

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

Carolyn Rominger – Present

Dona Taylor – Present

Hollis “Buzz” Ginn -Present

Staff present: Terry Sykes, Julia Shrout, and Ashley Hall.

Visitors present: Stuart Corbridge, John Robinson, Marshall Moore, Craig Williams. Via Zoom: Michael Miller

- **Approval of August 12th, 2026 Regular Board Meeting Agenda:**

Carolyn Rominger made a motion to approve the August 12th, 2026 Regular Board Meeting agenda as presented. Dona Taylor seconded the motion. All in favor. Motion carried, 5/0.

- **Approval of July 8th, 2026 Regular Board Meeting Minutes:**

The Board reviewed the July 8th, 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 July 8th, 2026 Regular Board Meeting Minutes as presented. Dona Taylor seconded the motion. All in favor. Motion carried, 5/0.

- **Approval of July 8th, 2026 Special Board Meeting Minutes:**

The Board reviewed the July 8th, 2026 Special 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 July 8th, 2026 Special Board Meeting Minutes as presented. Dona Taylor seconded the motion. All in favor. Motion carried, 5/0.

- **Treasurer’s Report -Review & Approval of July 2026 Treasurer’s Report (TR):**

Carolyn Rominger, Treasurer, noted we have been managing expenses well. YTD 10K ahead at 7 months. Biggest expenditure was payroll at 50K. Currently a \$20,000 variance for property tax, just a timing issue we have no control over how it comes in. We’re running roughly an \$8,600 favorable variance on property tax revenue for the 7 months year-to-date. Our service fee revenue was \$74,492, that’s roughly \$2,000 ahead of budget. All total, our total income for July was \$95,000 against an \$89,000 budget, roughly \$6,000 favorable. The audit is late, but we requested an extension. It is expected to be in line when complete. Thanks to Julia & Carolyn for saving money on not using the CPA. We paid \$10,000 to the auditors. There’s \$85,000 budgeted on expenses in July and we came in at \$74,000. That is a \$6,000 favorable balance for spending. We had roughly \$529,000 in total expenses for the 7 months, compared to \$598,000 budgeted. Similarly, on legal expenses, we’re roughly \$1,000 over in the month of July, but we’re running under year-to-date by \$3,500. We got \$30,000 in TAP fees during July. That brings the total year-to-date to \$33,000. We had budgeted \$30,000 on tap fees for this year. Carolyn was pleased to report that the District has now exceeded budget on that income item. Those funds have been placed in the appropriate account that has been segregated for those funds. The District purchased a Meeting Owl to make communication better during the Board Meetings for those attending by Zoom. On the Baker Creek project, we had some timing issues when we were preparing the budget. You do see a pretty significant amount in the variance to budget for that line item. It’s really just a timing difference. We had thought that we would get further along in the project before year-end. We would still like to do the building updates this year. We have received one quote for carpeting, but we need

to receive three total quotes. Julia & Ashley will look into it. The Trend Chart is the rolling 12-month view. If you look at the Jul-26 column, you can see we had \$95,000 coming in and \$74,000 going out, which gives us roughly \$21,000 in cash flow. On the right, you see the 12-month average. The checking account balance is strong at \$233,762. The reserve balance is really strong at \$986,653. Our loans are at \$1,662,179. The next page is the OPEX. It shows all of the disbursements made, including the CapEx, but then that is deducted to get the total OPEX of \$72,474. As always, the biggest number is the payroll. The next big number is the payment to the auditor for \$10,000. The CapEx report shows two items purchased in July. The Meeting Owl to improve communication for those joining meetings by Zoom and an expense to Element Engineering for work on the WWTP Headworks project.

Buzz Ginn made a motion to approve the Treasurer's Report as presented. Chris Smith seconded the motion. All in favor. Motion carried, 5/0.

