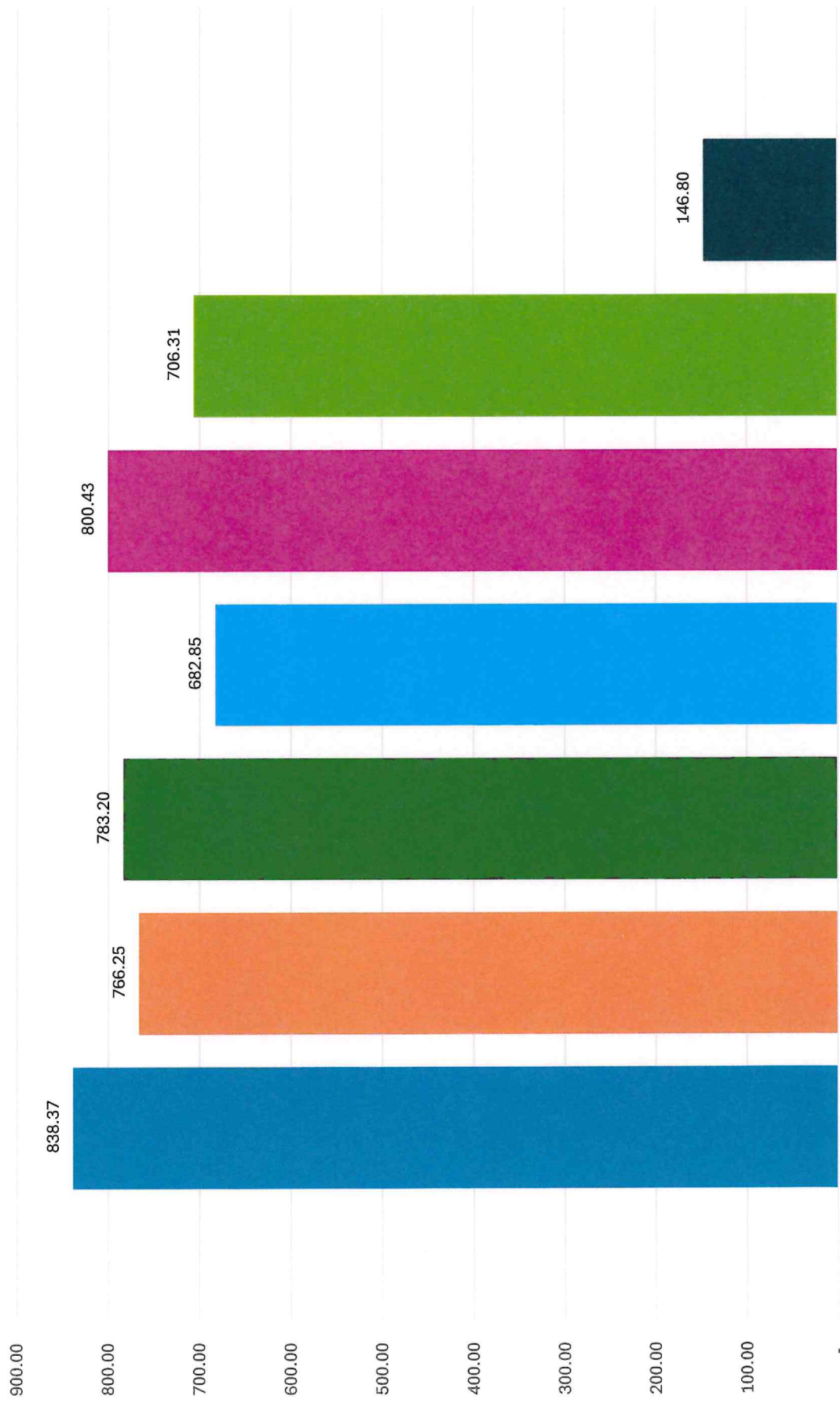
2026 Donala Financial Summary



2026 UMCRWTF Financial Summary



7-Year Water Usage (Acre-Feet)



Total Acre Feet

- 2020
- 2021
- 2022
- 2023
- 2024
- 2025
- 2026 Cum.



	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	215,896.85	786,277.05	(2,802,454.67)
02-00-00-40020	Effluent/Augment	100,000.00	2,825.63	17,212.74	(82,787.26)
02-00-00-40030	Sewer Sales	1,696,805.96	142,957.70	553,840.55	(1,142,965.41)
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	236,689.37	1,270,943.95	(1,647,638.14)
02-00-00-42002	MV/SO Property Tax	175,000.00	22,678.94	82,914.82	(92,085.18)
02-00-00-43000	Capital Project Interest	161,849.09	11,882.26	47,573.71	(114,275.38)
02-00-00-43001	Strategic Planning Interest	50,406.17	3,700.59	14,816.36	(35,589.81)
02-00-00-43002	Operating Reserve Interest	129,336.72	10,343.22	40,959.93	(88,376.79)
02-00-00-43003	Property Tax Interest	200,540.02	13,963.15	48,723.05	(151,816.97)
02-00-00-44000	Water Penalty Account	-	802.61	2,940.66	2,940.66
02-00-00-44001	Sewer Penalty Account	-	335.22	1,320.09	1,320.09
02-00-00-45000	L.T. Investment Revenue	228,837.92	21,632.77	106,465.93	(122,371.99)
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	2,244.88	8,284.48	(26,715.52)
	Revenue Total:	\$ 11,616,534.69	\$ 685,953.19	\$ 3,006,558.32	\$ (8,609,976.37) 74.12%
Expense					
02-00-00-54010	Salary-Office	516,861.00	20,890.33	77,032.67	439,828.33
02-00-00-54400	457 Plan-Donala Expense	33,656.00	1,119.53	4,415.08	29,240.92
02-00-00-54410	Insurance-Health	223,723.47	18,309.59	66,621.38	157,102.09
02-00-00-54500	Salary-Board Members	6,000.00	2,153.00	3,767.75	2,232.25
02-00-00-56650	Debt Reserve	1,250,000.00	-	-	1,250,000.00
02-01-00-54420	Disability, Life Ins.	14,934.89	981.06	3,924.24	11,010.65
02-01-00-54430	Identity Protection	1,500.00	140.00	560.00	940.00
02-01-00-54450	WASTE PLT./Salary,Taxes	735,921.00	-	-	735,921.00
02-01-00-57002	Miscellaneous Expense	5,000.00	743.17	1,938.40	3,061.60
02-01-00-58001	Credit Card Expense	180,000.00	5,226.25	51,744.79	128,255.21
02-01-00-58005	Office Expenses	100,000.00	3,343.71	16,253.55	83,746.45
02-01-00-58010	Large Office Equipment	20,000.00	-	-	20,000.00
02-01-00-58015	Publication Expenses	12,000.00	740.74	8,306.65	3,693.35
02-01-00-58020	Auditing/Accounting Expense	28,700.00	21,900.00	21,900.00	6,800.00
02-01-00-58025	County Treas. Fee-G.F.	50,000.00	3,550.33	19,064.18	30,935.82
02-01-00-58035	Fees, Permits	20,000.00	200.00	14,738.40	5,261.60
02-01-00-58040	Insurance-Bldg.	137,880.00	7.23	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	-	15,524.19	2,475.81
02-01-00-58060	Legal - General	50,000.00	-	16,273.38	33,726.62
02-01-00-58065	Legal - Water	50,000.00	1,769.00	6,974.00	43,026.00
02-01-00-58070	Training Expenses	35,000.00	1,103.04	2,408.53	32,591.47
02-01-00-58075	Contract Services	150,000.00	64,817.20	82,135.12	67,864.88
02-01-00-58080	Communications	30,500.00	3,321.19	10,515.29	19,984.71
02-02-00-52000	Repair & Maintenance- General	200,000.00	44,304.88	172,919.25	27,080.75
02-02-00-52010	Tools & Equipment	10,000.00	-	15.00	9,985.00
02-02-00-52070	Water and Well Engineering	150,000.00	25,970.00	48,065.49	101,934.51

Budget Report

		Original	Period	Fiscal	Variance	
		Total Budget	Activity	Activity	Favorable	Percent
					(Unfavorable)	Remaining
02-02-00-52110	Civil Engineering	120,000.00	30,001.25	46,722.25	73,277.75	
02-02-00-53006	Fuel	14,000.00	1,226.57	2,823.37	11,176.63	
02-02-00-53012	Truck Maintenance	40,000.00	610.74	3,942.69	36,057.31	
02-02-00-54020	Salary-Water Operations	543,425.30	51,056.90	203,185.36	340,239.94	
02-02-00-54220	Payroll-Water Tax	40,756.90	-	-	40,756.90	
02-02-00-54400	457 Plan-Donala Expense	38,039.77	3,119.54	11,734.65	26,305.12	
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	-	-	5,000.00	
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	-	4,974.30	10,025.70	
02-02-00-58075	Contract Services	85,000.00	3,154.23	17,552.21	67,447.79	
02-02-00-60000	Capital Projects - General	1,226,677.00	24,686.88	47,142.88	1,179,534.12	
02-02-00-60003	Loop Group	550,000.00	-	-	550,000.00	
02-02-01-52000	Repair & Maintenance - SCADA	75,000.00	8,526.40	29,922.77	45,077.23	
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	3,230.10	8,469.92	26,530.08	
02-02-41-55030	Natural Gas	1,400.00	75.60	388.43	1,011.57	
02-02-43-52000	Repair & Maintenance	5,000.00	2,500.00	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	132.86	1,320.18	1,679.82	
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	1,004.35	3,495.65	
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	5,003.41	10,053.41	19,946.59	
02-02-45-52010	Tools & Equipment	10,000.00	-	-	10,000.00	
02-02-45-55010	Utilities-Electric	80,000.00	4,187.00	8,686.00	71,314.00	
02-02-45-55030	Natural Gas	750.00	52.88	307.68	442.32	
02-02-47-51000	Acetylene	1,000.00	182.28	264.60	735.40	
02-02-47-51009	Hazardous Materials Charges	850.00	170.50	260.31	589.69	
02-02-47-51015	Caustic Soda	6,000.00	125.00	125.00	5,875.00	
02-02-47-51020	Oxygen	900.00	166.78	243.50	656.50	
02-02-47-51030	Chlorine (Sodium Hypochlorade)	3,500.00	60.00	709.56	2,790.44	
02-02-47-51040	Potassium Permanganate	2,000.00	3,528.50	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	-	3,355.93	11,844.07	
02-02-47-51080	Chem-Other	1,000.00	-	3,554.04	(2,554.04)	
02-02-47-52000	Repair & Maintenance	30,000.00	-	9,900.00	20,100.00	
02-02-47-52010	Tools & Equipment	10,000.00	-	-	10,000.00	
02-02-47-55010	Utilities-Electric	30,000.00	4,067.00	8,952.00	21,048.00	
02-02-47-55030	Natural Gas	2,500.00	99.88	824.56	1,675.44	
02-02-49-52000	Repair & Maintenance	7,500.00	-	-	7,500.00	
02-02-49-55010	Utilities-Electric	2,000.00	226.00	714.00	1,286.00	
02-02-49-55030	Natural Gas	775.00	117.70	762.32	12.68	
02-02-93-58080	Communications	4,600.00	239.37	957.48	3,642.52	
02-03-71-52000	Repair & Maintenance	10,000.00	-	594.27	9,405.73	

