CUCHARAS SANITATION AND WATER DISTRICT (CSWD)
16925 STATE HIGHWAY 12
CUCHARA, COLORADO 81055
Minutes of the Board of Directors Regular Meeting
June 10th, 2026

- **Call to Order:**
  Steven Davis called the meeting to order at 1:00 pm

- **PLEDGE OF ALLEGIANCE:**
  The Pledge of Allegiance was led by Steven Davis.

- **ROLL CALL:**
  Steven Davis- Present
  Chris Smith – Absent, excused
  Carolyn Rominger – Present
  Dona Taylor – Present via Zoom
  Hollis "Buzz" Ginn -Present

  Staff present: Terry Sykes, Julia Shrout and Christina McCleary

  Visitors present: Michael Miller and Larry Dasenbrock, both via Zoom

- **Approval of June 10th, 2026 Regular Board Meeting Agenda:**
  Steven asked if there were changes or additions to today's agenda. Julia reported that two resolutions were added under New Business.
  Carolyn Rominger made a motion to approve the June 10, 2026 Regular Board meeting agenda as amended. Buzz Ginn seconded the motion. All in favor. Motion carried, 4/0.

- **Approval of May 13th, 2026 Regular Board Meeting Minutes:**
  The Board reviewed the May 13, 2026 Regular Board Meeting Minutes before today's meeting. Steven asked if there were any changes or additions. There were none.
  Carolyn Rominger made a motion to approve the May 13, 2026 Regular Board Meeting Minutes as presented. Dona Taylor seconded the motion. All in favor. Motion carried, 4/0.

- **Treasurer's Report -Review & Approval of April 2026 Treasurer's Report (TR):**
  Carolyn Rominger reported on the Treasurer's Report for May 2026; profit and loss for May looked really good. Revenue was close to budget, with property tax revenue ahead of year-to-date by $4,792, and capital expenditures totaling $282,864 for the month. Revenue for the month was $109,000, with the last five months being at $483,431. The operating expenses are under budget in respect to salaries from May forward, and that is attributable to the office position that is now filled. The audit is underway, and we will get a report later; they are still working with Julia. The audit company hasn't billed us yet. The Bond and Government expense as well as Loan Interest Expense show our first loan payments for 2026.
  The bottom third of the page is the capital items; the income being the grant and loan proceeds, as well as below that the capital expenditures. The Capital Expense report shows those amounts in more detail. The trend chart covers a 12-month rolling presentation with a 12-month average. There is a large checking account balance (almost $500,000) at the end of May. This is due to two large additions; in April and May, we've received some large property tax payments. Also, there are the proceeds from the grant and loan that came in, but the checks haven't cleared the bank as of the end of the month. As far as our reserves and our loan balance (which dropped) because of the May loan payments, those amounts are what is contributing to the almost $18,000 deficit. Looking at the operating expense report, the main expenditures for the capital expenditures are the payments to Filter Tech and Meyer's & Sams for the Baker Creek WTP for a total of $282,864, which makes up the capital expenditures that we saw on the bottom of the P & L. Subtracting those two expenses from the total expenses gives us a net amount of $56,532. This is a very normal month, considering that the payroll is usually our largest office expense. We had a payment to Muni-Link of $6,426 for a full-year subscription. Elan is our credit card. That vendor is in several different categories,

including office expenses, repairs, and maintenance. Thanks to Terry and Julia's oversight, everything looks pretty good.
The very last page in the Treasurer's report shows the capital expenditures for the entire year.
Dona Taylor made a motion to approve the Treasurer's Report as presented. 'Buzz' Ginn seconded it. All in favor. Motion carried, 4/0.

- **Public Forum:**
- Larry Dasenbrock reported that he was just listening to the treasurer's report and said that it sounds like 'everything's good' and was interested in hearing about the Baker Creek project and how it is doing and if it's operating.

