

CUCHARAS SANITATION AND WATER DISTRICT (CSWD)
16925 STATE HIGHWAY 12
CUCHARA, COLORADO 81055
Minutes of the Board of Directors Regular Meeting
March 11th, 2026

1. Call to Order:

Steven Davis called the meeting to order at 1:00 pm

2. PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was led by Steven Davis.

3. ROLL CALL:

Steven Davis- Present

Chris Smith – Present

Carolyn Rominger – Absent (Excused)

Dona Taylor – Present

Hollis “Buzz” Ginn -Present

Staff present: Terry Sykes, Julia Shrout, and Samantha Bowman

Visitors present: Michael (last name not shared), via Zoom

4. Approval of February 11th, 2026 Regular Board Meeting Agenda:

Steven asked if there were changes or additions to today’s agenda. There were none.

Dona Taylor made a motion to approve the March 11th, 2026 Regular Board meeting agenda as presented. “Buzz” Ginn seconded the motion. All in favor. Motion carried, 4/0.

5. Approval of February 11th, 2026 Regular Board Meeting Minutes:

The Board reviewed the February 11th, 2026 Regular Board Meeting Minutes before today’s meeting.

Steven asked if there were any changes or additions. There were none.

Chris Smith made a motion to approve the February 11th, 2026 Regular Board Meeting Minutes as presented. “Buzz” Ginn seconded the motion. All in favor. Motion carried, 4/0.

6. Treasurer’s Report -Review & Approval of February 2026 Treasurer’s Report (TR):

Steven Davis did the Treasurer’s Report in Carolyn Rominger’s absence. Carolyn provided a summary of talking points for Steven to address. February service revenue came in roughly \$3,000 higher than the budget. Total service revenue was \$75k. As of year-to-date, the District is \$7k ahead of budget for service revenue. The total revenue for the month of February was a little shy of \$79k and closely aligns with the budget for the month and year-to-date. The operating expenses that were higher than \$5k were salary expense, which came in on budget for the month and ytd. Julia has adjusted the budget to reflect the months in the year that will have 3 pay periods. There continues to be a favorable variance for chemicals, as no chemicals have been ordered this year. There was little spent on Professional Services in February, which also yields a favorable variance. All other operating expenditures are tracking close to the budgeted spending. Total operating expenses were \$50.8k, and net ordinary income was \$28k. This is also reflected on the Trend Chart. The February 2026 Operating Expenses are detailed in a separate handout provided to the Board. Interest income is running slightly below budget at roughly \$1k. There were \$199,685 in Grant Proceeds. The associated capital expenses will be reported in March 2026 due to the timing of receiving the grant money and the related disbursement. There was no corresponding capital expense report for February 2026. The district recorded \$229k in income for the month of February 2026. The trend chart shows the operating income and expenses that were previously mentioned. The checking account balance at the end of February was \$298k, which is an all-time high for the past 12 months. The district received a

\$199k grant funding at the end of February, but the related capex payments were made at the beginning of March, so this is a timing issue. All other balances shown are as expected.

Dona Taylor made a motion to approve the February 2026 Treasurer Report as presented. "Buzz" Ginn seconded the motion. All in favor. Motion carried, 4/0.

7. Public Forum:

Nothing to Report

8. REPORTS OF OFFICERS, COMMITTEES PROFESSIONAL CONSULTANTS and STAFF:

a. Operations Status Report: Operations items reported by General Manager (GM) Terry Sykes