Budget Report

		Original	Period	Fiscal	Variance	
		Total Budget	Activity	Activity	Favorable	Percent
					(Unfavorable)	Remaining
02-03-71-55010	Utililities-Electric	4,000.00	383.00	1,205.00	2,795.00	
02-03-73-52000	Repair & Maintenance	10,000.00	-	841.91	9,158.09	
02-03-73-55010	Utililities-Electric	5,000.00	468.14	1,479.66	3,520.34	
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	Utililities-Electric	4,000.00	344.00	1,030.00	2,970.00	
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	Utililities-Electric	-	534.00	1,925.00	(1,925.00)	
02-04-11-55010	Utililities-Electric	65,000.00	-	-	65,000.00	
02-04-11-60000	Capital Projects	-	16,083.07	20,633.07	(20,633.07)	
02-04-13-52000	Repair & Maintenance	10,000.00	-	-	10,000.00	
02-04-13-55010	Utililities-Electric	51,800.00	1,124.00	3,372.00	48,428.00	
02-04-15-52000	Repair & Maintenance	10,000.00	-	-	10,000.00	
02-04-15-55010	Utililities-Electric	35,000.00	4,235.00	13,825.00	21,175.00	
02-04-15-60000	Capital Projects	-	116,853.41	140,227.41	(140,227.41)	
02-04-17-52000	Repair & Maintenance	10,000.00	-	-	10,000.00	
02-04-17-55010	Utililities-Electric	8,000.00	449.00	1,347.00	6,653.00	
02-04-19-52000	Repair & Maintenance	10,000.00	-	2,223.00	7,777.00	
02-04-19-55010	Utililities-Electric	50,000.00	4,050.00	4,748.00	45,252.00	
02-04-19-55030	Natural Gas	550.00	35.66	179.59	370.41	
02-04-19-60000	Capital Projects	-	9,407.00	9,407.00	(9,407.00)	
02-04-23-52000	Repair & Maintenance	10,000.00	-	-	10,000.00	
02-04-23-55010	Utililities-Electric	2,500.00	5,847.00	10,460.00	(7,960.00)	
02-04-25-52000	Repair & Maintenance	10,000.00	-	-	10,000.00	
02-04-25-55010	Utililities-Electric	65,000.00	4,802.88	15,122.90	49,877.10	
02-04-61-52000	Repair & Maintenance	7,500.00	-	-	7,500.00	
02-04-61-55010	Utililities-Electric	-	195.00	586.00	(586.00)	
02-04-61-60000	Capital Projects	-	233,510.00	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	Utililities-Electric	19,000.00	1,512.00	4,481.00	14,519.00	
02-04-83-52000	Repair & Maintenance	6,000.00	-	-	6,000.00	
02-04-83-55030	Natural Gas	1,050.00	36.39	222.13	827.87	
02-04-85-52000	Repair & Maintenance	6,000.00	-	-	6,000.00	
02-04-85-55010	Utililities-Electric	15,500.00	1,796.00	4,539.00	10,961.00	
02-04-85-55030	Natural Gas	400.00	7.74	85.17	314.83	
02-04-91-59900	Colo. Spgs Util Convey, Treat, Delive	1,061,859.00	15,294.47	61,177.88	1,000,681.12	
02-04-91-59901	Pueblo Water Lease Agmt.	160,000.00	-	12,298.74	147,701.26	
Expense Total:		\$ 11,454,282.89	\$ 784,175.38	\$ 2,024,407.52	\$ 9,429,875.37	82.33%

Fund: 03 - Wastewater Fund

Revenue						
03-00-00-47001	FL O & M Payments	162,467.00	7,318.10	42,285.84	(120,181.16)	
03-00-00-48003	PD-DWSD Salary, Taxes	735,921.00	32,494.31	187,717.72	(548,203.28)	
03-50-00-47000	Triview O & M Payments	1,291,200.00	58,417.08	340,115.99	(951,084.01)	
Revenue Total:		\$ 2,189,588.00	\$ 98,229.49	\$ 570,119.55	\$ (1,619,468.45)	73.96%

Expense						
03-50-00-51011	Magnesium Hydroxide	-	-	29,955.20	(29,955.20)	
03-50-00-51060	Lab & Analytical Equip	-	387.83	3,201.38	(3,201.38)	
03-50-00-51070	Lab Tests	207,920.00	1,758.13	10,492.79	197,427.21	
03-50-00-52000	Repair & Maintenance	355,000.00	4,165.81	76,980.41	278,019.59	
03-50-00-52010	Tools & Equipment	50,000.00	-	-	50,000.00	
03-50-00-52020	Biosolids Hauling	130,500.00	10,829.54	38,757.46	91,742.54	
03-50-00-52050	Engineering-WP	10,000.00	-	-	10,000.00	
03-50-00-52060	AFCURE	20,000.00	1,275.00	4,975.00	15,025.00	

Budget Report

		Original	Period	Fiscal	Variance	Percent
	Total Budget	Activity	Activity	(Unfavorable)	Remaining	
03-50-00-53006	Fuel	-	296.34	1,016.90	(1,016.90)	
03-50-00-53012	Truck Maintenance	7,200.00	20.44	2,052.13	5,147.87	
03-50-00-54030	Salary-Regional WWTF	618,400.00	43,488.37	207,460.36	410,939.64	
03-50-00-54230	Payroll-Regional	46,380.00	-	-	46,380.00	
03-50-00-54400	457 Plan-Donala Expense	43,288.00	2,748.21	10,819.52	32,468.48	
03-50-00-54410	Insurance-Health	-	6,741.15	20,816.79	(20,816.79)	
03-50-00-54420	Disability, Life Ins.	-	362.02	1,763.98	(1,763.98)	
03-50-00-54430	Identity Protection	-	30.00	120.00	(120.00)	
03-50-00-55010	Utilities-Electric	346,900.00	20,572.54	61,124.23	285,775.77	
03-50-00-55020	Propane	-	3,106.43	9,802.59	(9,802.59)	
03-50-00-57002	Miscellaneous Expense	2,500.00	-	915.96	1,584.04	
03-50-00-57110	Contingency Exp	50,000.00	-	-	50,000.00	
03-50-00-58005	Office Expenses	9,500.00	232.13	1,164.51	8,335.49	
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	208.63	362.63	9,637.37	
03-50-00-58075	Contract Services	30,200.00	1,045.00	13,811.90	16,388.10	
03-50-00-58080	Communications	15,000.00	961.92	3,505.75	11,494.25	
03-50-00-60500	Capital Projects	20,000.00	-	-	20,000.00	
Expense Total:		\$ 2,189,588.00	\$ 98,229.49	\$ 570,119.55	\$ 1,619,468.45	73.96%



Vendor Name	Payment Number	Post Date	Description (Item)	Account Number	Amount
Fund: 02 - Water Fund					
Municipal Treatment Equipme	12801	04/03/2026	2" Actuated Valve for Back wa	02-02-45-52000	5,003.41
Merrick	12800	04/03/2026	Well 7D Redrill	02-04-11-60000	16,083.07
Merrick	12800	04/03/2026	Distict On-Call	02-02-00-52110	23,168.75
Merrick	12800	04/03/2026	GIS Hosting	02-02-00-52110	1,845.00
Merrick	12800	04/03/2026	District On-call	02-02-00-52110	4,987.50
Treatment Technology	12804	04/03/2026	Potassium Permanganate & Ca	02-02-47-51015	125.00
Treatment Technology	12804	04/03/2026	Potassium Permanganate & Ca	02-02-47-51040	3,528.50
Utility Notification Center Of	12806	04/03/2026	March 811 Calls - ID 24150	02-02-00-58075	374.56
Hayes Poznanovic Korver Llc	12798	04/03/2026	March Legal	02-01-00-58065	1,769.00
Applied Ingenuity PM, LLC	12793	04/03/2026	Well 12A VFD Install	02-04-19-60000	9,407.00
Airgas Usa, Llc	12791	04/03/2026	Cylinder rental Acetylene & Ox	02-02-47-51000	91.14
Airgas Usa, Llc	12791	04/03/2026	Cylinder rental Acetylene & Ox	02-02-47-51009	89.31
Airgas Usa, Llc	12791	04/03/2026	Cylinder rental Acetylene & Ox	02-02-47-51020	84.94
Answer-Rite Telecommunicatic	12792	04/03/2026	April Answering Service	02-01-00-58075	115.00
Usic Locating Services Llc	12805	04/03/2026	March locate services	02-02-00-58075	2,779.67
Badger Meter, Inc.	12794	04/03/2026	Beacon Mobile Service License	02-01-00-58075	4,195.62
Frontier It	12797	04/03/2026	April Monthly Billing	02-01-00-58075	2,044.02
Mountain View Electric Assn.	DFT0001308	04/03/2026	400 R.Hull thru 03/01/26	02-02-45-55010	4,187.00
Mountain View Electric Assn.	DFT0001308	04/03/2026	1700 Holbein trhu 03/01/26	02-02-47-55010	4,067.00
Mountain View Electric Assn.	DFT0001308	04/03/2026	6507 Pauma Valley thru 02/28	02-02-49-55010	226.00
Mountain View Electric Assn.	DFT0001308	04/03/2026	1100 FR Lift thru 03/01/26	02-03-71-55010	383.00
Mountain View Electric Assn.	DFT0001308	04/03/2026	1501 Northgate thru 03/01/26	02-03-73-55010	443.64
Mountain View Electric Assn.	DFT0001308	04/03/2026	200 Well 2 thru 03/01/26	02-04-01-55010	344.00
Mountain View Electric Assn.	DFT0001308	04/03/2026	500 Jessie thru 03/01/26	02-04-07-55010	534.00
Mountain View Electric Assn.	DFT0001308	04/03/2026	1800 Well 8A thru 03/01/26	02-04-13-55010	1,124.00
Mountain View Electric Assn.	DFT0001308	04/03/2026	100 Well 9A thru 03/01/26	02-04-15-55010	4,235.00
Mountain View Electric Assn.	DFT0001308	04/03/2026	1400 Well 11 thru 03/01/26	02-04-17-55010	449.00
Mountain View Electric Assn.	DFT0001308	04/03/2026	1200 Well 12 thru 03/01/26	02-04-19-55010	4,050.00
Mountain View Electric Assn.	DFT0001308	04/03/2026	5300 Well 14 thru 03/01/26	02-04-23-55010	5,847.00
Mountain View Electric Assn.	DFT0001308	04/03/2026	0300 Well 16A thru 03/01/26	02-04-25-55010	4,802.88
Mountain View Electric Assn.	DFT0001308	04/03/2026	3101 Baptist thru 03/01/26	02-04-61-55010	195.00
Mountain View Electric Assn.	DFT0001308	04/03/2026	1000 Baptist Booster thru 02/2	02-04-81-55010	1,512.00
Mountain View Electric Assn.	DFT0001308	04/03/2026	300 Latrobe thru 03/01/26	02-04-85-55010	1,796.00
Black Hills Energy	12795	04/03/2026	Gas@ Latrobe Ct thru 03/19/2	02-04-85-55030	7.74
The Gazette	12803	04/03/2026	General Manager Posting	02-01-00-58015	740.74
Standard Insurance Co.-Life In	12802	04/03/2026	April Disability Premiums	02-01-00-54420	981.06
Colorado Springs Utilities	12796	04/03/2026	Electric@ Northgate thru 03/2	02-03-73-55010	24.50
Colorado Springs Utilities	12796	04/03/2026	Gas@ Maintenance thru 03/27	02-02-43-55030	132.86
Colorado Springs Utilities	12796	04/03/2026	Gas@ R.Hull thru 03/27/26	02-02-45-55030	52.88
Hoelting & Company, Inc.	12799	04/03/2026	Interim billing for 2025 Audit	02-01-00-58020	21,900.00
Viking Industrial Painting	12807	04/07/2026	Water Storage Tank Coating In	02-04-61-60000	233,510.00
Comcast Business	12820	04/14/2026	April fiber line	02-01-00-58080	829.07
Cebt	DFT0001317	04/14/2026	May health insurance premium	02-00-00-54410	18,309.59
Tyler Technologies Inc	12825	04/14/2026	Credit card transaction fees	02-01-00-58001	5,226.25
Wex Bank	12827	04/14/2026	March fuel expenses	02-02-00-53006	737.58
Aura Sub LLC	12816	04/14/2026	Identity protection	02-01-00-54430	140.00
Raftelis	12824	04/14/2026	Rates Consulting	02-01-00-58005	390.00
Uchealth Medical Group	12826	04/14/2026	5 Panel Rapid Test x 2 - New Er	02-01-00-58005	90.00
Pilot Travel Centers LLC	DFT0001319	04/14/2026	April fuel expenses	02-02-00-53006	48.25
Pilot Travel Centers LLC	DFT0001318	04/14/2026	April fuel expenses	02-02-00-53006	61.50
Cdphe	12818	04/14/2026	TENORM Registration Fees	02-01-00-58035	200.00
Frontier It	12822	04/14/2026	Security Cameras Various Sites	02-02-00-60000	2,710.86
Frontier It	12822	04/14/2026	Security Cameras Various Sites	02-02-00-60000	2,565.58

