

KREMMLING SANITATION DISTRICT RECORD OF PROCEEDINGS

Regular Meeting Minutes

November 10, 2025

A regular meeting of the Board of Directors (Board) of the Kremmling Sanitation District (District) was held on November 10, 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
Trista Petefish, Utility Billing Clerk
Sara Everhart, Rural Community Assistance Corporation

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 6:02 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.

It was noted for the record that the District makes regular purchases from Northwest Ranch Supply (Northwest Supply), a local hardware vendor, which is controlled by Mr. Menhennett. The Board has previously found that there are no other local vendors that supply most of the items the District purchases from Northwest Supply, that pricing at Northwest Supply is competitive, and purchases are necessary for the operation of the District, generally de minimums in value, and therefore any conflict presented by Mr. Menhennett's service on the Board is permissible under the applicable law.

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 and Mr. Menhennett's had summarily stated for the record the fact and nature of their 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 they 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. APPROVAL OF MINUTES

Mr. Seward presented the minutes of the October 13, 2025, regular meeting. Mr. Hassler identified a typo in the minutes, noting that his name was spelled incorrectly.

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

5. APPROVAL OF EXPENDITURES

- a. Mr. Seward presented the expenditure report dated October 14 – November 10, 2025. Mr. Hassler made a motion to (i) approve the expenditure report dated October 14 – November 10, 2025, in the amount of seventy-two thousand two hundred and twenty-one dollars and forty-nine cents (\$72,221.49) and (ii) authorize the payment of all accounts, including current payables, in conformance with budgetary appropriations. Mr. Menhennett seconded the motion, which carried unanimously.

6. OPERATOR'S REPORT

Mr. Weber presented the Operator's Report. Mr. Weber noted that the process of hiring a new operator is ongoing. He noted that with the control labs have indicated fluctuations with alkaline levels following the completion of the Bio Dome project, the lab values are still within compliance standards and improving.

Mr. Weber reported that the 811 locate ticket system will be upgraded soon, and that he has experienced an increase in locates due to the nice weather. All camera work has been completed ahead of schedule and Mr. Weber hopes that funding dedicated to camera work in the next fiscal year can be reallocated for other purposes.

7. ENGINEER'S REPORT

Mr. Weber presented the Engineer's Report. Mr. Weber noted that he has reviewed the developmental standards and will have the revised standards distributed to staff. Mr. Weber emphasized that all sewer tap installations require the use of a core drill into the main. The outfall project has been mostly completed, with minor punch list items to occur in the spring when the collection system improvements project is underway. The Grand Cliffs sewer line insulation has been completed.

Mr. Seward reported Element Engineering is in the process of reviewing the K-Town North and Kremmling Sunrise projects. The K-Town developers have made an initial submission, and comments have been returned following review. The Kremmling Sunrise project requires additional study, and he is working with the developer to ensure compliance with District standards.

8. RATE STUDY

a. Presentation of Rate Study

Ms. Everhart with the Rural Community Assistance Corporation, presented her 2026 Rate Study Report to the Board.

Ms. Everhart detailed the methodology for the report and shared three different scenarios with the Board for the ensuing five (5) year period. One staying with the current rate structure, one increasing rates at the higher end, and one increasing rates at the lower end.

b. Adoption of Rate Study

The Board and staff engaged in a robust discussion regarding revenue, proposed rates, definitions, and correcting billing throughout 2026. Ms. Everhart responded to questions.

Mr. Hassler made a motion to adopt the Rate Study. Mr. Sammons seconded the motion, which unanimously carried.

c. Public Hearing to Fix Fees and Rates

Mr. Hassler made a motion to open a public hearing to Fix Fees and Rates at 7:19 PM. Mr. Heller seconded the motion, which unanimously carried.

Mr. Seward presented the Board with Resolution 2025-11-1, A Resolution Fixing Fees and Rates. Mr. Seward explained the fee schedule, the projected revenue and other components of the resolution.

Mr. Underbrink asked for public comments, and there were none. Mr. Underbrink closed the Public Hearing at 7:28 PM.

