

CUCHARAS SANITATION AND WATER DISTRICT (CSWD)
16925 STATE HIGHWAY 12
CUCHARA, COLORADO 81055
Regular Meeting Minutes of the Board of Directors
February 9th, 2024

1. **Call to Order:**

Larry Dasenbrock called the meeting to order at 9:00 am

2. **PLEDGE OF ALLEGIANCE:**

The Pledge of Allegiance was led by Larry Dasenbrock

3. **ROLL CALL:**

LARRY DASENBROCK: Present

JIM ALT – Present

STEVEN DAVIS-Present via Telecom

RON BARBEE- Present

CHRIS SMITH – Absent (Excused)

Staff present: Terry Sykes, Julia Shroust & Kristan Lowe

Visitors present: None

4. **Approval of Agenda:**

Larry Dasenbrock asked if there were any changes or additions to today's agenda. Jim Alt requested the agenda be amended to reflect a new business item for section 10. An item has been added to discuss the Special District's Property & Liability Pool. Kristan Lowe amended the agenda as requested during today's meeting.

Jim Alt made a motion to approve the February 9th, 2024 Regular Board meeting agenda as amended. Steven Davis seconded the motion. All in favor. Motion carried, 4/0.

5. **MINUTES CORRECTION AND APPROVAL: January 8th, 2024 Regular Meeting Minutes:**

Board members reviewed the January 8th, 2024 Regular Meeting Minutes draft prior to today's meeting. Larry Dasenbrock asked if there were any changes or additions. There was a minor correction made to the date on the top of the minutes, 2023 was changed to 2024. Also, Old Business Section 9 should reflect that Trevis Smith is no longer employed by GMS Consulting Inc. Lastly, the legal section should show that Stuart Corbridge wasn't made aware of the January meeting date change. Kristan Lowe made the corrections during today's meeting and presented the new copy for signatures.

Jim Alt made a motion to approve the January 8th, 2023 Regular Meeting Minutes as amended. Steven Davis seconded the motion. All in favor. Motion carried, 4/0.

6. **Discuss and Approve January 2024 Treasurer's Report:**

Jim Alt provided an update for the Treasurer's Report through January 2024. He reviewed the financial documents and gave the board members a chance to ask questions. Jim Alt reviewed operating income, operating expenditures, capital expenditures and the CSWD debt reserve accounts. Jim Alt showed on accumulative that the revenue from property taxes was lagging and to expect payment in April. Board members discussed sewer fees and how they are allocated in the Treasurer Report. Jim Alt said he expects revenue to start coming in around April. Jim Alt requested Kristan Lowe provide a list of all delinquent customers at the next board meeting. Utility expenses, specifically propane costs were high. There were no capital expenses to report. Jim Alt mentioned that DiNatale provided an updated invoice for the yield study because, as a result of a telecom meeting, scope and growth occurred. Julia Shroust will ensure Baker Creek funding is booked properly in the accounting program.

Ron Barbee made a motion to accept the January 2024 Treasurer's Report as presented. Larry Dasenbrock 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 provided by General Manager (GM) Terry Sykes**

General Manager Terry Sykes provided an update regarding happenings in the field. There is no action needed by the board. Terry went over water consumption numbers for the Panadero Ski Corp. He said they used 494,000 gallons. Terry explained the annual backflow testing has been completed and that the results were good. Terry tested for his Distribution 2 & 3 water license and has scheduled to take the test for the level 4. Terry mentioned he and all CSWD staff have successfully completed first aid and CPR training. Terry also mentioned that he plans to send Glenn Hillis to the upcoming Colorado Rural Water Conference on March 18th, 2024. The gas detector has been calibrated and all bio solid reports are current. Terry plans to complete an inspection and inventory for all vaults and the Booster pump system. Kristan Lowe is

working to obtain all customer emails to share information regarding sewer backup prevention from inspectopedia.com. Lastly, Dakota Dukes located at 6 Cuchara Ave E. has changed ownership. Terry had Kristan Lowe confirm the taps have already been paid for at that location. No water or sewer tap has ever been installed. The new owners are named Lancaster and the district is waiting for them to make contact.

b. Administrator Report: Reported by Julia Shrou, Detailed Report Attached

Julia Shrou mentioned she is having a teleconference meeting on May 8th, 2024 with the new auditor Christine McLeod of Haney & Company. Julia mentioned she no longer needs the accounting assistance provided by Wilklow & Associates. She confirmed there is no penalty to cancel as long as a 60 day notice is provided.