- **REPORTS OF OFFICERS, COMMITTEES, PROFESSIONAL CONSULTANTS, and STAFF:**

a. **Operations Status Report: Operations items reported by General Manager (GM) Terry Sykes**
Terry Sykes welcomed Christina McCleary to the fold as the new receptionist of CSWD. The main water production was 1.9 million gallons for May, with an average of 60K per day and the peak being120K. The crews are continuing with the meter change-out program, with about 40 so far year-to-date. The headgate has been installed at Britton ponds. This is timely as the diligence claim/response is due July 31st. That will be discussed more in the water stewardship/legal updates. We have several water and sewer taps contingent on property closings. One of them that is paid for will require a road bore across Highway 12, and two others are considering river/creek crossing bores. Crews pumped a septic tank and located other tanks for customers. We have a contractor from Denver coming later this month to inspect (and rebuild as needed) large pressure-reducing valves in the distribution system, a total of 9 in all. It has been about 5-6 years since those have been done. Regarding the emergency well, OJO Springs Well Services has been contacted, and we have a plan for determining yield from an 'infiltration type' well shown in the sketch (provided in the meeting packet). Along with the assistance of Ron Jameson, we will dig down to the sandstone layer near the Cucharas River at the Peaks plant. A temporary pump will be used to determine potential yield. If favorable conditions are found, we will get an estimate of cost and bring it to the board/executive committee for consideration. This approach does not require a permit (we are only doing a test hole) and should provide more certain results. It will ultimately take a larger machine, which is why we are involving Ron Jameson and OG Blouin (of OJO Springs WS). Steven Davis talked to Brad Snowy, a hydrologist whom he is acquainted with. Brad had said he would be happy to come to 'bounce ideas off' of and make any suggestions. Carolyn asked about the funding needed for the project, assuming that we go down 25 feet or so and then make a decision based on the yield. Terry mentioned that we couldn't just go ahead without the blessing of the state; we would have water rights that we would temporarily transfer. So, whatever the yield would predict and assuming we gave it the green light and got the permit, then we would use some of our water rights. The consensus was that it made sense to pursue this action, whether or not we will need it this year, as we could gain a lot of knowledge. Terry estimates that the cost could be as much as 5K (he admitted it could be high) and Carolyn feels it is a good investment. Terry and OJO Springs Well Svcs would be in charge of making the decision to do a test dig. Terry would like to dig as close to the river as allowed and as close to the plant as possible; on the SE corner. Terry also said that after digging the well, we would cover it back up and start the permitting process, etc. He would like this to happen in the next few weeks. The Baker Creek plant is rated at 120 gallons per minute and it is operating to maintain filling the big tank at the ski area. Previously, the water was taken from our distribution system (the Peaks plant) then through a series of 3 pump stations and now we are just pumping from Baker Creek directly into that tank.

b. **Administrator Report: Reported by Business Administrator Julia Shrout**
Julia reported that she heard from the auditors, Haynie & Co. The items she sent to their portal were accepted, and they are still reviewing those items. She hasn't heard much from them since she returned from her vacation; everything looked good. They will let us know if they need more information. Carolyn requested that the next time Julia speaks with the accounting firm, she will verify that the audit report has been filed before it was due this year, as they were late last year. Julia agreed that she will verify. Carolyn requested that after the audit report is complete, the board would like to have the partner manager present the report to our board of directors. Both Terry and Julia have been training Christina (the new hire/receptionist) on Paystar and Muni-Link.

Julia reported that she and Terry made it through billing again; they still had to call Hayden, but everything went well. She hopes by July they will be able to do the billing cycle without the aid of Hayden.

c. **Water Stewardship Committee Report:**
Steven reported that the website had no new information.

d. **Legal Case Updates:**

e. Steven reports, regarding the City of Walsenburg case, Stuart is recommending that we get DiNatale Water to analyze the technical filing that Walsenburg put in, so that he can ask a few questions. We have engaged them in the past and. Stuart needs some more technical help for the details of the filing and he was wanting the board to discuss this. His estimate is it will take DiNatale 5 to 10 hours to do the analysis and consult with him. Carolyn asked if someone other than DiNatale would be a better fit. Terry said the water commissioners had given him the name of someone more local, who retired from working for the state and it seemed logical.
Carolyn made a motion to get technical assistance for Stuart and give authorization to Stuart, Terry and Steven to decide who that should be. Dona Taylor seconded the motion. All in favor. Motion carried 4/0.
The other legal matter that Stuart noted is the Collaborative Storage Project Case No.17CW3075 that includes CSWD, the Huerfano County Water Conservancy District and the Town of La Veta. The diligence application filing deadline is July 31st, 2026, and failure to file the application would result in cancellation of the water rights. Steven noted that we have to file every 6 years, and if we don't file we will lose our water rights. Stuart reminded CSWD that the District's Ballejos Ditch rights are a source of substitute supply for certain exchanges and CSWD also owns several of the existing structures that are identified as exchange-to locations (the CSWD Water Treatment Plants and the Britton Reservoirs). It is Stuart's recollection that HCWCD operated exchanges to the Britton Reservoirs at least in one year during the diligence period (which runs from December 30, 2017, through July 31, 2026). Based on emails Stuart has received recently from Ryan Farr (HCWCD's attorney), he is working on a draft of the diligence application for review by CSWD and Town of La Veta. Stuart anticipates that draft could be out this week at some point. He will plan to review that draft and anticipate that CSWD may have some information that can be added to the diligence activities section of the application. Once he has seen the initial draft, he expects it will make sense for Terry and Stuart to have a call to discuss this item.

f. **Executive Committee Calendar:**
Chris Smith will be the rotating member for the Executive Committee and will be available from June 10th, 2026 through July 8, 2026.

