

# KREMMLING SANITATION DISTRICT RECORD OF PROCEEDINGS

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## Regular Meeting Minutes

October 13, 2025

A regular meeting of the Board of Directors (Board) of the Kremmling Sanitation District (District) was held on October 13, 2025, at 6:00 PM at the Kremmling Town Hall, 200 Eagle Avenue, Kremmling, Colorado.

### **ATTENDANCE**

#### Directors Present

Noble Underbrink, President  
Dave Sammons, Vice President  
Alan Hassler, Secretary/Treasurer  
Stuart Heller, Assistant Secretary  
Rory Menhennett, Assistant Secretary

#### Staff

Jack Seward, District Manager  
Rich Rosene, Project Manager  
Scott Weber, Superintendent  
Thom Yoder, Operator in Responsible Charge  
Michael N. Jenkins, District Auditor

### **1. CALL TO ORDER**

After notice was duly given and posted in accordance with Colorado law, the meeting was called to order by Mr. Underbrink at 6:01 PM.

### **2. DISCLOSURE OF CONFLICTS OF INTEREST**

It was reported that Mr. Sammons had filed a Disclosure of Potential Conflict of

Interest Statement with the Board in accordance with statutory requirements. Mr. Sammons potential conflict of interest arises from his service as a Trustee of the Town of Kremmling (Town). The District contracts with the Town for certain administrative and financial services.

All Disclosure of Potential Conflict of Interest Statements, whether filed for this meeting or previously, are deemed continuing in nature and are incorporated into the record of the meeting. After Mr. Sammons had summarily stated for the record the fact and nature of his private interests and had further stated that the determination to participate in voting or take any other action on any contract or other matter in which he may have a private interest would be made in compliance with CRS § 24-18- 201(1)(b)(V), on an ad hoc basis, the Board turned its attention to the agenda items.

### **3. PUBLIC COMMENT**

None.

### **4. AUDITORS REPORT**

- a. The Board heard a presentation from the District's Auditor Michael N. Jenkins of McMahan and Associates who had completed the statutorily required independent audit of the District's financial statements for the period ended December 31, 2024. Mr. Jenkins reported that the District's financial statements were fairly presented, though auditors encountered major issues with incomplete and inaccurate reconciliations prepared by the Town staff, causing delays and significant adjustments. Numerous corrections were made, including asset capitalization, receivable adjustments, and reclassification of debt and revenues. The auditors identified a material weakness in internal controls related to the completeness and accuracy of accounting records, urging the District and Town to improve reconciliation procedures, segregation of cash receipts, and oversight of financial reporting.

Following Mr. Jenkin's presentation the Board engaged in discussion regarding necessary adjustments to the District's accounting practices and directed Mr. Seward to engage with the Town on way to improve the internal controls noted by Mr. Jenkin's.

- b. Mr. Hassler made a motion to accept the audit report prepared by McMahan

and Associates. Mr. Sammons seconded the motion which unanimously carried.

## **5. APPROVAL OF MINUTES**

Mr. Seward presented the minutes of the September 8, 2025, regular meeting. Mr. Hasler identified a typo in a date in the minutes.

Mr. Sammons made a motion to approve the minutes with the corrections noted by Mr. Hassler. Mr. Menhennett seconded the motion, which unanimously carried.

## **6. APPROVAL OF EXPENDITURES**

- a. Mr. Seward presented the expenditure report dated September 9, 2025 – October 13, 2025.

Mr. Sammons made a motion to (i) approve the expenditure report dated September 9, 2025 – October 13, 2025, in the amount of one hundred twenty two thousand one hundred thirty-four dollars and twenty-four cents (\$122,134.24) and (ii) authorize the payment of all accounts, including current payables, in conformance with budgetary appropriations. Mr. Heller seconded the motion, which carried unanimously.

- b. Mr. Rosene then then presented two invoices that were not included on the expenditure report for approval, these invoices were for repairs to the pond curtain and for main line camera work. Mr. Heller made a motion to approve the invoices as presented to the Board. Mr. Menhennett seconded the motion which unanimously carried.