Terry provided the water production data for February 2026 and said they made 1.2 million gallons. The peak day was 82k gallons with an average of 43k gallons per day. The meter change-outs are continuing. The nice weather has been helping out. The guys have made some repairs at the WWTP on the chemical carry pumps. That has been completed and is working well. The snowmaking is done for the season. The ski area used a little under 14 acre feet, which is 4.5 million gallons of water. The Biosolids Land Application report that was mentioned last month was submitted. This is the annual report covering January 1, 2025 to December 31, 2025. Terry provided the Board with an abbreviated copy of the 23-page report. The NPDES is our discharge permit number. There was 2.804 total dry metric tons of Biosolids Generated/Produced for the year. The type of plant we operate is an SBR (Sequencing Batch Reactor). Our design capacity is 1.75 MGD or 175,000 gallons per day. The type of treatment for the solids is aerobic. The District treats the biosolids to a Class B level, which is suitable for livestock. The max pounds per acre for our permit is 75 pounds. The District was at 15.7 pounds per acre so we were well under our permit. With the District tanker truck, 22,500 gallons were applied in the Spring and 39,000 gallons in the Fall. Terry explained the DMR (Discharge Monitoring Report) to the Board, which was included in their packets. The first two items are expressed in plant capacity. The District capacity is 175,000 gallons. The third is the BOD (Biochemical Oxygen Demand), which is the strength of the sewage. The sewage is incubated for 5 days at 20 degrees C and the amount of depleted oxygen is measured in BOD milligrams per foot. Another parameter is the TSS (Total Suspended Solids) which the District struggles with. The amount of what is being brought in is measured by subtracting what is going out to measure the reduction. Page 1 in the report is everything that is coming into the plant. The reason the District struggles with BOD is that there aren't as many people in Cuchara in the Winter as there are in the summer. In the winter, the water is "too clean" to remove the required amount. Plus, there is an infiltration problem, which is adding to the dilution. The effluent report shows the District had 3 milligrams per liter going out, with a maximum of 30. Total suspended solids were 1 milligram per liter. The nitrogen was well within compliance at 0.10 MG/L with the max being 11. The inorganic total was 2.30. There is no limit. It is just information that is gathered in the report. Oil and grease are contingent. The second page shows the District's 30-day average is 175,000 gallons a day, with the average for the winter of 26,000 gallons a day. In order to discharge back into the river, the water has to be dechlorinated. The District was at 0.03 MG/L and the max is 0.47. Oil and grease were absent. Last weekend, a lady drove through the fence at the Wastewater Treatment Plant. Laurence came up and let her out of the gate on Sunday morning. A police report was filed with State Patrol. Her insurance is going to reimburse for the fence, but the District isn't sure who owns the fence, the District or CDOT. Terry is waiting for the police report to know what the next steps are for fixing the fence.

Administrator Report: Reported by Business Administrator Julia Shrout

Julia reported that the 2025 audit is scheduled for May 11, 2026. She and Carolyn hope to have all the year-end adjusting entries finished soon to send to the CPA to review the books before everything is sent to the auditor. Terry, Julia, and Samantha are learning more every day in Muni-Link. The customer service is great. Hayden helped again with February 2026 billing. The meter reading file has some problems that need to be fixed. Julia has refined the budget in QuickBooks to reflect the months, where there are 3 pay periods. She will continue to refine that budget as needed. The TASC funding, which is the district HRA's monthly funding, increased from \$450/mo to \$937/mo. A TASC representative explained that the account is reviewed every 6 months. If the account is underfunded, the monthly funding is increased. If the account is overfunded, the monthly funding will decrease. The next time the account will be audited is July 2026. Julia updated the information with the Huerfano County Treasurer for the monthly Property Tax Revenue to be deposited into a Plus+ account in ColoTrust rather than the EDGE account, as was previously being done. The district's ColoTrust Investment Representative suggested the money be in a Plus+ account rather than the EDGE account. She will also be transferring money between

the EDGE accounts and the Plus+ accounts in ColoTrust to reflect 67% in the Plus+ accounts and 33% in the EDGE accounts, as was also suggested by the Investment Representative. Last month, the board approved this to be done.

b. Water Stewardship Committee Report:

Steven read the latest minutes, dated January 26, 2026, on the Huerfano County Conservancy District website. Steven didn't see anything in the minutes that would impact CSWD. The Thorne Ranch capacity was discussed. The majority of the Thorne HCU comes in the summer. There is about 60 ac ft, but there is only 10 af of storage available at Thorne. There are a few gravel pits in the area that could be used for storage. The HCWCD gave attorney Ryan Farr and engineer Steve Smith permission to bring storage ideas to the next meeting.

c. Legal Case Updates:

