

DONALA WATER AND SANITATION DISTRICT
BOARD OF DIRECTORS
MEETING MINUTES
August 13, 2026

The Board of Directors of the Donala Water and Sanitation District met in regular session at the District's Upper Monument Creek Wastewater Treatment Facility, 14770 Jumping Mouse View, El Paso County, Colorado on August 13, 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)
Kelsey Briggs (Spheros)

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

President Vanderschuere called the meeting to order at 1:27 P.M.

Approval of Agenda:

- No changes to the agenda.

Public Comment Non-Agenda Items:

- Howald mentioned that a sign directing people to the wastewater treatment plant would be helpful for days like today when we hold meetings at this facility. Vanderschuere stated that we do not want to advertise the entrance to the facility to those who should not be gaining access for security reasons, which is why a sign has not been put up. Howald understood. Kuosman recommended a temporary sign for events such as this. Vanderschuere stated that would be fine.

Review of Minutes:

- Minutes from July 16, 2026, Regular Board Meeting accepted.
 - George motioned to approve, Judd seconds, all aye.

Financial Report by Christina Hawker:

- Hawker stated that we are about 58% of the way through the budget and that we have 41% of revenues left to collect and 67% of expenses left to pay for Donala which is on track.
- Hawker also said the wastewater plant has a budget remaining of 54% which is also on track at this point in the year.
- Hawker stated that Donala had the highest July water usage in the last 7 years as represented on the provided graph.
- Hawker pointed out one expenditure of \$274,000 to the Loop Water Authority which was later voided due to the vote taken by the board at the July board meeting.
- George motioned to approve, Judd seconds, all aye.

Action Items:

- Resolution 2026-6: The Board of Directors of Donala Water and Sanitation District Withdrawing from Participation in the Loop Water Authority
 - This reverses the previous resolution stating that we were entering into the arrangement with the Authority.
 - George motioned to approve, Judd seconds, all aye.

Presentations:

- 2026 Capital Budget Reallocation considering LWA Dissolution, Water Tank Rehabilitation, Holbein Sewer Line Break and Willow Fire
 - Kuosman stated that we are projected to underspend the allocated capital budget for 2026 by about \$930,000. These funds are available due to changes regarding the Loop Water Authority, the Willow Creek Fire Mitigation and the Latrobe tank rehabilitation and repair. Kuosman asked the board to reconsider allocating some of those funds to other areas, including an evaluation of the R Hull treatment facility (which has already been started by Plummer?). Vanderschuere stated that the R Hull facility is a huge asset for Donala considering we are no longer participating in the Loop.
 - Kuosman stated that the cost of the evaluation is roughly \$160,000 which could be paid for this calendar year by the payment that was originally allocated to the Loop Water Authority.
 - Vanderschuere and the board agreed that we need to continue with the evaluation of the R Hull treatment facility.
 - Kuosman stated that he does not believe we will be able to finish the wildfire mitigation project at Willow Creek Ranch due to the current wildfire. Kuosman stated we have not yet been able to get on site, but once we do, an assessment will be done and provided to the board.
 - Judd asked if we are still receiving data from the flumes at the ranch, Kuosman said yes and that the Forest Service sent pictures to us as proof. Judd expressed his concern regarding the presence of silt in the water. Vanderschuere stated the weather has not allowed for enough precipitation flow for us to know if silting is a problem or not. Vanderschuere stated that his concern would be ensuring the property is ready to go for next runoff season.
 - Kuosman asked the board if he could issue an RFP for third party consultant to assist in the development of the Water for Tomorrow programming. This consultant would help to determine the feasibility of additional water treatment facilities for reuse and would assist with the financial and regulatory aspects regarding this strategy.