Jim Alt made a motion to terminate the CSWD agreement with Wilklow & Associates at the end of February as discussed. Ron Barbee seconded the motion. All in favor. Motion carried, 4/0.

c. Water Stewardship Committee Report:

Jim Alt was unable to attend the meeting in person and so he attended via telecom. He had trouble with the audio but explained the new water commissioner for Division 2, Ed Diemer was in attendance. Ed provided updates regarding the Cuchara River basin. Jim Alt mentioned the district could benefit from having a conversation with Sandy White a former water attorney and spoke of a possible work session. Jim Alt mentioned the HCWCD meetings are always held on the 4th Monday of the month usually at the city building located at 200 Russell Ave. in Walsenburg.

d. Legal Case Updates

Jim Alt explained that there are no new cases or applications and no action is needed by the board at this time per Stuart Corbridge of Vranesh & Raisch. Jim Alt mentioned the Ballejos Ditch exchange hasn't been exercised for several years and that performing the exchanges is needed to reliably execute the augmentation plan. Jim Alt requested more information regarding how to measure filling and releasing Britton ponds using the exchange. He or Terry plan to reach out to Ed Diemer for more direction.

e. Rules and Regulations Committee report:

The committee plans to regroup in early 2024 to resume R&R edits. Terry Sykes mentioned he is working on reviewing Appendix A. Kristan Lowe advised all sections besides 9-12 have been completed.

f. Personnel Committee: Nothing to Report

g. Executive Committee Calendar:

Steven Davis will be the floating board rep for the Executive Committee and will be available from February 9th, 2024 through March 8th, 2024. Jim Alt offered to step in should Steven be unavailable.

h. Information Technology Update:

Jim Alt has been working with Hayden Alworth (Computer Kernel) to ensure remote operations are working for the Peaks and Wastewater plants. Jim Alt explained the control is password protected and that Hayden said the exposure and risk for CSWD was low. Jim Alt mentioned participating in a cyber-security survey to see where the district stands. Hayden Alworth will likely assist with the analysis.

i. Reports of Officers: Nothing to Report

9. OLD BUSINESS:

• **Baker Creek Plant Project Update:**

Julia Shrou shared an action item from Laurie Edgar from GMS Consulting Inc. Laurie is requesting Larry Dasenbrock sign the document that reflects information regarding reimbursements. Laurie from GMS provided the arithmetic and draw & tracking info for the D&E grant. Jim Alt explained we are waiting on CDPHE to approve the design phase for the filtration part of the project and that is causing delays. The next steps are to put the filtration equipment out for a bid. Board members reviewed the letter addressed to Larry. Jim went over grant and loan amounts

and concurred with figures provided by GMS. Board members previously agreed that Jim Alt could sign on Larry's behalf if he is unavailable.

Jim Alt made a motion to acknowledge and approve the payment and signature from Larry Dasenbrock on Invoice 3, G2 in the amount of \$10,152.11 to be made the end of February. Ron Barbee seconded the motion. All in favor. Motion carried, 4/0.


- **Safety & Security Update:**
Larry Dasenbrock reminded General Manager, Terry Sykes to keep the board apprised of upcoming safety planning. Jim Alt mentioned a facilities security plan previously in place and asked to meet with Terry to review. Jim Alt plans to cover cyber security at this time.
- **Electronic Billing & Paymentus - CSWD Customer Portal**
Kristan Lowe has a meeting scheduled with the Paymentus client success manager on February 14th, 2024. Kristan Lowe sent the January 2024 billing text file to both Steven and Paymentus. The script was accepted with no issues. Kristan Lowe will include Hayden Alworth on the scheduled call.

10. NEW BUSINESS

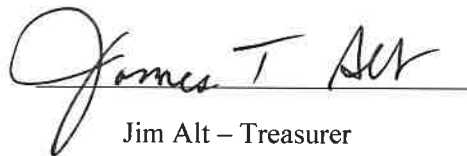
- **Discuss Colorado Special District Property & Liability Pool:**
Jim Alt reiterated the possibility of a P&L penetration test with the CSD Pool. Jim Alt plans to contact the pool to discuss.

11. Adjournment:


Jim Alt made a motion for an adjournment of today's meeting. Steven Davis seconded the motion. All in favor. Motion carried, 4/0. The meeting was adjourned at 10:59 am.