Board Expense Report

Payable Dates: 4/1/2026 - 4/30/2026

Vendor Name	Payment Number	Post Date	Description (Item)	Account Number	Amount
Frontier It	12822	04/14/2026	Security Cameras Various Sites	02-02-00-60000	2,772.44
Colorado Springs Utilities	DFT0001316	04/14/2026	Water Regional System Availat	02-04-91-59900	15,294.47
Comcast	12819	04/14/2026	Internet@ R.Hull thru 05/03/2	02-01-00-58080	145.23
Bill Hancock	12817	04/14/2026	Inclusion Deposit Refund	02-01-00-57002	743.17
PVS DX, INC	12823	04/14/2026	Chlorine	02-02-45-51030	70.00
PVS DX, INC	12823	04/14/2026	Chlorine	02-02-47-51030	60.00
Core & Main Lp	12821	04/14/2026	Struthers waterline lowering	02-02-00-52000	32,701.32
Lincoln Life	DFT0001309	04/15/2026	Employee 457 Contribution	02-00-00-24003	40.79
Lincoln Life	DFT0001309	04/15/2026	Employee 457 Contribution	02-02-00-24003	547.70
Lincoln Life	DFT0001310	04/15/2026	Employee 457 Contribution	02-00-00-24003	160.25
Lincoln Life	DFT0001310	04/15/2026	Employee 457 Contribution	02-02-00-24003	515.11
Lincoln Life	DFT0001311	04/15/2026	457 Contributions	02-00-00-24003	487.64
Lincoln Life	DFT0001311	04/15/2026	457 Contributions	02-02-00-24003	1,536.19
Colorado Department of Reven	DFT0001315	04/15/2026	State Income Tax Withholding	02-00-00-24001	411.50
Colorado Department of Reven	DFT0001315	04/15/2026	State Income Tax Withholding	02-02-00-24001	937.00
Internal Revenue Service	DFT0001312	04/15/2026	Social Security	02-00-00-24000	1,383.40
Internal Revenue Service	DFT0001312	04/15/2026	Social Security	02-02-00-24000	2,970.74
Internal Revenue Service	DFT0001313	04/15/2026	Medicare	02-00-00-24000	323.52
Internal Revenue Service	DFT0001313	04/15/2026	Medicare	02-02-00-24000	694.76
Internal Revenue Service	DFT0001314	04/15/2026	Federal Income Tax Withholdir	02-00-00-24002	1,399.52
Internal Revenue Service	DFT0001314	04/15/2026	Federal Income Tax Withholdir	02-02-00-24002	2,888.10
Comcast Business	12833	04/23/2026	Office phone bill April and May	02-01-00-58080	1,496.79
Radiation Pros Llc	12837	04/23/2026	Dosimetry swap & dose report	02-02-41-52030	3,230.10
Cyberbasement	12834	04/23/2026	Domain Renewal - donalawate	02-01-00-58075	21.00
Wilson & Company Inc.	12844	04/23/2026	Struthers Road Waterline Relo	02-02-43-52000	2,500.00
Timber Line Electric & Control	12839	04/23/2026	Well programming, Server issu	02-02-01-52000	7,180.90
Timber Line Electric & Control	12839	04/23/2026	Created 12A flow base prograr	02-02-01-52000	1,345.50
Layne Christensen Company	12835	04/23/2026	Well 9A Chemical Rehab	02-04-15-60000	100,650.00
Spheros Environmental	12838	04/23/2026	Groundwater Service & ASR O	02-02-00-52070	6,195.00
Spheros Environmental	12838	04/23/2026	Surface Water On-call	02-02-00-52070	2,153.75
Spheros Environmental	12838	04/23/2026	Accounting & Dashboard Supp	02-02-00-52070	3,793.75
Spheros Environmental	12838	04/23/2026	Exchange Feasibilty Analyses a	02-02-00-52070	13,827.50
Spheros Environmental	12838	04/23/2026	GW 9A Condition Assessment	02-04-15-60000	16,203.41
Axis	12829	04/23/2026	Base & usage charge Kyocera c	02-01-00-58005	102.30
Axis	12829	04/23/2026	Base & usage charge Kyocera c	02-01-00-58075	25.25
Airgas Usa, Llc	12828	04/23/2026	Cylinder Rental Acetylene & O	02-02-47-51000	91.14
Airgas Usa, Llc	12828	04/23/2026	Cylinder Rental Acetylene & O	02-02-47-51009	81.19
Airgas Usa, Llc	12828	04/23/2026	Cylinder Rental Acetylene & O	02-02-47-51020	81.84
Verizon Wireless	12842	04/23/2026	Willow Creek Data Plan	02-02-93-58080	239.37
Weisburg Landscape Maintena	12843	04/23/2026	April Landscaping	02-02-00-52000	2,145.00
Tri-Lakes Printing	12840	04/23/2026	April Billing	02-01-00-58005	1,451.37
Tyler Technologies Inc	12841	04/23/2026	Annual Software Subscription	102-01-00-58075	56,760.25
Black Hills Energy	12830	04/23/2026	Gas@ Homeland Ct thru 04/09	02-02-41-55030	75.60
Black Hills Energy	12830	04/23/2026	Gas@ Holbein thru 04/09/26	02-02-47-55030	99.88
Black Hills Energy	12830	04/23/2026	Gas@ Pauma Valley thru 04/09	02-02-49-55030	117.70
Black Hills Energy	12830	04/23/2026	Gas@ Red Fox Ln thru 04/09/2	02-04-19-55030	35.66
Black Hills Energy	12830	04/23/2026	Gas@ Jessie Dr thru 04/09/26	02-04-83-55030	36.39
Comcast	12832	04/23/2026	Internet@ Maintenance thru 0	02-01-00-58080	145.23
Pikes Peak Newspapers	12836	04/23/2026	Tribune Subscription	02-01-00-58005	30.00
Comcast	12832	04/23/2026	Internet@ Holbein thru 05/14/	02-01-00-58080	438.86
Christina Hawker	12831	04/23/2026	Reimbursement for Advanced	02-01-00-58070	214.53
JPMorgan Chase Bank NA	DFT0001328	04/27/2026	Chase CC	02-01-00-58005	1,280.04
JPMorgan Chase Bank NA	DFT0001328	04/27/2026	Chase CC	02-01-00-58040	7.23
JPMorgan Chase Bank NA	DFT0001328	04/27/2026	Chase CC	02-01-00-58070	888.51
JPMorgan Chase Bank NA	DFT0001328	04/27/2026	Chase CC	02-01-00-58075	1,656.06
JPMorgan Chase Bank NA	DFT0001328	04/27/2026	Chase CC	02-01-00-58080	266.01
JPMorgan Chase Bank NA	DFT0001328	04/27/2026	Chase CC	02-02-00-52000	9,458.56
JPMorgan Chase Bank NA	DFT0001328	04/27/2026	Chase CC	02-02-00-53006	379.24
JPMorgan Chase Bank NA	DFT0001328	04/27/2026	Chase CC	02-02-00-53012	610.74
JPMorgan Chase Bank NA	DFT0001328	04/27/2026	Chase CC	02-02-00-60000	16,638.00

Board Expense Report

Payable Dates: 4/1/2026 - 4/30/2026

Vendor Name	Payment Number	Post Date	Description (Item)	Account Number	Amount
Lincoln Life	DFT0001320	04/30/2026	Employee 457 Contribution	02-00-00-24003	40.79
Lincoln Life	DFT0001320	04/30/2026	Employee 457 Contribution	02-02-00-24003	547.70
Lincoln Life	DFT0001321	04/30/2026	Employee 457 Contribution	02-00-00-24003	226.82
Lincoln Life	DFT0001321	04/30/2026	Employee 457 Contribution	02-02-00-24003	554.42
Lincoln Life	DFT0001322	04/30/2026	457 Contributions	02-00-00-24003	631.89
Lincoln Life	DFT0001322	04/30/2026	457 Contributions	02-02-00-24003	1,583.35
Colorado Department of Reven	DFT0001326	04/30/2026	State Income Tax Withholding	02-00-00-24001	394.99
Colorado Department of Reven	DFT0001326	04/30/2026	State Income Tax Withholding	02-02-00-24001	914.00
Internal Revenue Service	DFT0001323	04/30/2026	Social Security	02-00-00-24000	1,270.98
Internal Revenue Service	DFT0001323	04/30/2026	Social Security	02-02-00-24000	2,910.42
Internal Revenue Service	DFT0001324	04/30/2026	Medicare	02-00-00-24000	297.24
Internal Revenue Service	DFT0001324	04/30/2026	Medicare	02-02-00-24000	680.68
Internal Revenue Service	DFT0001325	04/30/2026	Federal Income Tax Withholdir	02-00-00-24002	1,353.66
Internal Revenue Service	DFT0001325	04/30/2026	Federal Income Tax Withholdir	02-02-00-24002	2,857.88
				Fund 02 - Water Fund Total:	\$ 730,846.79