- Vanderschuere stated that generally speaking, the board does not approve RFPs but rather they will approve the contract once it is prepared. Vanderschuere did say that he appreciated the heads up.
 - Kuosman stated that he did not believe the RFP would exceed \$500,000 over two calendar years so he doesn't believe there is any risk of exceeding the District's capital budgeted allocations recognizing that funds for the Loop Water Authority and Willow Fire mitigation are not being used and we are underspending on the tank rehabilitation. McCulloch stated he thought the reallocation was a good idea.
 - Kuosman then went on to say that there are two tools that the District needs in order to accomplish their goals that are included in this procurement: a hydraulic model that takes water quality into account as water blending will likely occur from different sources, and a biological model that analyzes the biological kinetics of wastewater. This is important as we continue to explore reuse as an option. Kuosman corrected his previous statement, stating there are actually three tools, not two. Kuosman stated that if the Board decides to peruse exchanges, a diversion would need to be created at Monument Creek as there is not an existing one. This will likely come in the form of intake wells which allows for riverbank filtration, which is a standard technology that other districts in Colorado have utilized. Kuosman stated the Water for Tomorrow manager will help to facilitate this as well.
 - Vanderschuere stated any questions regarding this section can be reserved for Kelsey during her presentation.
- W4T Presentation: Community Survey Feedback prior to education outreach and open house
 - Kuosman stated that he was tasked with preparing the community for an upcoming ballot initiative regarding increasing our debt limit. To assist with this, a community survey has been created and reviewed by both our marketing firms and District staff. At this time, Kuosman asked the board to review the survey presented to them and provide any feedback as we have to get this out to the community soon.
 - Deardorff asked if we collect any revenues from property taxes. Staff said that we do. Deardorff stated he thought we only collected funds via mill levies. Deardorff asked if mill levy should be mentioned in the survey, Vanderschuere stated he questioned that as well. However, he stated that he feels trying to increase property taxes is not the most viable option which is why he ultimately decided to keep mention of mill levies out of the survey.
 - Kuosman stated that this is a baseline survey to get an idea of the knowledge level of the community regarding these topics. The open house will help to educate the community, and we have a second survey already built into our scope of work that will help to narrow down the questions and give the board a chance to mention mill levies if they wish to do so.
 - McCulloch stated that he feels that the current verbiage leading up to questions 15 and 16 is confusing and should be cleaned up to reflect the two different choices we are offering rather than making it sound like both questions have to do with increasing property taxes.
 - McCulloch also stated that he does not believe the demographic questions are relevant. Deardorff stated that it may be standard for the survey people, which McCulloch said he understood, but he believes it is not relevant and Vanderschuere

stated he would be concerned that people think we are being too nosy. Judd also agreed with the board's sentiments about the demographic questions. The board asked that those questions be removed. Kuosman stated that the PR firm may need demographic information in order to extrapolate data from those who did not respond as we will likely only get a percentage of responses from all of the customers.

- Judd stated that question 6 lists information about our current water sources, but it doesn't mention the ranch, which is a renewable water source and Judd feels it's important that the constituents be informed about these other sources that we have been developing over the last twenty years. He also stated that he thinks it's important that we make the community aware of our mission regarding continued water supplies and that while tomorrow is important, we are more concerned about long-term sustainability for future generations.
 - Vanderschuere stated that a fact sheet being handed out at the open house may be beneficial for educating the public. Vanderschuere also mentioned that he will not be able to attend the open house on the first, however he has full confidence that the staff can successfully manage the event.
 - McCulloch asked about the timeframe for the survey being sent out. Vanderschuere asked if the board wanted to review the revised survey before it's sent out. Board agreed that a final review will not be necessary as long as the stated changes are made (remove demographics, clarify the verbiage before question 15 and mention Willow Creek water source).
 - George is concerned that once customers see the amount of the debt limit increase we are asking for, people will become hesitant. Kuosman stated that this question is important to determine if people need more education regarding the debt limit increase if they are hesitant to it without even knowing the amount. George reiterated that making sure people are aware that we don't have to use all the debt limit (if increased), it's just there if we need to use it.
 - Judd asked if question 16 is worded clearly enough to mitigate people's concern about increased rates. The board and the staff stated they didn't want to put that as rate increases may still happen, but Vanderschuere suggested some language to preface question 15 and 16 to say that we are trying to minimize rate increases. The board all agreed that was good language to add.
 - Vanderschuere stated that the survey should be updated with the discussed changes, send it to all board members with a deadline and if no comments are received by that deadline, then send it out.
- W4T Presentation: Two (Core) Water Rights Exchanges: Laughlin from Fountain Creek to UMCR, and Willow Creek from Pueblo Reservoir outfall to UMCR – all other exchanges will be discussed in September
 - Kuosman reviewed the exchange presentation that was given prior to him starting with the District. He said he honed in on two specific exchanges that he wants to discuss. He asked the board if they had any questions about the draft before he goes into depth.
 - Vanderschuere stated that the "intake location" portion of the draft was concerning. He understands mechanically how it would work, however he is concerned about the hydrological conditions. He stated that he understands the conditions have to be just right in order for the exchanges to take place, and he

wants to know how realistic it is for those conditions to happen as often as we would need for them to happen as those time windows are very narrow.

