

CUCHARAS SANITATION AND WATER DISTRICT (CSWD)
16925 STATE HIGHWAY 12
CUCHARA, COLORADO 81055
Minutes of the Board of Directors Regular Meeting
September 9th, 2026

- **Call to Order:**

President Steven Davis called the meeting to order at 1:03 pm.

- **PLEDGE OF ALLEGIANCE:**

The Pledge of Allegiance was led by Steven Davis .

- **ROLL CALL:**

Steven Davis- Present

Chris Smith – Present, Zoom at 1:05 p.m.

Carolyn Rominger – Absent (excused)

Dona Taylor – Present

Hollis “Buzz” Ginn -Present

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

Visitors present: Marshall Moore, David Steffen. Via Zoom: Larry Dasenbrock, Michael Miller

- **Approval of September 9th, 2026 Regular Board Meeting Agenda:**

Dona Taylor moved to approve the August 12th, 2026 Regular Board Meeting agenda as presented.

Hollis “Buzz” Ginn seconded the motion. All in favor. Motion carried, 3/0.

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

The Board reviewed the August 12th, 2026 Regular Board Meeting Minutes before today’s meeting. Steven asked if there were any changes or additions. There were none.

Buzz Ginn moved to approve the August 12th, 2026 Regular Board Meeting Minutes as presented. Dona Taylor seconded the motion. All in favor. Motion carried, 3/0.

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

Carolyn Rominger, Treasurer, was unavailable for this meeting. She passed along the info to the President, Steven Davis. August was a very great month. We are above budget for Service Fees by a little more than \$2,000. Year-to-date, we are over \$10,000 in the positive. We are almost \$6,000 to the positive for total income for the month, with our total year-to-date being a positive \$18,500 for income. Legal fees are up a bit due to the No. 1 Priority call by Walsenburg. We are still \$6,000 under budget on expenses. Not only was income higher than budgeted but the expenses were lower than budgeted. We are about \$70,000 under for the year. Financially, the District is having a very good year. The only capital expenses for the month were to Element Engineering for the Wastewater Headworks project.

Dona Taylor made a motion to approve the Treasurer’s Report as presented. Hollis “Buzz” Ginn seconded it. All in favor. Motion carried, 4/0.

- **Public Forum:**

Marshall Moore of 144 Aspen Rd attended the board meeting. He inquired whether the board has voted to approve the 2 gauges for the Britton Ponds. Steven responded that the District hasn’t voted on anything yet because they need to hear from someone at the state as to what they will approve. The state said they would have someone come out to help with the design of what we need, then we can get it done. The hope is to have things ready by spring. Steven asked if Larry Dasenbrock had any questions, and he said no. He was just listening in. No one else from Zoom spoke.

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

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

Terry Sykes outlined: August water production was 2.7 million gallons. For an average of 86,000 gallons per day, and a peak day of 92,000 gallons. Baker Creek is performing well and accounted for 600,000 gal. We continue to report our daily diversions to the Division II Water Commissioners.

There was one remaining pending sewer tap done off Panadero Ave. The bore at CR 401, the Pinehaven entrance, is completed. There was an unmarked Jade Fiber line that was cut & caused an outage while doing the bore under Highway 12, but it was back up within hours. We will be making a water tap later in the month to serve a customer on the East side of Hwy 12. The bore at Hwy 12 South of Ruby Lane under the Cucharas River is done, with a water tap pending. It was a very interesting bore which went under the river & terminated at the basement of an existing house.

We dug a test hole at the Peaks Plant for an emergency water source, and it is not promising. We hit bedrock at 12 feet. Yield was minimal, maybe 15-20 gpm.

The two fire hydrants in the Spanish Peaks Subdivision are now back in service.

We are currently collecting the additional 10 lead and copper samples. They will be sent to the lab on 09/10/26.

Terry also noted that he and Secretary Dona Taylor reviewed Section 4 of the District Rules & Regs. They will have revisions for the Board to consider at the October board meeting.

Finally, the company that we lease tower space to (Commnet) was bought out and the new owner submitted two proposals/options. Those will be ready for the Board to review at October's meeting as well.

b. Administrator Report: Reported by Business Administrator Julia Shrout

Julia Shrout reported that the final draft of the audit is expected soon. We must have it filed with the state by the end of the month. The auditors are asking for an extra \$4,000 for the financial statements. We will look for a new auditor for next year. The Workers' Comp is up for renewal. The requested information has been sent back to them. The Property and Liability Pool is also up for renewal. Julia will get started soon on submitting that information. The CEBT rates are going to be 15-19% higher. We should get the actual numbers soon, but it won't take effect until January 2027. Reminder that the SDA Conference begins on September 15th. Julia has also begun working on the budget. The Preliminary budget will have to be approved at the next board meeting.

c. Water Stewardship Committee Report & Water Storage Discussion:

David Stefan of the Huerfano Water Conservancy attended the board meeting. He said they have their USDA grant and have invested a lot in the Huerfano. Bruce Canyon has been funded, but it is years down the road. The Conservancy District is trying to get the water at the Thorn Ranch and get that deal pushed through with the county. South Baker Reservoir is going to be 3-10x more costly per acre-foot than Bruce Canyon. He said he knows that it is an exceptionally dry year; his understanding is that a little water is running down Baker Creek, but there isn't any water at Bruce Canyon. David said he is the representative for Cucharas on the Huerfano County Water Conservancy Board & thinks it would be good if the board could have a representative at their meetings as well. Marshall Moore mentioned that he went to water meetings with Jim Berg, who was a past president, for 3 years. Bruce Canyon also has water rights along the 3, the 8, and 13. He suggests the board reach out to Jim Berg, who knows the benefit of storage at 9,000 ft over the shallow storage at 5,000 ft.

d. Legal Case Updates:

Stuart reviewed the Division II water court resumes. There was only one paid diligence case application. There were no new applications that would affect us. The case we have opposing Walsenburg to get more information on that, Walsenburg is still reviewing the comments. There is nothing new on that case.

e. Executive Committee:

Terry, Steven and Dona had several executive committee meetings in the month. Those meetings will be discussed under New Business Priority No. 1 Call.

Hollis "Buzz" Ginn will be the rotating member for the Executive Committee and will be available from September 9 through October 14, 2026.

f. Personnel Committee Update: No updates this month.

g. Information Technology:

Hayden will be out this month to install new cameras at the Baker Creek Water Treatment Plant.

h. Reports of Officers:

Dona Taylor is working on the Rules & Regulations with Terry, and they will be bringing suggested changes to discuss with the board at the next meeting.

- **OLD BUSINESS:**

- a. Wastewater Treatment Plant Headworks Project**

Steven announced the Headworks update that we closed on the \$45,000 engineering grant/loan to begin the engineering needed and allow Element to start work on the headworks at the wastewater plant. It is a loan with 100% forgiveness. Victor Chen at DOLA sent out an email for the credit report to apply for the loan. The project is about \$1.1 million. We received a \$150,000 grant. The loan amount is about \$960,000. The good news is we were approved for the loan, and they reminded that \$470,000 be marked as principal forgiveness. The loan amount would be \$490,000 and that is if we don't pay it down with some of our sewer fund reserves from tap fees. We will most likely be able to afford it without raising rates. Overall, it is good news. Victor told Steven that their board will vote and approve or not approve the loan & the loan forgiveness on October 2nd. If they approve the loan and the loan forgiveness, we will be able to do both the screen and grit removal and not have to break it up into two projects. The anticipated project completion date is April 2027.

- **New Business:**

- a. Priority No.1 Call and Show Cause Order Discussion**

Steven discussed the Priority 1 Zoom call with the City of Walsenburg's Assistant City Administrator, John Galusha, the City of Walsenburg's engineer, Justin, and the City of Walsenburg's lawyer, Jennifer DiLalla, as well as CSWD's water lawyer, Stuart Corbridge. Also in attendance was the District's executive committee for the month of August 2026, which consisted of Steven Davis, Terry Sykes, and Dona Taylor. The call was to try to figure out an emergency supplemental water supply plan. The committee began right after we received the show-cause letter. No one here has had to do a Priority 1 call before, including Walsenburg. They were very accommodating during the meeting. We worked out the parameters of an agreement. Without impinging on their water rights, they would forego the consumptive part of the water that we use. Right now we are putting about 75% back into the Cucharas River. Walsenburg will forego their No.1 Call for that 25%. We will measure it everyday and when we are back into priority we would pay then back 4 to 1. They can rerill of couple of their reservoirs that ran dry this year. In addition we would cover up to 10 hours of their lawyer and engineering fees. Stuart will write up the terms of the deal and send it to Walsenburg's attorney to review. Once that is agreed up we will have to send it to the state for their approval.

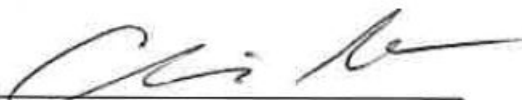
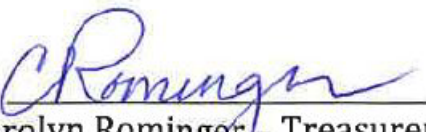
- b. Water Storage Discussion** – This was discussed earlier during the Water Stewardship Committee Report. Steven also mentioned that as long as we have Priority Number 8, we should be topping off the Baker Creek Ponds in June. The District needs to get the gauges installed so we can store more water in those ponds next Spring.

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

Executive Session was not entered

- **Adjournment:**

Dona Taylor moved to adjourn today's meeting. Buzz Guinn seconded the motion. All in favor. Motion carried, 4/0. The meeting was adjourned at 2:01 pm. The next regular board meeting will be held on October 14th, 2026 at 1:00 pm.


Steven Davis – President
Chris Smith-Vice President
Hollis (Buzz) Ginn – Director at Large
Carolyn Rominger – Treasurer
Dona Taylor – Secretary