

**CUCHARAS SANITATION AND WATER DISTRICT (CSWD)**  
**16925 STATE HIGHWAY 12**  
**CUCHARA, COLORADO 81055**  
**Regular Meeting Minutes of the Board of Directors**  
**July 14th, 2023**

**1. CALL TO ORDER:**

Larry Dasenbrock opened the meeting at 9:00 am.

**2. PLEDGE OF ALLEGIANCE:**

The pledge of allegiance was led by Steven Davis

**3. ROLL CALL:**

LARRY DASENBROCK: Present

JIM ALT - Present

STEVEN DAVIS – Present

RON BARBEE – Present

CHRIS SMITH – Present

**Staff present:** Julia Shrout & Kristan Lowe

**Visitors present:** Dave Barclay, Judy Moore, Dannah Koeniger (GMS Inc.)

**4. Approval of Agenda:**

Larry Dasenbrock asked if there were any changes or additions to today's agenda. There was none.

**Jim Alt made a motion to approve the July 14<sup>th</sup>, 2023 agenda as presented. Steven Davis seconded the motion. All in favor. Motion carried, 5/0.**

**5. MINUTES CORRECTION AND APPROVAL: June 16th, 2023 Regular Meeting**

- Board members reviewed the June 16th, 2023 Regular Meeting Minutes prior to today's meeting. Larry Dasenbrock asked if there were any changes or additions. There were none.  
**Steven Davis made a motion to accept the June 16<sup>th</sup>, 2023 Regular Meeting Minutes as presented. Ron Barbee seconded the motion. All in favor. Motion carried, 5/0.**
  
- **Discuss and Approve June 26<sup>th</sup>, 2023 Special Meeting Minutes**  
Board members reviewed the June 26<sup>th</sup>, 2023 Special meeting Minutes prior to today's meeting. Larry Dasenbrock asked if there were any changes or additions. There were none.  
**Jim Alt made a motion to approve the June 26<sup>th</sup>, 2023 Special Meeting Minutes as presented. Rob Barbee seconded the motion. All in favor. Motion carried, 5/0.**

**6. Public Hearing on Financing the Baker Creek Water Plant**

CUCHARAS SANITATION AND WATER DISTRICT

PUBLIC HEARING ON BAKER CREEK WATER TREATMENT PLANT

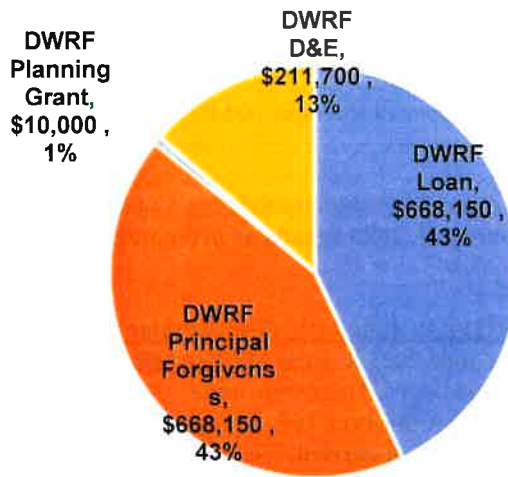
July 14, 2023

- The District undertook a comprehensive evaluation of its water system. The resulting Preliminary Engineering Report (PER) is entitled Water System Evaluation. GMS, Inc., Consulting Engineers conducted and produced the report for the Town (CSWD). The final report was provided to the Town (CSWD) in March of 2018.
- As a result of the PER, water distribution system improvements were completed in 2019/2020.
- An Addendum to the PER was issued in 2023 which recommended a new treatment plant at the existing Baker Creek WTP (also known as the Resort WTP in the PER and associated addendum) building where the existing WTP has not been in service since 2007. Replacement of the Baker Creek WTP provides redundancy to the system as the Spanish Peaks WTP is the only operational plant at this time. The Baker Creek WTP is located at the high elevation end of the system where it can serve the entire distribution system by gravity. The Baker Creek WTP utilizes a different water source than the Spanish Peaks WTP; therefore, redundancy is imperative for system reliability in the event of a disaster.
- The proposed water project consists of the following:

Installation of a 100-gpm ultrafiltration (UF) membrane treatment plant at the existing Baker Creek WTP building, including pumps, feed tank, blower, valving, pre-filter, backwash holding tank, turbidity monitoring, control system and membrane clean-in-place process (CIP) equipment, CIP neutralization tank, chlorination system including chlorine monitoring and recording equipment and distribution system booster pump, new intake piping from the pond to the WTP, and building improvements. The project will also replace the Baker Creek diversion gate.