Board Expense Report

Payable Dates: 4/1/2026 - 4/30/2026

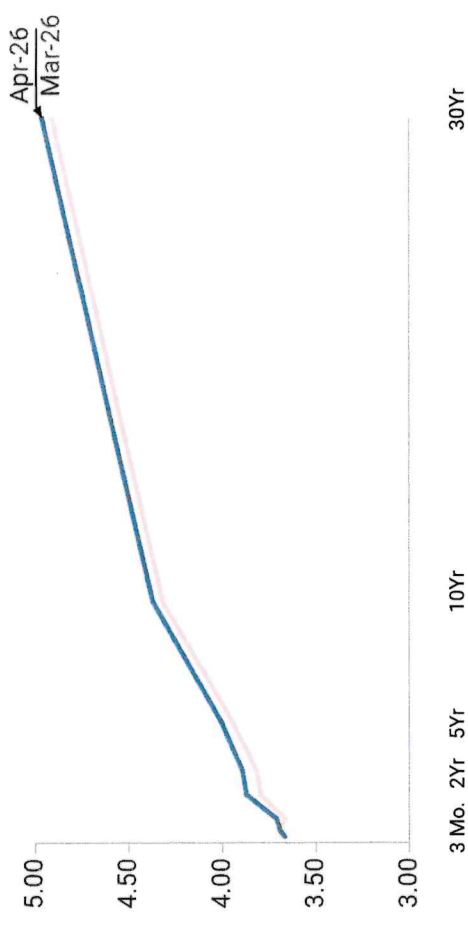
Vendor Name	Payment Number	Post Date	Description (Item)	Account Number	Amount
Fund: 03 - Wastewater Fund					
Denali Water Solutions Llc	12357	04/03/2026	Sludge hauls week ending 03/27/26	03-50-00-52020	2,746.89
Pueblo Bearing Service	12360	04/03/2026	Small bore seals	03-50-00-52000	294.00
Evoqua Water Technologies, Llc	12358	04/03/2026	PM Contract - Parts & Labor	03-50-00-52000	1,202.01
Frontier It	12359	04/03/2026	April Monthly Billing	03-50-00-58075	1,045.00
Mountain View Electric Assn.	DFT0001307	04/03/2026	5102 Old Building thru 03/01/26	03-50-00-55010	4,910.00
Mountain View Electric Assn.	DFT0001307	04/03/2026	0900 W.W. Metering thru 03/01/26	03-50-00-55010	72.00
Mountain View Electric Assn.	DFT0001307	04/03/2026	6200 New Building thru 03/01/26	03-50-00-55010	15,555.00
Standard Insurance Co.-Life In	12361	04/03/2026	April Disability Premiums	03-50-00-54420	362.02
Waste Management	12369	04/14/2026	Special waste disposal	03-50-00-52020	412.60
Waste Management	12369	04/14/2026	March screenings hauls	03-50-00-52020	4,374.01
Cebt	DFT0001317	04/14/2026	May health insurance premium	03-50-00-54410	6,741.15
Usa Blue Book	12368	04/14/2026	15' Sampler 3 Sections	03-50-00-51060	387.83
Pueblo Bearing Service	12367	04/14/2026	Small bore seals x 4	03-50-00-52000	138.22
Denali Water Solutions Llc	12364	04/14/2026	Sludge hauls 03/31/26	03-50-00-52020	1,086.76
Law Firm Of Connie H. King, Llc	12366	04/14/2026	Professional services March	03-50-00-52060	1,275.00
Aura Sub LLC	12362	04/14/2026	Identity protection	03-50-00-54430	30.00
Pilot Travel Centers LLC	DFT0001319	04/14/2026	April fuel expenses	03-50-00-53006	113.74
Pilot Travel Centers LLC	DFT0001318	04/14/2026	April fuel expenses	03-50-00-53006	61.15
Forest Lakes Metropolitan Dist	12365	04/14/2026	March potable water	03-50-00-55010	35.54
Clerk of the Combined Court	12363	04/14/2026	Mandatory employee deduction	03-50-00-24007	150.00
Lincoln Life	DFT0001309	04/15/2026	Employee 457 Contribution	03-50-00-24003	13.59
Lincoln Life	DFT0001310	04/15/2026	Employee 457 Contribution	03-50-00-24003	712.23
Lincoln Life	DFT0001311	04/15/2026	457 Contributions	03-50-00-24003	1,325.30
Colorado Department of Revenue	DFT0001315	04/15/2026	State Income Tax Withholding	03-50-00-24001	779.50
Internal Revenue Service	DFT0001312	04/15/2026	Social Security	03-50-00-24000	2,458.82
Internal Revenue Service	DFT0001313	04/15/2026	Medicare	03-50-00-24000	575.02
Internal Revenue Service	DFT0001314	04/15/2026	Federal Income Tax Withholding	03-50-00-24002	2,413.39
Usa Blue Book	12378	04/23/2026	Lab testing supplies	03-50-00-51070	134.71
Denali Water Solutions Llc	12373	04/23/2026	Sludge hauls week ending 04/10/26	03-50-00-52020	1,123.33
Denali Water Solutions Llc	12373	04/23/2026	Sludge hauls week ending 04/10/26	03-50-00-52020	1,085.95
E-470 Public Highway Authority	12374	04/23/2026	Tolls for driving to CRWA conference	03-50-00-58070	54.63
Co Analytical Labs, Inc.	12372	04/23/2026	Water tests dated 04/08/26	03-50-00-51070	251.00
Co Analytical Labs, Inc.	12372	04/23/2026	Water tests dated 04/15/26	03-50-00-51070	1,198.00
Timber Line Electric & Control	12376	04/23/2026	Updates spreadsheets for historic	03-50-00-52000	1,071.75
Pilot Travel Centers LLC	DFT0001327	04/23/2026	April fuel expenses	03-50-00-53006	65.11
Clerk of the Combined Court	12371	04/23/2026	Mandatory employee deduction	03-50-00-24007	150.00
Century Link	12370	04/23/2026	Internet@ Waste Plant	03-50-00-58080	281.02
T-Mobile	12377	04/23/2026	Employee cell phones & tablet	03-50-00-58080	520.90
Rampart Plumbing & Supply	12375	04/23/2026	48" pipe wrench	03-50-00-52000	440.59
JPMorgan Chase Bank NA	DFT0001328	04/27/2026	Chase CC	03-50-00-51070	174.42
JPMorgan Chase Bank NA	DFT0001328	04/27/2026	Chase CC	03-50-00-52000	1,019.24
JPMorgan Chase Bank NA	DFT0001328	04/27/2026	Chase CC	03-50-00-53006	56.34
JPMorgan Chase Bank NA	DFT0001328	04/27/2026	Chase CC	03-50-00-53012	20.44
JPMorgan Chase Bank NA	DFT0001328	04/27/2026	Chase CC	03-50-00-55020	3,106.43
JPMorgan Chase Bank NA	DFT0001328	04/27/2026	Chase CC	03-50-00-58005	232.13
JPMorgan Chase Bank NA	DFT0001328	04/27/2026	Chase CC	03-50-00-58070	154.00
JPMorgan Chase Bank NA	DFT0001328	04/27/2026	Chase CC	03-50-00-58080	160.00
Lincoln Life	DFT0001320	04/30/2026	Employee 457 Contribution	03-50-00-24003	13.59
Lincoln Life	DFT0001321	04/30/2026	Employee 457 Contribution	03-50-00-24003	888.34
Lincoln Life	DFT0001322	04/30/2026	457 Contributions	03-50-00-24003	1,422.91
Colorado Department of Revenue	DFT0001326	04/30/2026	State Income Tax Withholding	03-50-00-24001	804.01
Internal Revenue Service	DFT0001323	04/30/2026	Social Security	03-50-00-24000	2,550.48
Internal Revenue Service	DFT0001324	04/30/2026	Medicare	03-50-00-24000	596.48
Internal Revenue Service	DFT0001325	04/30/2026	Federal Income Tax Withholding	03-50-00-24002	2,407.67
Fund 03 - Wastewater Fund Total:					\$ 69,254.24

Donala Water & Sanitation District

Comparison to Prior Analysis

Portfolio Metrics	Apr-26	Mar-26	Difference
Book Value	6,038,687	6,039,888	-1,201
Book Yield	3.68	3.69	-0.01
AFS %	100.0%	100.0%	0.0%
Market Value	6,026,444	6,027,910	-1,466
Gain Loss \$	-12,243	-11,979	-265
Gain Loss %	-0.2%	-0.2%	0.0%
Average Life	0.9	1.0	-0.1
Effective Duration	0.91	0.97	-0.05
Effective Convexity	0.01	0.02	0.00
Px Vol +300bps	-2.70	-2.85	0.15
Next 12 mo Cash Flow (%)	63.0%	62.6%	0.4%
Fixed %	100.0%	100.0%	0.0%
Adjustable/Floating %	0.0%	0.0%	0.0%

Treasury Curve



Sector Allocation

Par Value	Apr-26	Mar-26	Difference	Sector % Diff
Treasury	6,031,500	6,033,500	-2,000	0.0%

Key Rates	Apr-26	Mar-26	Difference
Overnight SOFR	3.66	3.68	-0.02
FFT	3.75	3.75	0.00
Prime	6.75	6.75	0.00
3 Month	3.67	3.68	-0.01
2 Year	3.87	3.80	0.08
5 Year	4.01	3.94	0.06
10 Year	4.37	4.32	0.05
3mo vs 10yr	0.71	0.64	0.06
2yr vs 5yr	0.13	0.15	-0.01
2yr vs 10yr	0.50	0.52	-0.02

DONALA WATER AND SANITATION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED DECEMBER 31, 2025

As management of Donala Water and Sanitation District (the District) we offer readers of the District’s annual financial report this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025. Readers are encouraged to consider the information presented here in conjunction with the annual financial report.

FINANCIAL HIGHLIGHTS

- The District’s total assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$52,175,313 (*net position*). Of this amount, \$17,588,193 represents unrestricted net position, which may be used to meet the District’s ongoing obligations.
- The District’s total net position increased during the year by \$2,513,211.
- Capital assets net of depreciation increased by \$1,598,484 from the prior year.
- The District’s total outstanding long-term debt decreased by \$596,961 during the current year due to the payment of loans based on debt service schedules.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serve as an introduction to the District’s basic financial statements. The District’s basic financial statements consist of the following components: (1) Statement of Net Position, (2) Statement of Revenue, Expenses and Changes in Net Position, (3) Statement of Cash Flows, and (4) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements.

Statement of Net Position - This statement reports all financial and capital resources (assets) and obligations (liabilities). The difference between assets, liabilities, and deferred inflows is the net position. The statement also provides the basis for evaluating the capital structure and assessing liquidity and financial flexibility.

Statement of Revenue, Expenses, and Changes in Net Position - All revenue and expenses are accounted for in this statement. This statement measures the results from operations and can be used to determine whether the District’s rates, fees, and other charges are adequate to recover expenses.

Statement of Cash Flows – This statement reports all cash receipts and payments, summarized by net changes in cash from operating, non-capital financing, capital and related financing, and investing activities.

OVERALL FINANCIAL ANALYSIS

Net position may, over time, serve as a useful indicator of the District's financial position. For the year ended December 31, 2025, the District's assets exceeded liabilities and deferred inflows by \$52,175,313, resulting in a positive net position. The following reflects key financial information in a condensed format:

Condensed Statements of Net Position

	<u>2025</u>	<u>2024</u>	<u>Variance</u>
Assets			
Capital assets, net	\$42,341,670	\$ 40,789,461	\$ (1,552,209)
Other assets	<u>\$22,432,893</u>	<u>21,996,976</u>	<u>\$ (435,917)</u>
Total assets	<u>\$64,774,563</u>	<u>62,786,437</u>	<u>(1,988,126)</u>
Deferred Outflows of Resources			
Deferred charge on refunding	<u>\$ 55,501</u>	<u>60,546</u>	<u>5,045</u>
Liabilities			
Long-term	\$ 9,600,100	10,190,622	590,522
Other liabilities	<u>\$ 932,900</u>	<u>880,189</u>	<u>(52,711)</u>
Total liabilities	<u>\$10,533,000</u>	<u>11,070,811</u>	<u>537,811</u>
Deferred Inflows of Resources			
Unavailable property tax revenue	<u>\$ 2,918,856</u>	<u>2,651,881</u>	<u>(266,975)</u>
Total deferred inflows of Resources	<u>\$ 2,651,881</u>	<u>2,651,881</u>	<u>(266,975)</u>
Net position			
Net investment in capital assets	\$33,001,247	30,887,240	(2,114,007)
Restricted	\$ 1,585,873	1,572,873	(13,000)
Unrestricted	<u>\$17,588,193</u>	<u>17,201,989</u>	<u>(386,204)</u>
Total net position	<u>\$52,175,313</u>	<u>\$ 49,662,102</u>	<u>\$ (2,513,211)</u>

Unrestricted net position of the District at the end of the year was \$17,588,193, an increase of \$2,513,211 from the prior year. This increase resulted primarily from a well redrill, tank rehabilitation, and maintenance.

Condensed Statements of Revenue, Expenses, and Changes in Net Position

	<u>2025</u>	<u>2024</u>	<u>Variance</u>
Revenues			
Operating revenues	\$ 6,824,771	\$ 6,421,774	\$ 402,997
Tax	2,908,809	3,030,405	(121,596)
Other	434,401	794,657	(360,256)
Total revenues	<u>10,167,981</u>	<u>10,246,836</u>	<u>(78,855)</u>
Expenses			
Water and sanitation operations	\$ 5,627,593	\$ 5,431,775	\$ 195,818
General and administrative	2,172,577	1,641,672	530,905
Other	44,677	273,308	(228,631)
Total expenses	<u>7,844,847</u>	<u>7,346,755</u>	<u>498,092</u>
Income before contributions	2,323,134	2,900,081	(576,947)
Capital contributions	<u>190,077</u>	<u>17,410</u>	<u>172,667</u>
Change in net position	2,513,211	2,917,491	(404,280)
Net position, beginning	<u>49,662,102</u>	<u>46,744,611</u>	<u>2,917,491</u>
Net position, ending	<u>\$ 52,175,313</u>	<u>\$ 49,662,102</u>	<u>\$ 2,513,211</u>

Condensed Statements of Cash Flows

	<u>2025</u>	<u>2024</u>	<u>Variance</u>
Net cash provided (used) by:			
Operating activities	\$ 376,941	\$ 1,167,153	\$ (790,212)
Non-capital financing activities	2,908,932	3,027,530	(118,598)
Capital and related financing activities	(4,009,439)	(2,169,826)	(1,839,613)
Investing activities	707,513	775,680	(68,167)
Increase (decrease) in cash and cash equivalents	(16,053)	2,800,537	(2,816,590)
Cash and cash equivalents, beginning	<u>12,727,657</u>	<u>9,927,120</u>	<u>2,800,537</u>
Cash and cash equivalents, ending	<u>\$ 12,711,604</u>	<u>\$ 12,727,657</u>	<u>\$ (16,053)</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets as of December 31, 2025, amounts to \$42,341,670. This investment in capital assets includes land, water rights, water and sanitation plants, equipment, and vehicles.