- **Public Forum:**

Marshall Moore of 144 Aspen Rd asked the Board if they could bring us up to date on where we stand on the Brittan ponds and installing the gauges. Stuart hadn't heard back from the Division of Water Resources yet, but Stuart said that as long as the river is dry, we won't be allowed to do supplemental pond augmentation. Marshall also asked how our water right at our point of distribution at the water plant is tied to the calf pasture ditch. Stuart explained the water rights that are diverted under the number 2 at either Baker Creek or Spanish Peaks are the subject of a change decree that was done a long time ago. That decree does have some provisions about diverting at the upstream locations. Walsenburg has called their #1, but La Veta has not. The issue becomes a problem if the number one is calling; then the question is whether there's enough flow to satisfy the number one and still have some flowing by into La Veta. So, based on old terms, it's a futile call, because there is no water there to pull from. That has become more stringent than it was in the past. Stuart's thought is that putting water back in at the wastewater treatment plant, notwithstanding that there's a small amount of consumption, because that bypasses a big stretch of the Cucharas River, where you may be losing it, at least on a short-term basis, to stream loss, or evaporation, or consumption by trees, plants, etc. . You're diverting the number 2 out of priority. And if you're diverting out of priority, you're doing it under your augmentation plan. And the augmentation plan specifically says you have to replace 5%. I would like to sit down with Walsenburg and the owners of the number one and discuss the unusual emergency we are in. Steven Davis asked, could we get up to the Brittan ponds and make them have the ability to hold water while they are dry? Stuart replied there is some flexibility to do some rehab before snowmelt, but not substantially change the size. Just get it back to what it was when the decrees were entered. Marshall's last request is to make the Meeting with Joe Crabb & Stuart a public meeting.

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

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

Terry Sykes reported July water production was 2.5 million gallons, with an average of 81,000 gallons per day and a peak day of 125,000 gallons. It's worth noting that compared to July of 2025, the water production was 3.5 million gallons. This year the production was a million gallons less. Of the 2.5 million gallons, 840k came from Baker Creek WTP. We continue to report our daily diversions to Division II for the commissioners. The meter change-out is ongoing. We're up to about 50, with about 40 remaining. We installed two new water taps and one sewer tap in July, and the second sewer tap is pending. We responded to a few sewer calls in July, and helped a customer locate his septic tank. I mentioned in previous meetings that we were going to have a contractor come to inspect and check our pressure-reducing valve stations, and that happened in July. They inspected and tested all 9 of our stations, and we did identify a few problems and fixed a few, but overall, we're in pretty good shape. Our pressure-reducing valves (PRV), are very critical. I have pointed out in the past, we have a thousand-foot elevation difference between the top of the system to the end. We are at 430 psi, so with our pressure-reducing valves working, we are working well. Also, we had a chemical vendor that we switched to recently come for dosage testing at our Spanish Peaks plant. What that really means is reducing the coagulant dosage, as it has been the same one for a decade. The vendor came up and performed some extensive testing, and we are going to try one of their products because it took less of the product and it produced a better result. There's a process we have to go through with the state to do that. It's not a big process, because we're not changing the chemical, we're just changing the manufacturer. There is also a cost savings. Also, at the Peaks plant, we had some failures in recent years caused by electrical surges, potentially from lightning. So we had a contractor come in, and install additional surge protection. Finally, the CDPHE inspector came and did the final inspection at Baker Creek on May 28th. We did receive a notice of violation from CDPHE on lead and copper sampling and reporting. There are

different tiers: 1, 2, and 3, and Tier 3 is the least significant and critical one; we just have a Tier 3. With copper sampling, we were on a 3-year cycle, and we were required to do 5 samples every 3 years. With Baker Creek coming online, that changed. We have to do 20 total now, 10 in the first half of 2026, and 10 in the second half of 2026. The samples all came back fine; the results have already been reported to the customers. Since it is Tier 3, it will be in our annual water quality report.

b. Administrator Report: Reported by Business Administrator Julia Shrout

Julia Shrout reported that the District had to do an audit extension, and the new deadline is September 30th. We are still waiting on the financial statements from them. We will look for a new auditor for CSWD for next year. Stuart requested an email from Julia to remind him when the last time was that the auditor requested an independent review letter from him. DocAccess, the company that makes our files ADA-compliant, was recently acquired by CivicPlus. We received an email that it has gone up to \$3,000 a year from the \$600/yr we were paying. Julia has asked for more information about what the 3K actually covers but hasn't heard back from them. Steven asked Julia to send a file that needed to be made compliant, and he will see if he has a way to make it compliant that won't cost the District as much money. Finally, Julia noted that the SDA Conference is scheduled for September 15th-17th in Keystone, CO & inquired if anyone is going to attend. Terry & Julia are going to join the conference remotely.