- Kuosman said that concern is partially why he wants to hire a third-party project manager as we would have to view the data in an hourly and daily manner rather than monthly or annually as it currently does. However, since the model doesn't exist we haven't done that study yet. Vanderschuere said he understands the study hasn't been done yet, but even once it's done, how would we ensure that operationally the exchanges happen as someone would have to be constantly monitoring and be prepared to push the exchange through once the hydrological conditions are right. He feels it may be a challenge to actually make this happen, but he wants to complete the study to determine feasibility. Vanderschuere also said the system would have to be tied into SCADA so that the exchanges can happen on short notice.
- Briggs stated that Vanderschuere's concerns are valid, and she provided some current data from the Laughlin exchange limitations and how they would tie into the exchanges. She stated that because we have reservoir storage which helps the windows to be less tight. She also stated that Spheros monitors the exchange conditions by getting daily notice reports and then, along with the Water Commissioner, they coordinate and facilitate the exchanges. Spheros would also get the appropriate approvals to be able to complete the exchange once the conditions are physically ready. Gracely added that Spheros has already been doing this process with other exchanges we do, so the systems and process are already in place.
- Kuosman stated that if we utilize the higher probability months to get comfortable with how to do the exchanges so we are prepared for the less probable months.
- Briggs also stated that exchanges are not good in dry years, so it should not be relied upon. However, in average and wet years, it can be a beneficial and cost-effective tool.
- Kuosman presented some data analyzed by Spheros showing how much and when we can take certain amounts of water during dry years, average years and wet years. He said that during dry years, we would not be able to meet our demand with solely renewable water and we would have to utilize the wells or utilize the convey, treat and deliver from Colorado Springs Utilities. During average years, Donala can meet it's 100% renewable goal and could allow for some extra to be put into storage for a dry year. Finally, during a wet year, Kuosman stated that Donala could meet it's renewable goal and allows for a lot of extra water for storage.
- Vanderschuere asked how quickly can we pump treated water back down well 9A for ASR and do we have quantity limitations? Gracely provided a brief answer based on memory and stated that 80-90% of pumping capacity for a well is how quickly we can recharge the well (9A). He believes well 16A would also be a good contender for a similar capacity. He said the Denver wells would not be as efficient. Gracely also said recharge could assist with radium since the water we pump back down would sit on top of

the other water in the aquifer. Vanderschuere rhetorically asked staff to think about how ASR may affect water quality.

- Kuosman asked the Board for approval to consult with our water rights counsel to begin drafting a proposal for the two water rights exchanges discussed in today's meeting. In the next meeting, Kuosman would like to present this at next month's meeting.
 - Vanderschuere stated that he can approach water rights legal counsel without board approval, but the board must approve an exchange before it is filed.
- W4T Presentation: RFP for Program Manager / Owner's Representative to develop Program Implementation Plan
 - This was discussed earlier in the meeting and there is no new information to present. Kuosman summarized that he has the authorization to issue the RFP to be able to continue on with the items discussed in agenda sections 8a, 8b and 8c.

Reports

- Cybersecurity Briefing
 - Hawker presented a summary of some recent attacks on water utility districts throughout the country stating that they took advantage of outdated equipment and open lines through the internet. They erased valuable data and caused disruptions in the operating systems by changing settings.
 - She stated that Donala has multiple layers of securities and our control systems are not exposed to the open internet and communications are protected by firewalls and encrypted networks. System communications use private fiber, secure radio networks and VPNs to ensure isolation from public networks. Donala continues to enhance security where necessary, however due to the public nature of this meeting, specific details will not be shared for security purposes. Donala contracts with Timberline to keep SCADA and all operating systems secure, and we recently changed our IT partner. They are currently conducting an evaluation of our equipment and protections. They also partner with the ethical hacker that we work with to review the results of the PEN test. They regularly test our systems and identify any vulnerabilities which are quickly addressed.
 - McCulloch asked if the board could review the results of the PEN test in the next meeting. Hawker stated that while they have not completed testing at all of the facility sites, she does have a report from one site that they can review. This will take place in executive session due to the sensitive nature of the topic.

General Manager Report by John Kuosman:

- Kuosman stated that during routine testing at the wastewater treatment plant, one sample that was taken revealed an elevated reading of Arsenic. However, after additional sampling and due to how the results are calculated as an average, we remained in full compliance throughout the month.
 - George expressed that there is a lot of misinformation around the District regarding water quality and he gave a recent example.
 - Vanderschuere iterated that any concerns from the wastewater plant show up on the discharge report.
 - Deardorff said it may be beneficial to put something on the survey regarding the fact that bottled water is more expensive and of worse quality as those companies are not held to the same standards and regulations that we are.

- Kuosman proposed that we put a question on the survey about whether or not customers have issues about water quality. The board thought that would be a good idea and the open house could be a good place to educate the public on their concerns and misconceptions.