	<u>2025</u>	<u>2024</u>	<u>Variance</u>
Land and water rights	\$ 9,308,063	\$ 9,308,063	\$ -
Construction in progress	641,268	642,859	(1,591)
Water plant	36,389,567	33,787,357	2,602,210
Sanitation plant	16,661,151	16,557,102	104,049
Equipment, vehicles, and maintenance building	3,122,570	3,109,261	13,309
Less: Accumulated depreciaton	<u>(23,780,949)</u>	<u>(22,661,456)</u>	<u>(1,119,493)</u>
Total capital assets, net	<u>\$ 42,341,670</u>	<u>\$ 40,743,186</u>	<u>\$ 1,598,484</u>

Major capital asset additions during the year 2025 include:

Drilling of new well 16A, tank rehabilitation, and variable frequency drive (VFD) replacements

Long-Term Liabilities

Long-term liabilities on December 31, 2025, were \$9,580,595 and consisted of the following:

	<u>2025</u>	<u>2024</u>	<u>Variance</u>
CWRPDA Loan, 2006A	\$ 637,787	\$ 926,415	\$ (288,628)
2020 Bond	8,758,197	8,990,077	(231,880)
Compensated absences	184,611	212,515	(27,904)
SNITA Leases	-	48,549	(48,549)
Total	<u>\$ 9,580,595</u>	<u>\$ 10,177,556</u>	<u>\$ (596,961)</u>

ECONOMIC FACTORS AND OUTLOOK

Large Expenses in 2025 will include tank rehabilitation, redrilling of well 16A, replacing VFDs, and other large equipment needed to maintain the wells and plants. We will also continue to pursue the Loop and Aquifer Storage and Recovery (ASR) projects to meet future water needs.

In 2010, the constituents of the Donala Water and Sanitation District elected to allow Donala to collect an additional five mills indefinitely to help defray the costs of additional water-related products. This option was exercised in 2014 and will continue to be exercised.

REQUESTS FOR INFORMATION

This financial report is designed to provide our customers, investors, creditors, and other financial users with a general overview of the District's finances. If you have questions about this report or need additional financial information, contact our General Manager, Christina Hawker, at 719-488-3603.

**DONALA WATER AND SANITATION
DISTRICT**

FINANCIAL STATEMENTS
With Independent Auditors' Report

Year Ended December 31, 2025 and 2024

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**DONALA WATER AND SANITATION DISTRICT
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DECEMBER 31, 2025 AND 2024**

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Hoelting & Company, Inc.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To Management and the Board of Directors
Donala Water and Sanitation District

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Donala Water and Sanitation District, which comprise the statements of net position as of December 31, 2025 and 2024, and the related statements of revenue, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Donala Water and Sanitation District, as of December 31, 2025 and 2024, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Donala Water and Sanitation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Donala Water and Sanitation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a

guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Donala Water and Sanitation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Donala Water and Sanitation District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived

from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Colorado Springs, Colorado
May 13, 2026

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BASIC FINANCIAL STATEMENTS

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DONALA WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2025 AND 2024

ASSETS	<u>2025</u>	<u>2024</u>
Current assets:		
Cash and cash equivalents	\$ 12,711,604	\$ 12,727,657
Investments	6,055,002	6,036,980
Investment interest receivable	366	14,489
Cash with County Treasurer	20,254	20,377
Accounts receivable, users	337,394	371,423
Property taxes receivable	2,918,855	2,651,881
Inventory	206,614	174,169
Prepaid expenses	182,804	-
Total current assets	<u>22,432,893</u>	<u>21,996,976</u>
Noncurrent assets:		
Capital assets, net of depreciation and amortization	<u>42,341,670</u>	<u>40,789,461</u>
Total noncurrent assets	<u>42,341,670</u>	<u>40,789,461</u>
Total assets	<u>64,774,563</u>	<u>62,786,437</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	<u>55,501</u>	<u>60,546</u>
LIABILITIES		
Current liabilities:		
Accounts payable	83,098	282,358
Accrued interest expense	72,262	73,086
Compensated absences	41,597	31,963
Current portion, loans payable	303,632	281,944
Current portion, bonds payable	220,000	215,000
Current portion, lease payable	-	48,549
Total current liabilities	<u>720,589</u>	<u>932,900</u>
Noncurrent liabilities:		
Loans payable, less current portion	334,095	644,471
Bonds payable, less current portion	8,538,197	8,775,077
Compensated absences	<u>143,014</u>	<u>180,552</u>
Total noncurrent liabilities	<u>9,015,306</u>	<u>9,600,100</u>
Total liabilities	<u>\$ 9,735,895</u>	<u>\$ 10,533,000</u>

The accompanying notes are an integral part of these financial statements.

**DONALA WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2025 AND 2024**

DEFERRED INFLOWS OF RESOURCES

	2025	2024
Unavailable property tax revenue	\$ 2,918,856	\$ 2,651,881
Total deferred inflows of resources	2,918,856	2,651,881

NET POSITION

Net investment in capital assets	33,001,247	30,887,240
Restricted	1,585,873	1,572,873
Unrestricted	17,588,193	17,201,989
Total net position	\$ 52,175,313	\$ 49,662,102

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The accompanying notes are an integral part of these financial statements.

DONALA WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Operating revenues:		
Charges for services:		
Water sales	\$ 3,547,298	\$ 3,866,751
Sewer assessments	2,792,289	2,481,407
Installation fees	7,725	-
Water and sewer penalties	15,983	18,162
Other	461,476	55,454
	6,824,771	6,421,774
Operating expenses:		
Water and sanitation operations	5,627,593	5,431,775
General and administrative expenses	2,172,577	1,641,672
	7,800,170	7,073,447
Total operating expenses	7,800,170	7,073,447
Operating income (loss)	(975,399)	(651,673)
Non-operating revenues (expenses):		
General property tax	2,654,625	2,781,327
Specific ownership tax	254,184	249,078
Interest income	711,411	773,453
Availability of service	4,411	2,625
Gain (loss) on disposal of capital assets	(90,840)	(6,025)
Amortization of loan premium	18,579	18,579
Bond expense	(39,255)	(39,255)
Interest expense	(214,582)	(228,028)
	3,298,533	3,551,754
Total nonoperating revenues (expenses)	3,298,533	3,551,754
Income before capital contributions	2,323,134	2,900,081
Capital contributions	190,077	17,410
Change in net position	2,513,211	2,917,491
Net position, beginning	49,662,102	46,744,611
Net position, ending	\$ 52,175,313	\$ 49,662,102

The accompanying notes are an integral part of these financial statements.

**DONALA WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 6,851,075	\$ 6,524,685
Cash payments to suppliers for goods and services	(4,790,633)	(3,885,663)
Cash payments to employees	(1,695,637)	(1,474,494)
Cash received from installation fees	7,725	-
Cash received from availability of service fees	4,411	2,625
Net cash provided (used) by operating activities	376,941	1,167,153
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from general and specific ownership tax revenues	2,908,932	3,027,530
Net cash provided (used) by non-capital financing activities	2,908,932	3,027,530
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Tap fees and water development fees	190,077	17,410
Payment of long-term debt	(545,493)	(532,760)
Interest paid on capital debt	(215,406)	(228,763)
Acquisition and construction of capital assets	(3,399,362)	(1,386,458)
Bond expense	(39,255)	(39,255)
Net cash provided (used) by capital and related financing activities	(4,009,439)	(2,169,826)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(2,846,848)	(2,854,415)
Maturities of investments	2,875,000	2,883,000
Interest received	679,361	747,095
Net cash provided (used) by investing activities	707,513	775,680
Net increase (decrease) in cash and cash equivalents	(16,053)	2,800,537
Cash and cash equivalents at beginning of year	12,727,657	9,927,120
Cash and cash equivalents at end of year	\$ 12,711,604	\$ 12,727,657

The accompanying notes are an integral part of these financial statements.

**DONALA WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025	2024
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (975,399)	\$ (651,673)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Availability of service fees	4,411	2,625
Depreciation and amortization	1,702,807	1,556,858
Changes in assets and liabilities:		
<i>(Increase) decrease in:</i>		
Accounts receivable	34,029	102,911
Prepaid expenses	(182,804)	-
Inventory	(32,445)	15,882
<i>Increase (decrease) in:</i>		
Accounts payable	(145,754)	102,911
Compensated absences	(27,904)	37,639
Total Adjustments	1,352,340	1,818,826
Net cash provided (used) by operating activities	\$ 376,941	\$ 1,167,153
Non-cash investing, capital and financing activities:		
Increase (decrease) in fair market value of investments	\$ 46,564	\$ 53,142

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

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DONALA WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Donala Water and Sanitation District (the District) was organized in 1972 as a local governmental unit (a “Special District”) under the laws of the State of Colorado in order to provide water and sewer services to residents within its boundaries.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies of the District are described below.

A. REPORTING ENTITY

The District is a special district governed by an elected five-member board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The District has no component units for which either discrete or blended presentation is required.

B. BASIS OF PRESENTATION—FINANCIAL STATEMENTS

The basic financial statements (i.e., the statement of net position and the statement of revenues, expenses and changes in net position) report information on all of the non-fiduciary activities of the District.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The District accounts for all of its activities in a single proprietary – enterprise fund for its activities which are similar to those found in the private sector, where the determination of changes in net position is necessary or useful to sound financial administration. The business type activities of the District rely significantly upon service charges.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The District’s financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

**DONALA WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in bank accounts, certificates of deposits with original maturities of 90 days or less and amounts held in ColoTrust, including restricted cash and cash equivalents.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Local government investment pools in Colorado must be organized under Colorado Revised Statutes, which allows certain types of governments within the state to pool their funds for investment purposes. Investments in such pools are valued at the pool's share price, the price at which the investment could be sold.

Accounts receivable, users

The accounts receivable are due from a large number of customers for the purchase of water and for sanitation assessments. An allowance for doubtful accounts is not required as the District can place a lien on property for unpaid water sales.

Inventory

Inventory consists of materials and supplies and is stated at the lower of cost or market using the first-in, first-out (FIFO) method.

Restricted Cash and Investments

The use of certain cash and investments of the District is restricted. These cash and investment items are classified as restricted assets on the statement of net position because they are maintained in separate accounts and their use is limited by debt and loan agreements.

Loan Premiums

Loan premiums are amortized, on a straight-line method, over the life of each loan.

**DONALA WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Major outlays for capital assets and improvements are capitalized as projects are constructed. The capitalization threshold is \$5,000.

Collection mains and other improvements installed upon formation of the District at the expense of developers and subdividers are not recorded in the balance sheet and depreciation thereon has not been charged against revenues as records are not available to establish valuation for such property.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and are depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation of buildings, equipment and vehicles is computed using the straight-line method over the estimated useful lives of the depreciable property. The estimated useful lives are as follows:

<i>Water Plant:</i>	
Water wells and system	7 - 40 years
Water mains	40 years
Water pump station	40 years
Water storage	5 - 40 years
Water plant	5 - 40 years
 <i>Sanitation Plant:</i>	
Sanitation mains	40 years
Treatment facilities	15 - 40 years
 <i>Equipment and Vehicles:</i>	
Office equipment	3 - 7 years
Other equipment	3 - 7 years
Vehicles	5 years
Maintenance Building	5 - 40 years

The cost of water rights includes acquisition costs, legal and engineering costs related to the development and augmentation of those rights. Since the rights have a perpetual life, they are not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

**DONALA WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Leases

Lessee: The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease assets in the financial statements. The District recognizes lease liabilities with an initial, individual value of \$50,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Net position flow assumption

The District may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted—net position and unrestricted—net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted—net position to have been depleted before unrestricted—net position is applied.