- Proposed project financing and status:

- Total project cost: \$1,558,000
- DWRP Planning Grant: \$10,000
- DWRP Design and Engineering Grant: \$211,700, the community qualified for this grant which was awarded June 15, 2023.
- DWRP Bipartisan Infrastructure Law (BIL) principal forgiveness: \$668,150
- DWRP Loan: \$668,150



CUCHARAS SANITATION AND WATER DISTRICT  
 BAKER CREEK WATER TREATMENT PLANT IMPROVEMENTS  
 POTENTIAL PROJECT FINANCING SCENARIO

Component	Estimated Cost Estimate	Potential Increase for loan application of \$1.5M
Project Cost <sup>1)</sup>	\$1,558,000	\$1,721,700
DWRF Planning Grant <sup>2)</sup>	\$10,000	\$10,000
DWRF D&E Grant <sup>3)</sup>	\$211,700	\$211,700
DWRF – BIL Principal Forgiveness <sup>4)</sup>	\$668,150	\$750,000
DWRF Loan <sup>5)</sup>	\$668,150	\$750,000
Current O&M Expense (EQR/mo.) <sup>6)</sup>	\$43.23	\$43.23
New Debt Service (EQR/mo.) <sup>7)</sup>	\$3.49	\$3.91
Added Reserve Requirement (EQR/mo.) <sup>8)</sup>	\$0.35	\$0.39
Needed Average Monthly Water Bill (EQR/mo.) <sup>9)</sup>	\$47.06	\$47.53
Average Monthly Sales Revenue <sup>10)</sup>	\$43.50	\$43.50
Estimated Water Rate Increase Needed	\$3.56	\$4.03

- 1) Reflects the projected total estimated project cost.
- 2) The District was awarded a DWRF planning grant during the prequalification stage.
- 3) Awarded Design and Engineering grant (loan forgiveness).
- 4) Disadvantaged Community Principal Forgiveness of 60% of the total loan request.
- 5) Required loan amount for full project financing.
- 6) Based on 2021 budgeted annual operating expense of \$382,842 of budgeted capital expenditures divided by 738 EQRs and 12 months.
- 7) For DWRF loan, annual payment of \$24,694 at 2.25% and 30 years divided by 738 EQRs and 12 months.
- 8) Required 10% reserve requirement on debt service.
- 9) Total of all monthly EQR expenses.
- 10) Based on 2021 water revenue of \$385,235 divided by 746 EQRs and 12 months.

- There would be a potential rate increase for this project of \$3.56 per month; DOLA will determine final required amount during the credit report. The loan will require a 10% reserve for the annual payment of the loan. The annual loan payment would be \$30,868.
- If the District desires to apply for a larger loan of \$1.5 million, the potential rate increase would be \$4.03; DOLA to determine final required amount. The annual loan payment would be \$34,650.
- The project will require Davis-Bacon wage requirements and American Iron and Steel (AIS). The project did receive a waiver from Build America Buy America (BABA)
- Baker Creek WTP Improvements project schedule
  - Submit Project Needs Assessment (DWRF Loan Process)..... February 2023
  - Submit Environmental Assessment ..... July 2023
  - Finalize design for WTP equipment only and bid ..... August 2023
  - Award equipment bid ..... October 2023
  - Submit DWRF funding application..... October 2023
  - Obtain CWR&PDA funding commitment..... December 2023
  - DWRF Loan Closing ..... March 2024
  - Advertise for Bids for WTP/Site work ..... Spring/Summer 2024
  - Bid opening for WTP/Site work ..... Spring/Summer 2024
  - Project award for WTP/Site work..... Spring/Summer 2024
  - Initiate construction for WTP/Site work..... Dependent on equipment delivery.
  - Complete construction..... Approx. 90 days after construction initiated.