Consultants' Comments:

- Sams provided an update on the Subaru dealership. He expects they will start some underground infrastructure by the September board meeting and he continues to work with them on reviewing plan finalizations on the water and wastewater utilities. Sam will coordinate with Hawker and Uhrin over the next few weeks to calculate their TAP fees.
- Sams stated that the Urban Landing residential development is on hold right now.
- The Santa Fe residential development across the highway by the wastewater treatment plant is also on hold as Monument and the Air Force Academy have provided some negative feedback.
- Sams continues to coordinate with staff to keep track of the Upper Monument Creek Interceptor Project as it continues. They have done site prep but have not yet offered any solutions on maintaining the integrity of our infrastructure and pipelines that we have under that easement, so Sams is waiting for that.
- Sams is also working on a few things for the wastewater collection program. They are formulating a plan for comprehensive cleaning and scoping of the sewer lines. The District cleans the lines regularly, but cleaning it right before the camera scope goes down the pipe allows for a much better view and more accurate analysis. Once this analysis is done, they can begin to create a budgeted plan for 2027 to begin rehabilitating some of the sewer lines. Sams stated that due to the extent of the possible repairs that may need to be done, he anticipates this will be a multi-year project.
- Sams is working with Wastewater Operation Supervisor Jarred Durham on upgrading some plant equipment. Post-covid delays are still causing some issues with obtaining what is necessary for the upgrades.
- Sams continues to work with staff on updating our GIS system. Kuosman said that Cade Pennington is taking the lead on that and is doing a great job.
- Gracely and Briggs continue to work on the decree for the exchange in the upper basin.
- Briggs and Spheros worked with El Paso County on their request for the replacement plan schedule.
- The District filed an opposition to a water right application that was filed by Bucee's for groundwater. However, they have not included most of the information required for a water rights application. Other districts filed statements of opposition as well, so Gracely will continue to monitor the progress of that filing.
- Gracely stated that our Risk and Resiliency assessment that is required by the American Water Infrastructure Act (AWIA) has been completed. The wastewater risk and resiliency assessment that is not required by AWIA, but was requested by Donala, is waiting to be reviewed by Gracely. They have also began working on the Emergency Response Plan that is also required by AWIA and will hopefully be completed before the holiday season begins. This is due by the end of the calendar year.
- Plummer continues to collaborate with Spheros and staff on the R Hull rehabilitation assessment and the Water for Tomorrow program.
- Briggs said they continue to monitor the reservoir levels in Pueblo. It is currently sitting at 450 acre feet.
- Briggs also stated that they recommend not leasing to AGRA after their current lease is expired since we may want to keep that in storage for our own use.

- She said the lease with AGRA will need to be renegotiated next year and since the hydrological conditions have changed in our favor, we are now in a position to negotiate a higher price per acre foot.
- Gracely stated that it may be a good idea to begin talking with Colorado Springs Utilities, Aurora and other entities now about future exchanges so that the approvals are ready to go and then we can be prepared when the conditions are right to actually complete the exchange. This will hopefully prevent us from losing water out of the reservoir if it were to spill.

Directors Comments:

- Vanderschuere stated that he is attending Water Congress next week.

Public Comment:

- None

Executive Session:

- At 3:19pm, President Vanderschuere motioned to move into Executive Session pursuant to C.R.S. § 24-6-402(4)(f), for the purpose of discussing personnel matter concerning the General Manager, and that this executive session be limited to board members only.
 - George motioned to approve, Judd second, all aye.
 - A brief break was taken from 3:19pm – 3:26pm

Board Discussion and possible actions on matters discussed in executive session:

- President Vanderschuere called the board meeting back into open session at 5:19pm to take action from matters discussed in the executive session.
- Motion to terminate John Kuosman from his position as General Manager effective August 14, 2026.
 - McCulloch motioned to approve, Deardorff seconds, all aye.
 - President Vanderschuere notes the unanimous vote of 5-0 in favor of this motion.
- Vanderschuere stated that with the vacant General Manager position, the Deputy General Manager, Hawker, will assume responsibilities as currently instated.
- At 5:23pm, Vanderschuere stated that the board would like to return to executive session to discuss personnel matters regarding the General Manager, which can be interpreted to also be the Deputy General Manager.
 - George motioned to approve, Judd second, all aye.
- At 5:29pm, President Vanderschuere called the board meeting back into open session.
 - No action was taken during the second part of the executive session or during the final open session.

Adjourned at 5:30 pm.

These minutes are respectfully submitted for record by Ashley Uhrin on September 4, 2026.