**DONALA WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. REVENUES AND EXPENSES

Property taxes

Property taxes attach as an enforceable lien on real property and are levied as of January 1. The tax levy is payable in two installments due February 28 and June 15, or in one installment due April 30. The El Paso County Treasurer bills and collects the District's property tax. District property tax revenues are recognized when levied. The tax rate for the year ended December 31, 2025 and 2024 was 21.296 and 21.296 mills, respectively. The District's assessed valuation for 2025 and 2024 was \$136,820,780 and \$124,316,190, respectively.

Compensated Absences

The District recognizes a liability for compensated absences in accordance with the provisions of GASB Statement No. 101, *Compensated Absences*. Under this standard, a liability is reported for leave that is attributable to services already rendered, is to be used for time off, and is more likely than not to be used for time off or otherwise paid.

Paid time off (PTO) that meets these criteria is accrued when earned. The amount reported as a liability is based on the pay rates in effect at the end of the reporting period and includes applicable salary-related payments.

Operating and non-operating revenues and expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the fund are water and sanitation assessments, late and reconnect charges, and inspection fees. Operating expenses include all expenses incurred to provide water and sanitation services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

F. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. COMPARATIVE DATA AND RECLASSIFICATIONS

Comparative total data for the prior year have been presented in the financial statements in order to provide an understanding of the changes in the financial position and operations. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**DONALA WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET INFORMATION

Budgets are adopted on a comprehensive basis of accounting other than generally accepted accounting principles. The primary differences are that bond and note proceeds are treated as a budget source and capital expenditures and bond and note principal payments are treated as a budget use. Depreciation expense is not considered a budget expense. An annual appropriated budget is adopted for the proprietary fund. All annual appropriations lapse at fiscal year-end.

Expenditures may not legally exceed budgeted appropriations.

The budgeted revenues and expenses represent the original budget adopted or as amended by the Board.

The District follows these procedures in establishing the budgetary data reflected in the Financial Statements.

1. In the fall, the manager submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the District to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted by the Board.
4. The manager is authorized to transfer budgeted amounts between line items of the District; however, any revisions that alter the total expenditures of the District must be approved by the Board of Directors.
5. In December, the Board certifies the mill levy to El Paso County.
6. During the year, formal budgetary integration is employed as a management control device.

NOTE 3 - DEPOSITS AND INVESTMENTS

Cash deposits with financial institutions

Custodial credit risk—deposits. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

As of December 31, 2025 and 2024, the carrying amounts of the District's deposits were \$566,855 and \$1,167,879, respectively and the bank balances were \$894,944 and \$1,215,815, respectively. Of the total bank balances, \$250,000 was covered by FDIC insurance at each year ended December 31, 2025 and 2024. The remaining balances of \$644,944 and \$965,815 fall under the provisions of the Colorado Public Deposit Protection Acts which are collateralized in single institution pools.

**DONALA WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

The District is authorized by Colorado State Statutes to invest in the following:

- ◆ Bonds and other interest-bearing obligations of the United States government.
- ◆ Bonds and other interest-bearing obligations which are guaranteed by the United States government.
- ◆ Bonds which are a direct obligation of the State of Colorado, or of any city, county or school district therein.
- ◆ Notes or bonds issued to the “National Housing Act”.
- ◆ Repurchase agreements.
- ◆ Local government investment pools.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District’s investment policy limits its investment portfolio to investment maturities not to exceed five years from the date of purchase.

Credit Risk. The District’s investment policy limits investments as described above. As of December 31, 2025, the District’s investments in U.S. Treasuries and Agencies were rated AAA by Standard & Poor’s. All other investments were rated AAA.

As of December 31, 2025 the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>Less Than 90 Days</u>	<u>90 Days to 1 Year</u>	<u>1 to 2 Years</u>	<u>2 to 5 Years</u>
ColoTrust	\$ 12,144,749	\$ 12,144,749	\$ -	\$ -	\$ -
U.S. Treasuries & Agencies	<u>6,055,002</u>	<u>449,378</u>	<u>767,825</u>	<u>4,837,799</u>	<u>-</u>
Total	<u>\$ 18,199,751</u>	<u>\$ 12,594,127</u>	<u>\$ 767,825</u>	<u>\$ 4,837,799</u>	<u>\$ -</u>

As of December 31, 2024 the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>Less Than 90 Days</u>	<u>90 Days to 1 Year</u>	<u>1 to 2 Years</u>	<u>2 to 5 Years</u>
ColoTrust	\$ 11,559,778	\$ 11,559,778	\$ -	\$ -	\$ -
U.S. Treasuries & Agencies	<u>6,036,980</u>	<u>-</u>	<u>2,854,077</u>	<u>1,213,625</u>	<u>1,969,278</u>
Total	<u>\$ 17,596,758</u>	<u>\$ 11,559,778</u>	<u>\$ 2,854,077</u>	<u>\$ 1,213,625</u>	<u>\$ 1,969,278</u>

**DONALA WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

ColoTrust is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. This investment vehicle operates similarly to money market funds and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pool shares.

The designated custodial bank provides safekeeping and depository services to ColoTrust in connection with the direct investment and withdrawal function of ColoTrust. Substantially all securities owned by ColoTrust are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by ColoTrust. Investments of ColoTrust consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes. However, the District does not categorize investments with ColoTrust because they are not evidenced by securities that exist in physical or book entry form.

Reconciliation of Deposits and Investments to the Statements of Net Position

	2025	2024
Cash and cash equivalents:		
Deposits	\$ 566,855	\$ 1,167,879
ColoTrust	12,144,749	11,559,778
	\$ 12,711,604	\$ 12,727,657
Investments:		
U.S. Treasuries & Agencies	\$ 6,055,002	\$ 6,036,980

Restricted cash and investments

Property taxes levied for debt service and availability of service fees are deposited into separate accounts. As of December 31, 2025 and 2024, \$15,873 and \$15,873 of cash and investments were restricted for debt service payment and availability of service.

Tabor reserves were \$320,000 and \$307,000 for years ended December 31, 2025 and 2024, respectively.

As of December 31, 2025 and 2024, \$1,250,000 was restricted as an operating and maintenance reserve as required by debt covenants.

Restricted cash is included in cash and cash equivalents.

**DONALA WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 4 - FAIR VALUE MEASUREMENT

The District records assets and liabilities in accordance with GASB 72, which establishes general principles for measuring fair value, provides additional fair value application guidance and enhances disclosures about fair value measurements.

GASB 72 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability. Such assumptions include observable and unobservable inputs of market data, as well as assumptions about risk and the risk inherent in the inputs to the valuation technique. As a basis for considering market participant assumptions in fair value measurements, GASB 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels.

- Level 1 inputs reflect prices quoted in active markets.
- Level 2 inputs reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 inputs reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Investments classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Investments classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor.

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Investments - unrestricted				
U.S. Treasury Notes	\$ -	\$ 6,055,002	\$ -	\$ 6,005,002
Agency Notes	-	-	-	-
Total Investments - unrestricted	\$ -	\$ 6,005,002	\$ -	\$ 6,055,002

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Investments - unrestricted				
U.S. Treasury Notes	\$ -	\$ 3,332,105	\$ -	\$ 3,332,105
Agency Notes	-	2,704,875	-	2,704,875
Total Investments - unrestricted	\$ -	\$ 6,036,980	\$ -	\$ 6,036,980

**DONALA WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Capital assets not being depreciated:				
Land and water rights	\$ 9,308,063	\$ -	\$ -	\$ 9,308,063
Construction in progress	642,859	3,005,293	(3,006,884)	641,268
Total capital assets not being depreciated	<u>9,950,922</u>	<u>3,005,293</u>	<u>(3,006,884)</u>	<u>9,949,331</u>
Capital assets being depreciated:				
Water Plant:				
Water wells and system	22,368,675	2,901,644	(287,134)	24,983,185
Water mains	2,577,856	55,419	-	2,633,275
Water pump station	664,218	-	-	664,218
Water storage	1,663,230	19,719	(62,530)	1,620,419
Residual mgmt facility	2,408,157	-	-	2,408,157
Water plants	4,105,221	55,675	(80,583)	4,080,313
Total Water Plant	<u>33,787,357</u>	<u>3,032,457</u>	<u>(430,247)</u>	<u>36,389,567</u>
Sanitation Plant:				
Sanitation mains	4,288,978	-	(3,095)	4,285,883
Treatment facilities	12,268,124	214,005	(106,861)	12,375,268
Total Sanitation Plant	<u>16,557,102</u>	<u>214,005</u>	<u>(109,956)</u>	<u>16,661,151</u>
Equipment, Vehicles and Maintenance				
Other equipment	2,312,682	-	(87,676)	2,225,006
Vehicles	437,593	100,985	-	538,578
Maintenance building	358,986	-	-	358,986
Total Equipment and Vehicles	<u>3,109,261</u>	<u>100,985</u>	<u>(87,676)</u>	<u>3,122,570</u>
Total capital assets being depreciated	<u>53,453,720</u>	<u>3,347,447</u>	<u>(627,879)</u>	<u>56,173,288</u>
Less accumulated depreciation	<u>(22,661,456)</u>	<u>(1,656,532)</u>	<u>537,039</u>	<u>(23,780,949)</u>
Total capital assets being depreciated, net	<u>30,792,264</u>	<u>1,690,915</u>	<u>(90,840)</u>	<u>32,392,339</u>
SBITAs assets being amortized				
Software	138,823	-	(138,823)	-
Less accumulated amortization for:				
Software	(92,548)	(46,275)	138,823	-
Total SBITA assets being amortized, net	<u>46,275</u>	<u>(46,275)</u>	<u>-</u>	<u>-</u>
Capital assets, net of accumulated depreciation/amortization	<u>30,838,539</u>	<u>1,644,640</u>	<u>(90,840)</u>	<u>32,392,339</u>
Total governmental activities capital assets	<u>\$ 40,789,461</u>	<u>\$ 4,649,933</u>	<u>\$ (3,097,724)</u>	<u>\$ 42,341,670</u>

**DONALA WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 6 - DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with IRC §457. The plan, available to all government employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The District contributes 2% of the employees' salary upon enrollment with a matching 7% if the participant defers at least 3% of their salary. The District's contributions during 2025 and 2024 were \$106,247 and \$72,015.

NOTE 7 - LONG-TERM LIABILITIES

Compensated Absences Payable

Compensated absences consisted of the following:

	<u>2025</u>	<u>2024</u>
Paid time off	\$ 184,611	\$ 212,515

Colorado Water Resources and Power Development Authority Loans

On May 1, 2006, the District entered into a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA) in the amount of \$4,906,910. Loan proceeds were used to finance an upgrade and expansion of the existing wastewater treatment facility. This loan is payable semiannually in varying amounts from \$117,456 to \$175,142 including interest at 3.64%. This loan is to be repaid from and secured by a pledge of the net water and sanitation revenues of the District.

The annual requirements to amortize loans are as follows:

Year	Principal	Interest	
2026	\$ 303,632	\$ -	
2027	330,742	-	
Total	\$ 634,374	\$ -	

**DONALA WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Revenue Refunding Bonds

\$9,475,000 of Revenue Refunding Bonds Series 2020 were issued on October 27, 2020 for the purpose of refunding the District's 2007 and 2011 CWRPDA loans and the loan with Gray Family Management Trust. Principal payments are due annually through September 1, 2040. Interest payments are due semi-annually on March 1 and September 1 and accrue at an annual interest rate between 0.65% and 3.00%.