g. **Personnel Committee Update:** Nothing to report.

h. **Information Technology:** We had an issue with the cameras but Hayden fixed it. Steven asked to have Hayden block all credit card emails with the exception of the District credit card, Elan

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

- **OLD BUSINESS:**
  - **Baker Creek Plant Project Update:**
    A contractor working for San Isabel cut the fiber service to the plant. The way to interact with the plant is to remote in and make programming changes. It is back to running smoothly now. There were some concerns about the monitoring for compliance. Every 4 hours, the lowest chlorine level and highest turbidity level have to be recorded. The Baker Creek plant has an auto-dialer that records and monitors the data and sends everything to the cloud with unlimited storage. The annual subscription is $85 per year. Filter Tech made it easy to do the compliance and to monitor and log all the compliance numbers. This is going to eliminate the 3 pump stations and the potential for failure because the Peaks Plant will no longer be pumping water to the resort. Periodically, the old pumping system will be used to make sure everything is still functional. Filter Tech is finished with the project and will receive their final payment with Draw #10. Carrigan is going to be finalized as well, but we will hold their final payment until we receive the spare pump. The crew is still learning the process and alternating between the field crew and Terry on operating the plant. If the paperwork that Steven is signing today for the 10th draw, it looks like the project will come in around $104,000 under budget.

- **Wastewater Treatment Plant Headworks Project**
  Steven reported the District received the $150,000 grant from EIAF. That leaves a balance of $900.000. Element Engineering is 100% confident the District will get the $45,000 that they will need to finish engineering everything. The District is going to apply for DOLA funding on August 5th. Element Engineering will help us apply for the loan and we're going to go for the balance of it. However, part of the loan could be forgiven kind of like the loan with Baker Creek. Once we know what amount we will be awarded, the District can decide if they will be able to do both the screen and the grit work or if it will need to be broken into two projects. The District does have about $85,000 in the sewer reserve account that could be used. We would have to talk to the auditor to know what our reserve requirements will be before spending that money. The Board may need to have a discussion, depending on what funding is available and how far they want to spend down on the reserve account. In the original schedule, the District wasn't going to apply for the loan, but Element believes they can get everything together and ready for the August deadline. There is a public meeting scheduled for July 8th before our regular board meeting for a presentation by Element on the project. The District is required to have a sign-in sheet with any questions the public may have.

- **New Business:**
  a. **Resolution 2026-05 Acceptance of Baker Creek Treatment Plant Improvements**
  Steven read Resolution 2026-05 Acceptance of Baker Creek Treatment Plant Improvements to the Board since it previously wasn't included in the board packet. The resolution states the Board of Directors deems the Baker Creek Water Treatment Plant Improvements-Base Bid Item #'s 1, 2 and 3 project satisfactory, acceptable, and complete in place to all requirements as set forth within the Contract documents with Caragan Excavating, LLC. Now, therefore, be it resolved by the Board of Directors for the Cuchara Sanitation and Water District, La Veta, Colorado, that the Baker Creek Water Treatment Plant improvements-base bid item numbers 1, 2, and 3, project be formally accepted as installed and completed in place as of April 30, 2026. **Carolyn Rominger made a motion to approve Resolution 2026-05. Dona Taylor seconded the motion. All in favor. Motion carried 4/0.**

  b. **Resolution 2026-06 Acceptance of the Baker Creek Water Treatment Plant Process Equipment**
  Steven Davis read Resolution 2026-06 Acceptance of the Baker Creek Water Treatment Plant Process Equipment to the Board of Directors since it wasn't previously included in the board packet. The resolution states the Board of Directors deem the Baker Creek Water Treatment plant Pfocess Equipmemnt satisfactory, acceptable and complete in place to all reuqiments as set forth within the Contract Ccocuments with Filter Tech Systems, Inc. Now, therefore, be it resolved by the Board of Directors for the Cuchara Sanitation and Water District, La Veta, Colorado that the Baker Creek Water Treatment Plant Process Equipment Project be formally accepted as installed and complete in place as of May 28th, 2026.
  Carolyn Rominger made a motion to approve Resolution 2026-06. Buzz Ginn seconded the motion. All in favor. Motion carried 4/0.
- **Executive Session pursuant to C.R.S.**
  Executive Session was not entered

- **Adjournment:**
  Carolyn Rominger made a motion for an adjournment of today's meeting. Buzz Ginn seconded the motion. All in favor. Motion carried, 4/0. The meeting was adjourned at 2:18 pm. The next regular board meeting will be held on July 8th, 2026 at 1:00 pm.

Steven Davis – President

Chris Smith-Vice President

Hollis (Buzz) Ginn – Director at Large

Carolyn Rominger – Treasurer

Dona Taylor – Secretary