Board members reviewed a status email from water attorney Stuart Corbridge of BHGR. There was one new application included in the January Resume filed in/impacting Huerfano County and the Cucharas River. Case No. 26CW3005 – This is a diligence application filed by Maria Lake Grazing Association. The total decreed storage is 1,747.6 af. 1,233.41 af is absolute, 514.5 af remains conditional. Water is diverted from the Cucharas River via the Duran Ditch headgate. Approved uses include irrigation, stock water, and fish culture. The reservoir's capacity is shared with other storage rights, some of which were modified in a 2003 case (03CW97) involving CSWD. That decree imposed conditions on how water is diverted and stored, possibly within less total capacity than the combined decreed rights. The subject right is junior to the John Martin Reservoir storage right, which often limits the ability to divert water. In this diligence case, opposers can only address whether the applicant has diligently developed the remaining conditional portion and whether changed conditions mean the applicant can no longer or does not intend to complete the right. This filing is not about changing the right, but about maintaining the remaining conditional portion. Future ability to fully develop it depends on reservoir capacity limits and priority constraints on the river, but those issues are not the primary focus of this proceeding.

Regarding the City of Walsenburg Case No. 25CW3052 – As noted in the email/legal report in the February Board meeting, the Applicant will be providing the initial engineering report and proposed decree on March 13. There has not otherwise been any action in this case since the last report. There are no other pending water matters that Stuart is aware of that need input from him for the March meeting or direction from the Board.

d. Executive Committee Calendar:

Carolyn Rominger will be the rotating member for the Executive Committee and will be available from March 11th, 2026 through April 8th, 2026.

e. Information Technology:

Nothing to report.

f. Reports of Officers:

Nothing to Report.

9. OLD BUSINESS:

• **Baker Creek Plant Project Update:**

Terry reported that Filter Tech will be here on Monday. The techs will be here for 1-2 weeks installing the membranes and testing everything that Carrigan has done. In the 3rd week, Terry and the field workers will do training. The District purchased the chemicals that are needed. The items purchased that aren't a normal part of the process are citric acid and caustic soda. Those are the chemicals that will clean the membranes. Terry is still waiting for the MOR (Monthly Operating Report) that the state is going to provide that the District will have to comply with. It is a separate report for that plant. Technically, the District can't make water at the Baker Creek Water Plant until they have it in hand.

Julia gave a brief update on the financial status of Baker Creek. A spreadsheet was provided to the Board summarizing the draws made on the loan forgiveness and the loan through CDPHE. The Board talked about planning a ribbon-cutting in the summer when all of the residents are here for the new Baker Creek Water Treatment Plant.

Resolution 2026-02 – a Resolution Adopting an EQR Contact Disclosure Policy

The resolution is adopting a policy that allows limited, voluntary sharing of contact information for Equal Quantity Ration (EQR) Certificate holders. EQR Certificates are issued under legal authority and tracked by the District, and the public sometimes asks about ownership. To address this, the Board is creating a consent-based disclosure system that protects privacy and reduces legal risk, without

creating or supporting a marketplace. The key points to the resolution are: participation is strictly voluntary and requires written consent, being listed does not mean a certificate is for sale or has any assigned value, the District will not facilitate transactions or solicit participation-its role is limited to administrative actions like issuing or updating certificates if a transfer occurs and the policy does not change existing rules, regulations, or legal obligations, including compliance with open records laws.

- **Wastewater Treatment Plant Headworks Project**

The District applied for and received a \$10,000 Engineering grant. The next step is the PNA, Project Needs Assessment, which also serves as the application for the D&E (Design & Engineering) and DOLA. As much as could be submitted has been submitted.

10. New Business:


Nothing to report.

11. Executive Session pursuant to C.R.S.

Executive Session was not entered

12. Adjournment:

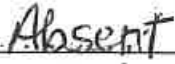
Dona Taylor made a motion for an adjournment of today's meeting. Chris Smith seconded the motion. All in favor. Motion carried, 4/0. The meeting was adjourned at 2:22 pm. The next regular board meeting will be held on April 8th, 2026 at 1:00pm.


Steven Davis - President


Chris Smith-Vice President


Hollis (Buzz) Ginn - Director at Large


Carolyn Rominger - Treasurer


Dona Taylor - Secretary