Larry Dasenbrock - President


Chris Smith - Vice President


Jim Alt - Treasurer


Steven Davis - Secretary

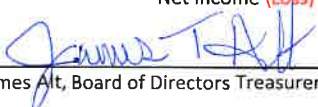

Ron Barbee - Director at Large

February 2024 Treasurer's Report

		Actuals	Budget
Operating Cash Income			
400002 - Service Fees	Water	33,268	32,100
400003 - Service Fees	Sewer	23,982	25,440
400004 - Service Fees	Pond Delivery Charge	545	538
400005 - Comm Serv Fees	Water	1,354	1,736
400006 - Comm Serv Fees	Sewer	1,064	1,392
4210 - Customer Late Charge	Customer Late Charges	190	125
4220 - Interest Earned	Interest Earned at (FNBT) Water Debt Srvc. Account	31	23
4250 - Property Taxes - Gov	Huerfano Co. Treasurer Property Taxes	603	1,062
425011 Debt Service	Bond Tax Revenue	284	0
425002 - Prop Tax Exemp	Personal Property Tax Exemption	0	0
4270 - Specific Ownership Tx	Huerfano Co. Treasurer Specific Ownership	754	96
4280 - County Treasurer Inter	Huerfano Co. Treasurer PT Interest	0	2
4301 - Pond Income	Pond Administration Fee	170	170
4400 License Fees	License Fees	0	0
4550 - Misc. Ops Income	Other misc revenue	25	833
Total Active Operating Income		62,269	63,517
Operating Expenditures			
5041 - Directors' Fees	Directors' Fees	400	600
5051 - Salaries	Salaries	20,834	23,640
5061 - Temp Labor	Temporary Labor	0	0
5071 - Payroll Taxes	Payroll Taxes	306	358
5101 - EE Retirement	Employee Retirement Expense	3,128	3,432
5111 - Employee Insurance	CEBT, TASC, Dependent Child Health Benefit	4,384	4,286
5151 Workman's Comp	Workman's Comp Insurance	0	0
6001 - Analytical Services	CO Analytical Lab and Sangre De Cristo Lab: Water & Wastewater Sampl	885	1,333
6031 - Audit Expense	Haynie & Company	0	0
6071 - Loan Principal Expense	Loan Principal Expense	0	0
6101 - Chemicals	Chemicals	0	1,042
6201 - County Treasurer Fees	Huerfano Co. Treasurer county fees	27	2
6791 Dues and Subscriptions	Dues and Subscriptions	453	125
6881 - Insurance Expense	P&L Insurance Expense	0	0
6911 Loan Interest	DWRF 2012 Cuchara Tank, DWRF 2019 SPWSIP Interest	0	0
6921 - Legal Expense	Vranesh and Raisch: Water Cases	0	2,500
6971 - Miscellaneous Expense	Miscellaneous Expense	0	0
7001 - Office	Caselle Monthly and Added Modules, Gobin's, Amazon	2,975	2,000
7021 - Permits & Fees	CDPHE, USFS	0	83
7051 - Professional	Professional Services	0	2,083
7121 - Repair & Maintenance	Repair and Maintenance	2,457	1,967
7211 - Telephone	Century Link, HuerfanoTel	678	688
7241 - Training & Travel	Training and Travel	320	375
7321 - Utilities - Electric	San Isabel Electric Co	3,082	3,188
7341 - Utilities - Propane	La Veta Propane	2,421	1,167
7361 - Utilities - Trash	Mountain Disposal	90	100
7381 - Vehicle Expense	Vehicle Expense	153	750
Total Active Operating Expenditures		42,592	49,719
9141 - Capital Interest	CAPITAL INTEREST	3559	3,083
8001-Capital Income	CAPITAL INCOME	0	0
9201 - Misc Capital Rev	MISC CAPITAL REVENUE	0	0
Total Capital Income		3,559	3,083
9890-Cap Exp		41,330	20,000
		0	41,330
January 31, 2024 Chkg Acct Bal (FNBT #246)			66,159
February 29, 2024 Chkg Acct Bal (FNBT #246)			40,125
January 31, 2024 Water Debt Services (FNBT #254)			43,419
February 29, 2024 Water Debt Services (FNBT #254)			53,100
Reserves			
E001 ColoTrust CSWD Water Capital Edge			81,377
E002 ColoTrust CSWD Capital Reserve Edge			181,941
E003 ColoTrust CSWD Sewer Capital Reserve Edge			338,261
E004 ColoTrust CSWD Debt Reserve Edge			194,905
8001 PLUS+ Water Capital			27,971
Total Reserves			824,455
Remaining Loan Principal			
SPWSIP Loan D19F428			1,379,647
Cuchara Wtr Tank Loan D12F303			45,643