The Board engaged in discussion regarding the resolution and determined to increase the proposed sixty-six dollar (\$66) monthly fee to seventy dollars (\$70) as recommended by the rate study. The Board then engaged in additional discussion regarding conforming and administrative changes

Mr. Hassler made a motion to adopt Resolution 2025-11-1, with the amendments noted, effective December 16, 2025. Mr. Sammons seconded the motion, which unanimously carried.

9. MANAGER'S REPORT

a. Reserve Study Proposal

Mr. Seward presented the Board with a reserve study proposal from Association Reserves to evaluate the Town Hall building for structural maintenance and develop a five (5) year maintenance plan. The proposal included various timelines for the project. The Board indicated a preference for the twelve (12) week delivery.

Mr. Heller made a motion to accept the twelve (12) week delivery proposal from Association Reserves. Mr. Menhennett seconded the motion, which unanimously carried.

b. Cost Share Agreements

- i. Mr. Seward presented the Board with a Cost Share Agreement with K-Town North, LLC.

Mr. Heller made a motion to approve the Cost Share Agreement with K-Town North, LLC for the K-Town North subdivision project. Mr. Hassler seconded the motion, which unanimously carried.

- ii. Mr. Seward presented the Board with a Cost Share Agreement with My Family Trust, for the Kremmling Sunrise project.

Mr. Menhennett made a motion to approve the Cost Share Agreement with My Family Trust. Mr. Sammons seconded the motion, which unanimously carried.

c. Budget Workshop

Mr. Seward presented an updated draft 2026 budget to the Board. This budget includes increased revenue in line with the rates adopted by the Board earlier in the meeting. He then discussed the reduction in property tax revenue as a result of the five and twenty-five-tenths percent (5.25%) revenue growth cap enacted by the Colorado General Assembly in 2024. The preliminary assessed valuation compiled by the County Assessor indicated a ten and twenty-five-tenths percent (10.25%) growth in assessed valuation, which requires a temporary mill levy adjustment. The Board

engaged in discussion regarding the property tax limitation. The Board will adopt a final budget at next month's meeting.

d. Resolution Adopting Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool

Mr. Seward presented the Board with Resolution 2025-11-2, A Resolution Adopting an Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool. The resolution adopts the intergovernmental agreement necessary for the District to obtain insurance from the Intergovernmental Agreement for the Colorado Special Districts Property and Liability Pool.

Mr. Sammons made a motion to adopt Resolution 2025-11-2. Mr. Heller seconded the motion, which unanimously carried.

10. NEW BUSINESS

a. Banking Relationship

Mr. Seward informed the Board that, despite multiple attempts, he is still unable to access the District's accounts at United Business Bank (UBB). He finds the service provided by UBB subpar and noted that UBB has placed limits on outgoing transaction amounts each day, complicating the District's ability to pay bills. Mr. Underbrink expressed disappointment that the local bank is so difficult to work with, and Mr. Stewart advised that he had a contact at UBB that could be leveraged. The Board directed Mr. Seward to attempt additional contact with UBB and, if unsuccessful, to identify a new bank for the District.

b. Bookkeeping Process

Mr. Seward reported that he had met with the District's auditor and with the Town of Kremmling (Town) staff and has concluded it is necessary for the District to maintain books and ledgers separate from the Town. He advised that he is exploring new bookkeeping software and has found QuickBooks Online to be the most attractive. Mr. Heller indicated his concern that the District may be doing too many things at once in transitioning bank accounts and bookkeeping systems and urged caution. He also noted that

QuickBooks has lots of hidden fees. Mr. Underbrink advised that Mr. Seward should continue his search and provide the Board with options at the next meeting.

c. Special Counsel for Rules and Regulations Revision

Mr. Seward advised that it may be necessary for the District to retain special counsel to assist with the Board’s requested revisions to the rules and regulations. Mr. Rosene advised that the work should mostly be completed by the District’s engineer, and Mr. Seward disagreed, advising that he sees the need for legal counsel to ensure that the District’s rules and regulations are lawful and enforceable, which are things he does not think are currently in place. Mr. Underbrink advised that if staff feels the need to retain special counsel, they should retain special counsel to make sure the District is in compliance with the law.

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 8:24 PM

Signed:

By: /s/Alan N. Hassler

Alan N. Hassler

Secretary