- Construction/Environmental Impacts

- Short-term construction impacts will consist of noise, dust and added traffic. Given the location of the project's activities, impacts will be acute for the new water intake from the pond.
- Surface restoration is a key component within the overall project.
- Construction activities along watercourses and at the pond will incorporate the appropriate best management practices to mitigate any potential of erosion or sedimentation as appropriate.
- There are no other environmental impacts identified at this time.

## 7. TREASURER'S REPORT:

- **Discuss and Approve revised May 2023 Treasurer's Report**

Jim Alt explained that Julia Shroud found an error on the May 2023 Treasurer report, so a minor revision was made. The error was regarding the line item for Huerfano County Revenue and Julia corrected the cumulative information for May. Julia has been working with Wilklow and Associates to ensure the cash vs. accrual data is now in sync.

**Ron Barbee made a motion to approve the revised May 2023 Treasurer's Report as presented. Steven Davis seconded the motion. All in favor. Motion carried, 5/0.**

- **Discuss and Approve June 2023 Treasurer's Report**

Jim Alt briefly reviewed items from the June 2023 Treasurer Report. He explained the income received is well ahead of schedule due to the property tax revenue received from Huerfano County. Jim Alt mentioned the DiNatale yield study has been completed and he and Julia plan to follow up to make sure the loan covenants are met based on the recent audit. Jim Alt explained expenditures were low. Jim advised the district is below budget at this time on many items, including salary as the district is down a General Manager and a couple field operator positions so the district is saving on salary and retirement benefit costs. Ron Barbee asked a question regarding a line item for Bond Tax Revenue and Julia Shroud advised him she would research it further with the county and report back. Loan Payment cumulatives are reported wrong. Julia has made the correction during today's meeting.

**Steven Davis made a motion to approve the June 2023 Treasurer's Report as presented with corrections mentioned. Ron Barbee seconded the motion. All in favor. Motion carried, 5/0.**

## 8. Public Forum:

- Judy Moore briefly mentioned that if the water district raises the water and sewer rates that she would appreciate the increase be done all at once and not in small yearly increments.

## 9. REPORTS OF OFFICERS, COMMITTEES PROFESSIONAL CONSULTANTS and STAFF:

### a. **Operations Status Report: Operations items provided by Glenn Hillis**

Larry Dasenbrock had a meeting with Glenn to go over happenings in the field.

### b. **Administrator Report: Reported by Julia Shroud, Detailed Report Attached**

### c. **Water Stewardship Committee Report: Nothing to report**

Jim Alt was able to attend the June HCWCD meeting and provided a brief update. He mentioned they were still discussing the reservoir locations. Jim Alt is anticipating the HCWCD will request a donation from CSWD for \$5k and mentioned that CSWD has contributed in past years. Jim Alt expressed importance of assessing the benefits from the Bruce Canyon location.

### d. **Legal Case Updates**

Jim Alt went over the email provided by Stuart Corbridge of Vranesh and Raisch and briefly reviewed each case. There have been no new applications filed. Stuart opposed case 21CW3084 and will continue to research. Jim Alt provided an update on case 21CW3084, CSWD opposed and Stuart advised Walsenburg is addressing the case as well. The case is still under review. Jim Alt mentioned that the USFS permit has been received and that we were waiting on a right-a-way from CDOT. Lastly, Jim Alt mentioned the water supply for the Brian Blair proposed pond as low and that Stuart will present the options to him but that it looks to be too costly to move forward.

### e. **Rules and Regulations Committee report:**

The committee hopes to regroup later in August to continue revisions on section 6. Jim Alt reiterated the importance of document control and asked the staff to be cautious when handling mark ups.

### f. **Personnel Committee: Nothing to Report**

**g. Information Technology Update:**

Jim Alt explained the internet is now working at the waste water treatment plant. Jim Alt noticed the cameras at the plant haven't been working, due to the water proof connections that had rusted. Hayden has fixed the camera issue and verified the viewing snap shops are recording properly upon motion detection.

**h. Reports of Officers: Nothing to Report**

**i. Yield Study Analysis:** Jim Alt met with the representative from DiNatale. He provided the board members and staff with a hand out that discussed CSF totals and showed the need for more raw water storage.