February 2024 Treasurer's Report

	Actuals	Budget YTD	\$ Over Budget	% of Budget	Annual Budget	% of Budget
Operating Income						
400002 · Water Service Fees	63,524	64,200	(676)	98.9%	385,200	16.5%
400003 · Sewer Service Fees	47,936	50,880	(2,944)	94.2%	305,280	15.7%
400005 · Comm Water Service Fees	2,730	3,472	(742)	78.6%	20,873	13.1%
400006 · Comm Sewer Service Fees	2,145	2,784	(639)	77.0%	16,698	12.8%
4000 · Excess Consumption Fees	0	0	0	#DIV/0!	500	0.0%
400004 · Pond Delivery Fees	1,054	1,076	(22)	98.0%	6,453	16.3%
4210 · Customer Late Charges	431	250	181	172.4%	1,500	28.7%
4220 · Interest Earned	44	46	(2)	95.7%	270	16.3%
4250 · Property Tax Revenue	1,068	2,124	(1,056)	50.3%	98,370	1.1%
425002 · Personal Property Tax Exemption	0	0	0	#DIV/0!	150	0.0%
425011 · Debt Service - Bond Tax Revenue	284	0	284	#DIV/0!	25	1136.0%
4270 · Specific Ownership	1,553	192	1,361	808.9%	12,000	12.9%
4280 · County Treasurer Interest	0	4	(4)	0.0%	125	0.0%
4301 · Pond Administration Income	340	340	0	100.0%	2,040	16.7%
4400 · License Fees	0	0	0	#DIV/0!	225	0.0%
4550 · Miscellaneous Operating Income	50	1,666	(1,616)	3.0%	10,000	0.5%
Total Operating Income	121,159	127,034	(5,875)	95.4%	859,709	14.1%
Operating Expenditures						
5041 · Directors' Fees	900	1,200	300	75.0%	7,500	12.0%
5051 · Salaries	48,691	47,280	(1,411)	103.0%	283,679	17.2%
5061 · Temporary Labor	0	0	0	#DIV/0!	13,960	0.0%
5071 · Payroll Taxes	712	716	4	99.4%	4,301	16.6%
5101 · Employee Retirement Expense	6,471	6,864	393	94.3%	41,189	15.7%
5111 · Employee Insurance Expense	8,609	8,572	(37)	100.4%	51,437	16.7%
5151 · Workman's Comp. Ins.	5,614	5,614	0	100.0%	5,614	100.0%
6001 · Analytical Services	1,364	2,666	1,302	51.2%	16,000	8.5%
6031 · Audit Expense	0	0	0	#DIV/0!	12,000	0.0%
6071 · Loan Principal: SPWSIP, Cuchara Tank	0	0	0	#DIV/0!	75,509	0.0%
6101 · Chemicals	2,250	2,084	(166)	108.0%	12,500	18.0%
6201 · County Treasurer Fees	41	4	(37)	1025.0%	2,951	1.4%
6791 · Dues & Subscriptions	1,148	250	(898)	459.2%	1,500	76.5%
6881 · Insurance Expense	30,030	30,030	0	100.0%	30,030	100.0%
6911 · Loan Interest	0	0	0	#DIV/0!	34,941	0.0%
6921 · Legal Expense:	4,058	5,000	942	81.2%	30,000	13.5%
7001 · Office Expense & Postage	4,879	4,000	(879)	122.0%	24,000	20.3%
7021 · Permits & Fees	0	166	166	0.0%	1,000	0.0%
7051 · Professional Services	6,412	4,166	(2,246)	153.9%	25,000	25.6%
7121 · Repairs & Maintenance	2,961	3,934	973	75.3%	23,600	12.5%
7211 · Telephone Expense	2,621	1,376	(1,245)	190.5%	8,250	31.8%
7241 · Training & Travel	320	750	430	42.7%	4,500	7.1%
7321 · Utilities - Electric	5,883	6,376	493	92.3%	38,250	15.4%
7341 · Utilities - Propane	4,349	2,334	(2,015)	186.3%	14,000	31.1%
7361 · Utilities - Trash	180	200	20	90.0%	1,200	15.0%
7381 · Vehicle Expense	300	1,500	1,200	20.0%	9,000	3.3%
Total Operating Expenditures	137,793	135,082	(2,711)	102.0%	771,911	17.9%
Total Net Operating Income	(16,634)	(8,048)			87,798	
Capital Income						
8001 · Current Year Tap Fees	0	0	0	#DIV/0!	30,000	0.0%
9141 · Interest - Capital	7,374	6,166	1,208	119.6%	37,000	19.9%
934104 - Grant - Baker Creek Design & Engineering	0	0	0	#DIV/0!	0	#DIV/0!
934105 - Grant - Baker Creek Water Project	0	0	0	#DIV/0!	211,700	0.0%
Total Capital Income	7,374	6,166	1,208	119.6%	278,700	2.6%
Capital Expenditures						
9001 · Gov't Fund	0	0	0	#DIV/0!	0	#DIV/0!
9002 · Water Fund	15,589	20,000	4,411	77.9%	407,000	3.8%
9890002c-Baker Creek Water Proj Expenses	10,152	0	(10,152)	#DIV/0!	0	#DIV/0!
9003 · Sewer Fund	15,589	0	(15,589)	#DIV/0!	300,000	5.2%
Total Capital Expenditures	41,330	20,000	(21,330)	206.7%	707,000	5.8%
Net Income (Loss) not including depreciation	(50,590)	(21,882)				


 James Alt, Board of Directors Treasurer

February 2024 Treasurer's Report