## **7. ENGINEER'S REPORT**

Mr. Weber presented the engineer's report, noting that the Bio Dome project had been completed and that the outfall project was underway. The collection system project has been postponed due to supply chain issues and will be completed in the spring.

The Board then discussed a new development project that includes a four-unit commercial complex. No plans have been shared with the District. The Board discussed the need for a more formal development review process so that the District ensures all components of review are completed before work begins.

Mr. Seward reported that work continues on the draft development standards and that the Board will consider them at the Board's January meeting. Adjustments to the District's Rules and Regulations will also need to be considered at that time.

## **8. OPERATOR'S REPORT**

Mr. Weber presented the Operator's Report. Mr. Yoder advised that all required monitoring reports for September have been submitted to the Colorado Department of Public Health and Environment (CDPHE). Mr. Yoder updated the Board on the CDPHE notice of violation letter resulting from the E coli testing failure in August. Mr. Weber made reference to data materials provided to the Board and advised that all testing is within normal limits.

The Board discussed the need for repair of the Pond B curtain, which had been completed. Mr. Weber reported the curtain had been ripped, the origin of the ripped is unknown. The curtain is used to improve detention time through one-way flow.

Mr. Weber then reported that all camera work had been completed and in the last four (4) years the District has cameras one hundred percent (100%) of the system which is ahead of the required five (5) year timeline.

Mr. Weber concluded his report by noting that Lucas Maugck has departed the District and that the District is currently recruiting for a new operator. The job announcement and application have been posted to the District's website.

## **9. MANAGER'S REPORT**

### **a. Town Hall Building Repair**

Mr. Underbrink discussed with the Board his desire to see a comprehensive plan for building repairs at the District's Town Hall. Mr. Sammons noted that the Town has acquired the parcel next to the Town Hall and will likely be scrapping that to build something new. Mr. Underbrink thought that was at least five (5) years away and wanted to put together a plan for the more immediate future. Mr. Seward recommended the District conduct a reserve study on the building and the Board directed Mr. Seward to obtain proposals for qualified entities to conduct a reserve study of the Town Hall building.

b. Status of Negotiation on Intergovernmental Agreement with the Town of Kremmling

Mr. Seward reported that he has met with the Town Manager and has provided the Town the draft agreement. The District is now waiting to hear from the Town regarding next steps.

c. Consider Approval of Cost Agreement with Highmark Builder, LLC

Mr. Seward asked the Board to defer this matter until the next meeting.

d. Consider Grand County Request to Cost Share GIS Software

Mr. Seward reported on a letter received from Grand County asking the District to cost share on global information system (GIS) software owned by the county and made available to the public. Mr. Rosene noted that the District has its own GIS software. The Board directed Mr. Seward to advise the county that the District was declining to participate.

e. Status Report on Rate Study

There was no new information to report.

## **10. NEW BUSINESS**

a. Presentation of Proposed 2026 Budget

Mr. Seward presented District's proposed 2026 budget which he provided to the Board in advance of the October 15 deadline. Mr. Seward provided the Board a line-by-line description of the proposed budget. The Board engaged in compressive discussions specifically regarding the proposed 2026 service rate. The Board directed staff to return in November with a proposed budget with a rate increase of twenty one percent (21%).

The Board then discussed proposed capital improvement projects for 2026. These include new metering and SCADA systems. This led to a discussion of the District's calculation of cost to treat one thousand (1,000) gallons of water. Mr. Seward will attempt to model this cost.

The Board then discussed the tap fee, currently seven thousand five

hundred dollars (\$7,500). Mr. Seward recommended increasing this fee to ten thousand dollars (\$10,000). Mr. Seward also noted that the District needs to conduct a true study to determine what its tap fee should be as the current fee is arbitrary.

The Board will conduct a public hearing to set the service rate at its November meeting and then a public hearing to adopt the budget at its December meeting. Mr. Seward will return at the next meeting with an updated budget.

## **11.ADJOURNMENT**

There being no further business to come before the Board, Mr. Sammons made a motion to adjourn the meeting. Mr. Heller seconded the motion, which unanimously carried. The Board adjourned at 8:07 PM

**Signed:**

By: /s/ Alan N. Hassler

Alan N. Hassler

Secretary