c. Water Stewardship Committee Report:

There was nothing in May of interest for CSWD.

d. Legal Case Updates:

Stuart Corbridge was in attendance. He reported that he reviewed the June 2026 Division 2 Water Court Resume. There were only 2 new applications filed in the entirety of Division 2, neither of which impacts CSWD. On Case No. 25CW3052, I have communicated with Matt Bliss at DiNatale Water about a Phase I engineering evaluation of a couple of Walsenburg's claims in this case. I have not yet received any specific analysis from him but understand he is working on it. Otherwise, we are still waiting for Walsenburg to send out its responses to the first round of opposer comments and an updated version of the proposed decree for this case. One of the primary claims in that case is seeking to change a good chunk of what's left of the priority #5. Case No. 26CW3034, the required diligence application for the water storage rights and rights of exchange decreed to the Collaborative Group (CSWD, HCWCD, and LaVeta) in Case No. 17CW3075 was filed on July 31. Based on the standard court timeline, statements of opposition are due by September 30. I anticipate the group may get started on a draft proposed decree between now and then, but we won't have any formal deadlines until the statement of opposition deadline has passed and an initial telephone status conference is held with the Referee.

e. Executive Committee Calendar:

Steven, Terry, & Carolyn met to discuss the properties that were divided by Mr. Lancaster, specifically the Milinazzo property issue concerning the common areas for the Panadero HOA. The GIS & Huerfano County maps were incorrect. The HOA disputed that the area that was being excavated for the new water and sewer lines to that property was incorrect and encroaching on the HOA common area. Terry asked the contractor to hold off on continuing until the matter could be investigated.

Dona Taylor will be the rotating member for the Executive Committee and will be available from August 12th through September 9th, 2026.

f. Personnel Committee Update: Welcome to the team, Ashley Hall.

g. Information Technology:

Hayden will be installing new cameras at the new Baker Creek Water Treatment Plant. Steven asked to let him know the next time Hayden is at the office. He needs help with a couple of things from him.

h. Reports of Officers:

Dona Taylor is working on the Rules & Regulations. She passed out a copy of Section 4 and asked the Board members to review that section to discuss at the next meeting.

• **OLD BUSINESS:**

a. Wastewater Treatment Plant Headworks Project

Steven has received lots of emails from the state but has been relying on Element Engineering to handle things. He sent an email to Alice hoping she could answer some of the questions. Steven was waiting to hear back from Bart at Collins, Cole, Winn and Ulmer about the wording on the Resolution that the District needs to pass. Everything has been received. Kevin, the Senior Financial Analyst at Colorado Water Resources and Power Development Authority, has accepted the documents. The engineering grant is

100% forgivable.

- **New Business:**

- a. **Resolution 2026-07: A Resolution Authorizing a Colorado Water Resources and Power Development Authority Water Pollution Control Revolving Fund Design & Engineering Loan Agreement**

Carolyn Rominger made a motion to approve Resolution 2026-07 as presented. Chris Smith seconded the motion. All in favor. Motion carried, 5/0.

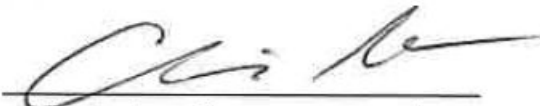
- **Executive Session pursuant to C.R.S.**

Executive Session was not entered.

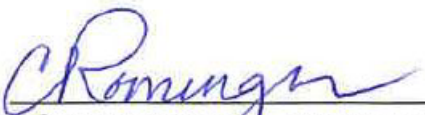
- **Adjournment:**

Carolyn Rominger moved to adjourn today's meeting. Chris Smith seconded the motion. All in favor. Motion carried, 5/0. The meeting was adjourned at 2:45 pm. The next regular board meeting will be held on September 9th, 2026 at 1:00 pm.


Steven Davis - President


Chris Smith-Vice President


Hollis (Buzz) Ginn - Director at Large


Carolyn Rominger - Treasurer


Dona Taylor - Secretary