

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

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

Director's Present: Wayne Vanderschuere  
Bill George  
Kevin Deardorff  
Scott McCulloch  
Kenneth Judd

Staff Present: John Kuosman  
Christina Hawker  
Ashley Uhrin  
Ronny Wright

Consultants' Present: Roger Sams (GMS)  
Brett Gracely (Plummer)  
Jessie Seibert (Hoelting & Company)

Guests: Jackie Burhans (OCN)  
James Howald (OCN)

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

Approval of Agenda:

- No changes to the agenda.

Public Comment Non-Agenda Items:

- No public comments.

Review of Minutes:

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

Financial Report by Christina Hawker:

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

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

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

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

### Presentations

#### Hoelting & Co – 2025 Financial Statement Audit

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

### Action Items

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

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

General Manager Report by Christina Hawker:

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

could be beneficial for the Loop. Vanderschuere also stated that NEPCO could be a possible PR firm for the Loop.

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

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

#### Consultants' Comments:

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

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

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

- Kuosman asked where the reuse line terminate relative to our water infrastructure. Sams stated it ends right behind Maintenance Building 1 (M1) and connects to an older pipeline. That older pipeline then ends at what used to be a pond within the District that is now just dry land. Vanderschuere asked what the pipeline evaluations will tell us? Sams suggested that we have a pre-construction pipeline inspection done on the wastewater pipeline as it carries the most risk. Kuosman asked if there is any risk on us becoming liable for the pipelines being rehabilitated once we do these evaluations? Sams stated that is that possibility, but both Kuosman and Vanderschuere agree that knowing the pipe's condition is important. Vanderschuere asked if there is a location along that pipeline that would be large enough for a treatment plant? Gracely stated he believes M1 could be large enough with some configurations. Gracely said there is also talks happening between him and the staff to possibly rehabilitate the R Hull Plant to accommodate surface water. Hawker said we need to consider that the land at M1 may need to be used to re-drill well 9A for the ASR study. Gracely stated that if 9A is not suitable for ASR or long-term use, we may be able to move it and create more space for a treatment plant. Sams mentioned that the wastewater treatment plant could be a viable option since the flows will decrease drastically with the loss of our partners. Kuosman asked if we are doing pressure testing or camera scoping? Sams said camera scoping first and then maybe pressure testing based on what the cameras see.
- Sams stated CSU is likely to run part of the NMCI pipeline across the land where Classic Homes wants to build Santa Fe Meadows. Their pipeline will run under ours. Vanderschuere asked if there is an easement under our easement to which Sams replied yes but we have seniority. Sams said we need to make sure their pipeline design is approved to the standard we feel it needs to be for us to still have access to our pipelines.
- Sams said the Latrobe tank is expected to be taken offline the week following Labor Day with interior coating rehab to start the week following that. Staff is currently working to define scope of work for tank inspections. Staff has also requested that the diving team inspect the tank coating on the 1.5 million gallon Baptist tank as it's due for its anniversary inspection as well as clean the tank bottom. The diving team will also inspect the Fox Run Tank as a proactive measure.
  - Kuosman asked what firm we use for the tank inspections. Sams stated it is Cromm Mountain States. Kuosman asked if we have a general service agreement with Cromm or if this would be a new contract. Sams stated it would be a new contract.
- All water main relocations that took place at Struthers and Northgate were completed successfully and the invoice has been sent to Hawker for payment. A notice of final payment has been published, and final payment is expected to be recommended for payment in the middle of June.
- The conditional use permit application in Lake County (within a mile of the ranch) was proposed in September 2025, however the hearing did not occur however they would now like to proceed. Sams stated the proposal is no different than before and the application states it will be a year-round campground with a few camping structures but will mostly be open space for campers. The hearing is currently scheduled for June 8<sup>th</sup>. Sams stated that if we want to send comments regarding the case, we can do so.
  - Vanderschuere asked if we sent a letter last year when this was first proposed. Hawker stated that we drafted a letter but did not send it because the hearing was canceled. Therefore, unless any new comments need to be added or modified, we can proceed with

sending our comments as originally planned. Vanderschuere requested that the letter be sent with the comments as previously discussed.

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

Directors Comments:

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

Public Comment:

- None.

President Vanderschuere adjourned the meeting at 3:19 pm.

These minutes are respectfully submitted for record by Ashley Uhrin on June 11, 2026.