The annual requirements to amortize bonds are as follows:

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2026	\$ 220,000	\$ 216,786
2027	215,000	213,596
2028	540,000	210,156
2029	550,000	200,166
2030	560,000	189,441
2031 – 2035	2,990,000	753,109
2036 – 2040	3,430,000	315,000
Total	<u>\$ 8,505,000</u>	<u>\$ 2,098,254</u>

Changes in Long-term Liabilities

	Beginning Balance	Debt Issued And Additions	Reductions	Ending Balance	Due Within One year
Loans payable:					
CWRPDA Loan, 2006A					
Principal	\$ 916,318	\$ -	\$ (281,944)	\$ 634,374	\$ 303,632
Issuance premium	10,097	-	(6,744)	3,353	-
Total loans payable	<u>926,415</u>	<u>-</u>	<u>(288,688)</u>	<u>637,727</u>	<u>303,632</u>
Bonds payable:					
2020 Bond					
Principal	8,720,000	-	(215,000)	8,505,000	220,000
Issuance premium	270,077	-	(16,880)	253,197	-
Total loans payable	<u>8,990,077</u>	<u>-</u>	<u>(231,880)</u>	<u>8,758,197</u>	<u>220,000</u>
Compensated Absences	212,515	-	(27,904)	184,611	41,597
SBITA leases	48,549	-	(48,549)	-	-
Total long-term liabilities	<u>\$ 10,177,556</u>	<u>\$ -</u>	<u>\$ (597,021)</u>	<u>\$ 9,580,535</u>	<u>\$ 565,229</u>

**DONALA WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 8 - NET POSITION

Net position is reported in three separate categories—net investment in capital assets; net position-restricted; and net position-unrestricted.

Net investment in capital assets consists of capital assets net of accumulated depreciation and capital-related deferred outflows of resources; reduced by borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2025 and 2024, net investment in capital assets was as follows:

	2025	2024
Net investment in capital assets:		
Capital assets, net of depreciation	\$ 42,341,670	\$ 40,743,186
Long-term liabilities:		
Due within one year	(523,632)	(496,944)
Due in more than one year	(8,872,292)	(9,419,548)
Deferred on refunding	55,501	60,546
Total net investment in capital assets	\$ 33,001,247	\$ 30,887,240

Net position-restricted is the difference between non-capital assets whose use is restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation, and related liabilities and deferred inflows of resources (excluding capital-related borrowings). As of December 31, 2025 and 2024, net position-restricted was as follows:

	2025	2024
Net position-restricted:		
Debt service reserve	\$ 15,873	\$ 15,873
Operating and Maintenance reserve	1,250,000	1,250,000
Tabor – emergency reserve	320,000	307,000
Total net position-restricted	\$ 1,585,873	\$ 1,572,873

Any portion of net position not already classified as either net investment in capital assets or net position-restricted, is automatically classified as net position-unrestricted.

**DONALA WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 9 – INTERGOVERNMENTAL AGREEMENTS

Intergovernmental agreement with Forest Lakes Metropolitan District and Triview Metropolitan District

The District entered into an agreement dated November 11, 1999, subsequently amended on October 25, 2001, with Forest Lakes Metropolitan District and Triview Metropolitan District to define ownership rights in the wastewater treatment plant. Under the amended agreement Triview and Forest Lakes transferred part ownership to the District.

In 2009 the Districts completed an expansion of the plant to 1.75 MGD. Under the terms of the above agreements, the three Districts reallocated ownership. The current ownership is 44.0% owned by Triview, 17.1% by Forest Lakes, and 38.9% by Donala. The plant is currently being operated by Donala and all parties are responsible for their respective share of operations and maintenance costs, based on the relative share of actual flows.

In addition, in accordance with the November 11, 1999 agreement, an ownership interest in a 24" interceptor was transferred to the Forest Lakes. As a result of the transfer, the interceptor is owned 50% by Triview, 25% by Forest Lakes, and 25% by the District.

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for these risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage during any of the last three fiscal years.

NOTE 11 - AMENDMENT TO COLORADO CONSTITUTION

Colorado voters passed an amendment to the *State Constitution*, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments.

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

On May 2, 2006, the voters of the District approved that taxes may be increased \$810,000 annually in 2007 and by whatever additional amounts are raised annually thereafter by continuing to collect but not increasing the tax rate of 12.810 mills levied by the District for payment of debt service, which was authorized by District voters in 1993 for general obligation bonds which were defeased in 2006. The voters also approved that the proceeds of these taxes and the District's operational mill levy, any investment income therefrom, and all other District revenue be collected and spent without limitation or condition, as a voter-approved revenue change under Article X, Section 20 of the Colorado Constitution and as a voter approved mill levy under Colorado Revised Statutes section 29-1-302(2) (B).

**DONALA WATER AND SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 11 - AMENDMENT TO COLORADO CONSTITUTION (CONTINUED)

On May 4, 2010, the voters of the District approved that taxes may be increased \$412,000 annually in collection year 2011 and by whatever additional amounts are raised annually thereafter by the imposition of an additional mill levy of not more than 5 mills; and that the proceeds of such taxes may be collected and spent without limitation or condition pursuant to Colorado Revised Statutes section 29-1-302(2) (B).

The Amendment is complex and subject to judicial interpretation. The entity believes it is in compliance with the requirements of the amendment. However, the entity has made certain interpretations of the amendment's language in order to determine its compliance.

DRAFT

SUPPLEMENTARY INFORMATION

DRAFT

DONALA WATER AND SANITATION DISTRICT
SCHEDULE OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Water and sanitation operations:		
Repair and maintenance	\$ 502,395	\$ 659,815
Utilities	651,536	680,856
Solid waste removal	120,129	178,248
Chemicals and lab	271,406	288,416
Truck and backhoe	16,304	15,803
Professional engineer	660,760	478,149
Salaries	1,079,353	1,037,838
Payroll taxes	84,199	76,717
Pension expense	106,247	72,015
Depreciation and amortization	1,656,532	1,510,584
Tools and equipment	719	3,130
Legal	40,610	40,000
Water purchases	423,303	375,304
AFCURE	14,100	14,900
	<hr/>	<hr/>
Total Water and Sanitation Operating Expenses	5,627,593	5,431,775
	<hr/>	<hr/>
General and administrative expenses:		
Accounting and audit expense	27,650	26,600
County treasurer fees	39,275	42,477
Depreciation and amortization	46,275	46,274
Director fees	5,800	6,100
Fees and permits	40,863	43,810
Insurance	545,794	476,152
Legal	122,427	54,728
Other	83,982	9,925
Office expense	356,596	207,246
Salaries	366,911	297,496
Benefits	1,978	2,072
Payroll taxes	25,222	21,967
Publication expense	12,099	1,055
Telephone	47,518	40,923
Training	51,442	63,626
Contract service	182,719	103,912
Repairs and maintenance	216,026	197,309
	<hr/>	<hr/>
Total General and Administrative Expenses	\$ 2,172,577	\$ 1,641,672
	<hr/> <hr/>	<hr/> <hr/>

See the accompanying independent auditors' report.

DONALA WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2025

	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES			
Beginning fund balance	\$ 18,777,136	\$ 14,063,554	\$ 4,713,582
Water sales	3,547,298	4,172,103	(624,805)
Sewer assessments	2,792,289	2,698,270	94,019
Inspection fees	7,725	-	7,725
Water and sewer penalties	15,983	-	15,983
Other	461,476	325,000	136,476
General property tax	2,654,625	2,651,881	2,744
Specific ownership tax	254,184	175,000	79,184
Interest income	711,411	535,000	176,411
Availability of service	4,411	2,625	1,786
Capital contributions	190,077	-	190,077
TOTAL REVENUES	29,416,615	24,623,433	4,793,182
EXPENDITURES			
Water and sanitation operations:			
Repair and maintenance	502,395	649,500	147,105
Residuals management	-	72,500	72,500
Utilities	651,536	441,540	(209,996)
Solid waste removal	120,129	120,000	(129)
Chemicals and lab	271,406	267,645	(3,761)
Truck and backhoe	16,304	14,000	(2,304)
Professional engineer	660,760	280,000	(380,760)
Salaries	1,079,353	1,825,067	745,714
Payroll taxes	84,199	67,103	(17,096)
Pension expense	106,247	102,934	(3,313)
Tools and equipment	719	35,000	34,281
Legal Fees	40,610	50,000	9,390
Water purchases	423,303	1,221,859	798,556
AFCURE	14,100	25,000	10,900
Total water and sanitation operations	\$ 3,971,061	\$ 5,172,148	\$ 1,201,087

See the accompanying independent auditors' report.

DONALA WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2025

	Actual	Budget	Variance Favorable (Unfavorable)
EXPENDITURES (continued)			
General and administrative expenses:			
Accounting and audit expense	\$ 27,650	\$ 27,400	\$ (250)
County treasurer fees	39,275	55,000	15,725
Director fees	5,800	6,000	200
Fees and permits	40,863	42,000	1,137
Insurance	545,794	543,166	(2,628)
Legal	122,427	50,000	(72,427)
Other	83,982	12,500	(71,482)
Office expense	356,596	90,300	(266,296)
Salaries	366,911	466,190	99,279
Benefits	1,978	2,400	422
Payroll taxes	25,222	-	(25,222)
Publication expense	12,099	12,600	501
Telephone	47,518	41,700	(5,818)
Training	51,442	65,000	13,558
Contract service	182,719	195,750	13,031
Repairs and maintenance	216,026	200,000	(16,026)
Total general and administrative expenses	2,126,302	1,810,006	(316,296)
Capital expenditures	3,345,856	4,280,144	934,288
Principal payment on long-term debt	545,493	749,801	204,308
Bond expense	39,255	-	(39,255)
Interest expense	214,582	228,648	14,066
Contingency	-	100,000	100,000
TOTAL EXPENDITURES	\$ 10,242,549	\$ 12,340,747	\$ 2,098,198

See the accompanying independent auditors' report.

DONALA WATER AND SANITATION DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN NET POSITION
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED DECEMBER 31, 2025

	Actual	Budget	Variance Favorable (Unfavorable)
EXCESS OF REVENUE OVER EXPENDITURES	\$ 19,174,066	\$ 12,282,686	\$ 6,891,380
Less:			
Depreciation and amortization	(1,702,807)		
Beginning fund balance	(18,777,136)		
Loss on sale of assets	(90,840)		
Add:			
Amortization of loan premium	18,579		
Capital expenditures	3,345,856		
Principal payment on bonds	545,493		
CHANGE IN NET POSITION	\$ 2,513,211		
Ending fund balance is calculated as follows:			
Current assets	\$ 22,432,893		
Current liabilities	(720,589)		
Current portion, long-term debt	523,632		
Compensated absences	(143,014)		
Deferred inflows	(2,918,856)		
	\$ 19,174,066		

See the accompanying independent auditors' report.

**DONALA WATER AND SANITATION DISTRICT
DEBT SERVICE COVERAGE AND RESERVE REQUIREMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Revenues	
Water sales	\$ 3,547,298
Sewer assessments	2,792,289
Water and sewer penalties	15,983
Other	461,476
Tax revenue	2,908,809
Interest income	711,411
Availability of service	4,411
Capital contributions	<u>190,077</u>
TOTAL REVENUES	<u><u>10,639,479</u></u>
Operating Expenses	7,800,170
Less: depreciation and amortization	<u>(1,702,807)</u>
NET OPERATING EXPENSES	<u>6,097,363</u>
NET REVENUES (PLEGGED PROPERTY)	<u><u>\$ 4,542,116</u></u>
2025 Debt service on obligations secured by Pledged Property:	
Loans (principal and interest)	\$ 294,837
Loans (administration fees)	39,255
Bonds (principal and interest)	<u>436,786</u>
Total Debt Service	<u>770,878</u>
Net Revenues	<u>\$ 4,542,116</u>
DEBT SERVICE COVERAGE FACTOR	<u><u>589.21%</u></u>
OPERATION & MAINTENANCE RESERVE:	
Operating expenses (net of depreciation)	\$ 6,097,363
3 month reserve	<u>25%</u>
Calculated three month reserves	\$ 1,524,341
Required reserves - lesser of three months or \$1,250,000	\$ 1,250,000
Actual Reserve (See Note 8)	<u>\$ 1,250,000</u>

See the accompanying independent auditors' report.