**j. Audit Results:**

Jim Alt briefly went over the audit results. He expressed the importance of reviewing the audit against the Treasurer Reports. Jim Alt mentioned the Prop HH and explained a yes vote likely results in the extinction of TABOR refunds. The impact to CSWD will be minimal. Jim Alt explained the loan covenant was met for 2022 as the district met the 110% Principal and interest requirements.

**10. OLD BUSINESS:**

- **Job Safety Analysis:**

The board explained the district will continue to follow the initiatives and safety item suggestions provided by previous Vice President, David George. David had recommended the district participate in AED and CPR training. Jim Alt has a connection from the La Veta Fire Department that offers training if the district needs a referral. Jim Alt plans to meet with Glenn Hillis to go over security items.

- **Baker Creek Plant Project Update:**

Presentation by Dannah Koeniger from GMS, refer to section 6.

- **Diversion Headgate Upgrade:**

Jim Alt explained he has been seeking bids for the grading needed at the head gate. He mentioned Lessar Construction only provided half of the bid and that he never heard back from Chaparral Construction. Jim Alt provided a quote from

Mackey Construction and the board members reviewed the cost break down. Jim Alt expressed the urgency to act fast to get them started before the end of the summer. The downpayment of \$8500 was agreed upon.


- **Larry Dasenbrock made a motion to accept the bid presented from Mackey Construction for grading work. Jim Alt seconded the motion. All in favor. Motion carried, 5/0.**
- **Offer Letter Discussion:**  
Board members discussed field worker candidate Laurence Burgess. They discussed his qualifications and his willingness to learn wastewater. He has his D water certificate and comes with high recommendation from team lead Glenn Hillis. Laurence can work full time and he can start after giving a 2 week notice to his current employer. **Chris Smith made a motion to move forward with the offer letter as discussed and to offer the field worker position to Laurence Burgess with a starting wage of \$46,760.**
- **Paymentus Billing – CSWD Customer Portal Update:**  
Steven Davis will continue to work with the office staff to research options for the online customer portal. Kristan Lowe explained the preferred provider of Paymentus is Invoice Cloud and they have sent us an updated quote. We (please complete this sentence. Is invoice Cloud an alternative to Paymentus?)
- **CSWD Staffing Update:**  
Board members Larry Dasenbrock and Jim Alt interviewed a candidate for the General Manager position. The office staff have posted the opening on the Indeed.com website. Julia ShROUT is working to schedule interviews.
- **Facilities Security Plan Update:**  
Jim Alt advised Authorized Personnel Only signs have been posted at the Peaks plant as previously discussed. Jim is working with Glenn Hillis on a physical assessment regarding security and plans to report more at a future board meeting.
- **Executive Committee Update (ExCom):**  
New Executive Committee will include Steven Davis and Larry Dasenbrock until the next board meeting on August 11<sup>th</sup>, 2023.

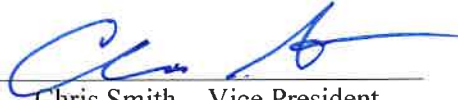
## 11. NEW BUSINESS

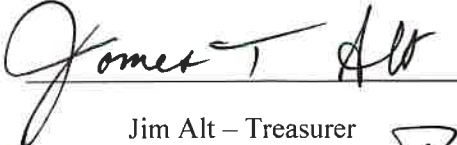
- **SDA Conference Discussion:**  
Board members discussed the upcoming Special District's Association conference. The conference takes place on September 12<sup>th</sup>, 13<sup>th</sup> & 14<sup>th</sup> and Julia ShROUT reminded the board that accommodations are filling up fast. Julia ShROUT also explained she will be looking into scholarships for the new staff or board members to attend at a discounted rate.

## 12. Adjournment:

**Steven Davis made a motion for an adjournment of today's meeting. Chris Smith seconded the motion. All in favor. Motion carried, 5/0. The meeting was adjourned at 11:52 am.**

  
Larry Dasenbrock: President

  
Chris Smith - Vice President

  
Jim Alt – Treasurer

  
Steven Davis: Secretary

  
Ronald Barbee: Director at Large