RESOLUTION 2026-3
THE DONALA WATER AND SANITATION DISTRICT
APPOINTING CHRISTINA HAWKER AND JOHN KUOSMAN TO SERVE AS
BOARD MEMBERS OF
THE LOOP WATER AUTHORITY AND
APPOINTING CADE PENNINGTON TO SERVE AS ALTERNATE BOARD MEMBER

WHEREAS, the Donala Water and Sanitation District (the "District") is a member of The Loop Water Authority (the "Authority"), established pursuant to Section 18(2)(a) of Article XIV of the Colorado Constitution and C.R.S. §§ 29-1-203 and 204.2; and

WHEREAS, each Member of the Authority is entitled to appoint a representative to serve on the Board of Directors of the Authority and may also appoint one or more alternate Board members as deemed necessary.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District ("District Board") as follows:

1. The District hereby appoints Christina Hawker and John Kuosman as its delegates and representative members to the Board of Directors of the Authority.
2. The Board hereby appoints Cade Pennington as its alternate delegate and representative member to the Board of Directors of the Authority.
3. The District Board authorizes the individuals named in Paragraph 1 of this Resolution as its delegates on the Board of Directors of the Authority. If one of the individuals named in Paragraph 1 is absent, the District Board authorizes the individual named in Paragraph 2 of this Resolution to represent the District on the Board of Directors of the Authority as one of its delegates.

PASSED, APPROVED, AND ADOPTED this 21st day of May 2026, by the District Board of the Donala Water and Sanitation District.

By _____
Wayne Vanderschuere, President

Attest:

Kevin Deardorff, Secretary



DONALA WORKSHOP CHECKLIST

- Correct NMCI vs U.M.C.R.W.T.F. for further analysis – April 16, 2025

- Correct the Loop payment schedule to reflect the tiered payment schedule – April 16, 2025

- Reach out to public relations contacts and present options to the Board. **May Board Meeting**

- Formalize the amount the district wants to increase the debt limit - \$75 million? **May Board Meeting**

- Board adopts Election Resolution and appoints Designated Election Official for debt limit increase

- Certify May 2027 ballot content

- Discuss open house/ town hall dates and schedule a day **May Board Meeting**

- Have Raftelis access declining water sales/revenue and how that will impact rates

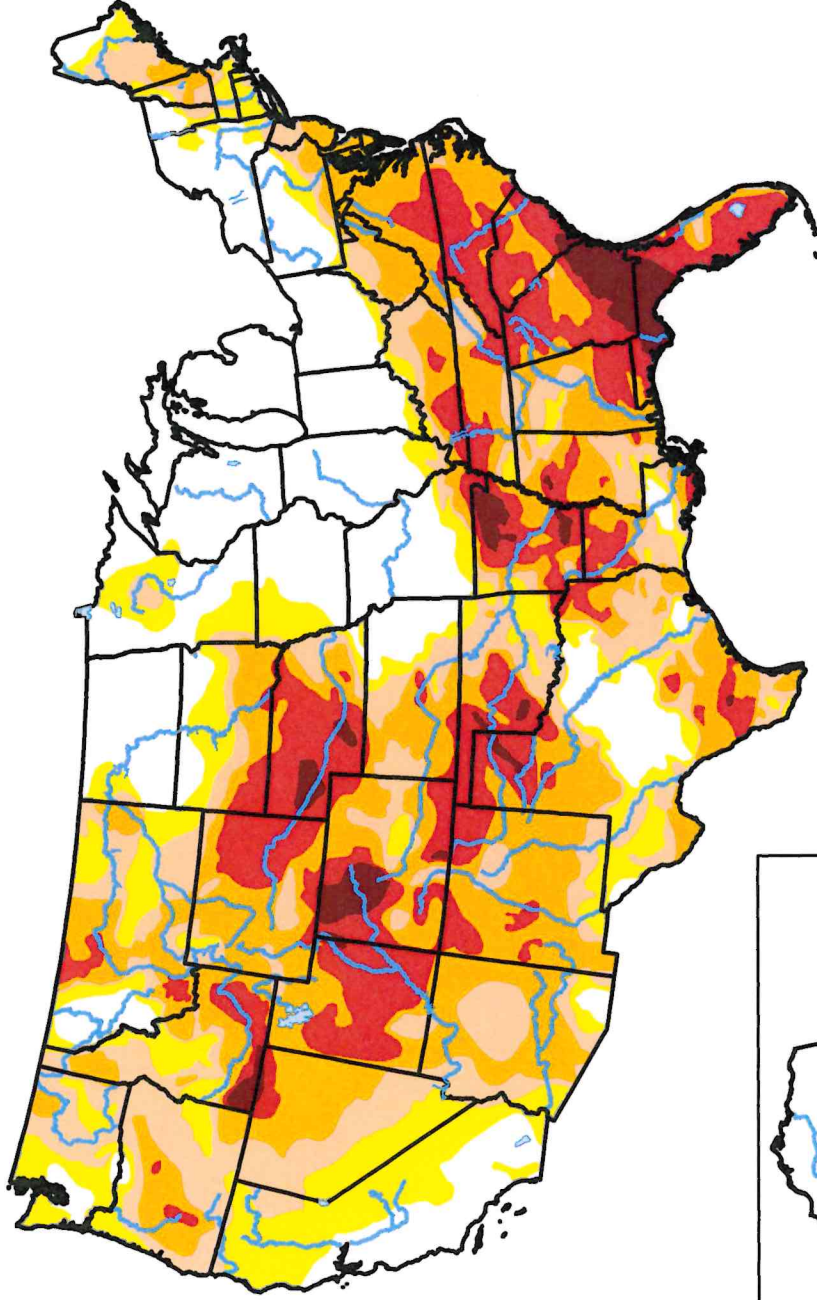
- Research Grant options to help fund the Loop project

- Final decision on moving forward with the NMCI (there is no specific deadline)







- Final decision on moving forward with the Loop (updated costs and project updates, Fall 2026)

- Loop Budget Preparation and Rate Case Previews (September 10th Board Meeting)

U.S. States and Puerto Rico



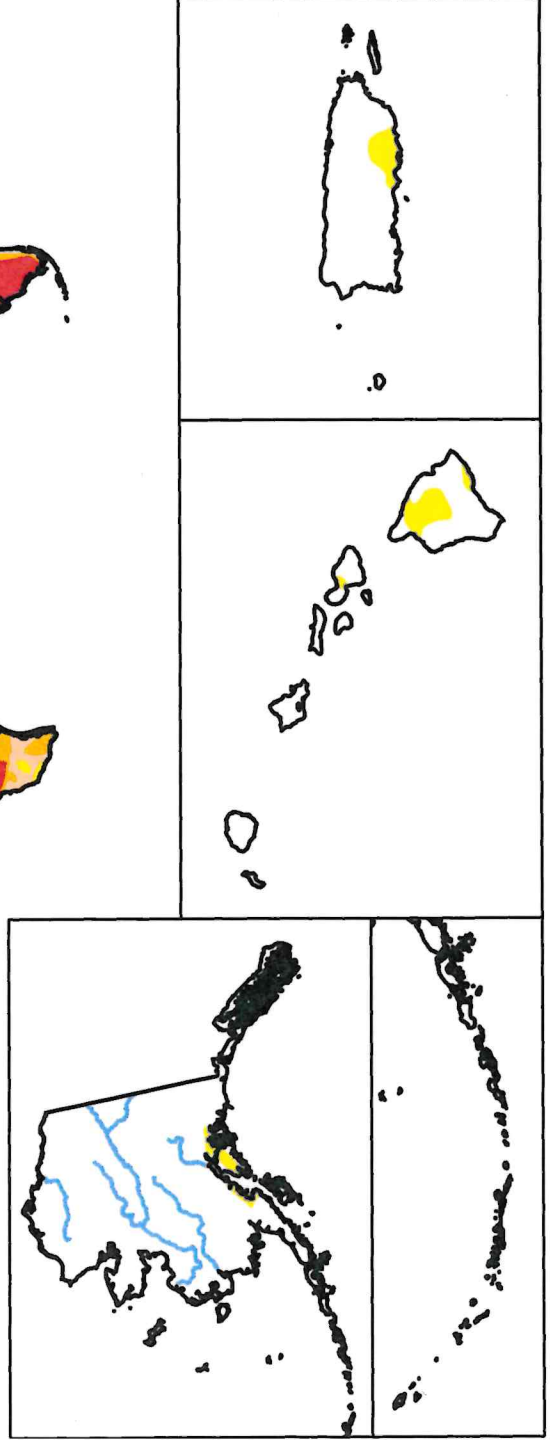
Intensity:

-  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:

Rocky Bilotta
NCEI/NOAA

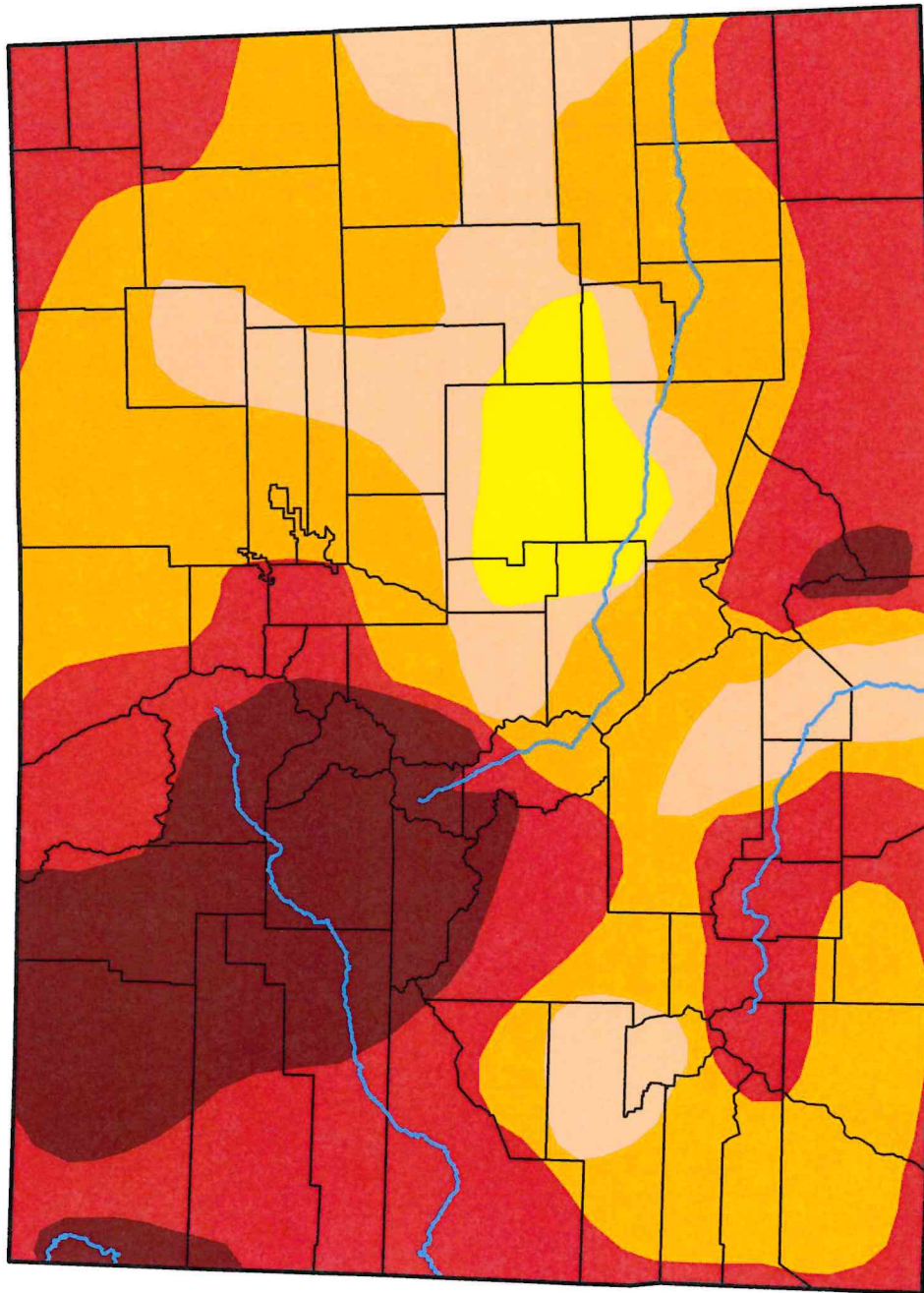


U.S. Drought Monitor Colorado







May 12, 2026

(Released Thursday, May. 14, 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:

Rocky Bilotta
NCEI/NOAA



