KREMMLING SANITATION DISTRICT

200 Eagle Avenue
PO Box 538
Kremmling, CO 80459

(970) 724-3249
https://www.kremmlingsd.org

REGULAR BOARD MEETING

AGENDA

August 10, 2026

6:00 PM

Google Meet joining info:
Video call link: https://meet.google.com/spv-mmmv-jtb
Or dial: (US) +1 252-371-1068 PIN: 228 910 551#

1. CALL TO ORDER

2. PUBLIC COMMENT
   Comments will be received on non-agenda items at this time. No board action will be taken on issues raised during public comment. Please state your name for the record when called upon. Comments limited to 5 minutes per person.

3. APPROVAL OF PREVIOUS MEETING MINUTES
   a. Approval of minutes from the July 13, 2026, regular meeting

4. FINANCE
   a. Presentation of Independent Audit Report
   b. Approval of the July 14, 2026 – August 10, 2026, expenditure report
   c. Discuss the Budget to Actuals Report for the period ending June 30, 2026

5. OPERATOR'S REPORT

   Report on Compliance Labs and Plant Activity

6. ENGINEER'S REPORT
   a. Report on Development Activity
   b. Report on Collection System Improvement Project

7. MANAGER'S REPORTS
   a. Resolution 2026-08-01, A Resolution Adopting a Safety Policy
   b. Inclusion Agreement with My Family Trust, LLC
   c. Report on Status of Show Cause Hearing

8. ADJOURNMENT

KREMMLING SANITATION DISTRICT
RECORD OF PROCEEDINGS

Regular Meeting Minutes

June 13, 2026

A regular meeting of the Board of Directors (Board) of the Kremmling Sanitation District (District) was held on June 13, 2026, at 6:00 PM at the Kremmling Town Hall, 200 Eagle Avenue, Kremmling, Colorado, online using Google Meet. Links and call-in information were provided.

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
Joe Probest, Operator
Joe Norris, Counsel
Thom Yoder, Operator in Responsible Charge

Public

Mike Pearson
Michael Brownlee

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 6:00 PM.

2. **PUBLIC COMMENT**

   None.

3. APPROVAL OF MINUTES

Mr. Seward presented the minutes of the June 8, 2026 regular meeting and the June 22, 2026 special meeting.

Mr. Sammons made a motion to approve the minutes as presented. Mr. Hassler seconded the motion, which unanimously carried.

4. LEGAL MATTERS

Mr. Underbrink drew the Board's attention to the matter of the sanitary sewer connection permits held by FCAP Muddy Creek, LLC. Mr. Underbrink explained that the Board was sitting as a quasi-judicial body to consider the matters set forth in the District's order to show cause dated June 19, 2026. Entries of appearance were made by Mr. Seward and Mr. Norris for the District and by Mr. Pearson and Mr. Brownlee for FCAP Muddy Creek, LLC. Mr. Norris provided an overview of how the hearing will occur.

Mr. Seward clarified that this portion of the meeting as with all meetings of the Board, is being recorded and the recording will serve as a portion of the record of the hearing.

Mr. Underbrink described the record before the Board and asked if there were any objections to the record. Mr. Brownlee made several objections; Mr. Norris clarified that the statements appeared to be reservations of rights, not objections to the record, and the Board took no action on the objection.

Mr. Seward made a presentation of evidence to the Board and responded to questions from the Board. Mr. Brownlee then made a presentation of evidence to the Board and responded to questions. Both Mr. Seward and Mr. Brownlee made rebuttal arguments.
Following the presentation of evidence, the Board deliberated on the matter before it. Mr. Hassler made a motion to table any action on the order to show cause until a date certain and to keep the evidentiary record open pending further deliberations of the Board. Mr. Sammons seconded the motion, which unanimously carried.

5. EXECUTIVE SESSION

Mr. Hassler made a motion to enter into executive session to confer with legal counsel regarding the hearing held in the Matter of the Sanitary Sewer Connection Permits Held by FCAP Muddy Creek, LLC, Located At 315 River Lane, Kremmling, Colorado, pursuant to C.R.S. § 24-6-402(4)(b). Mr. Sammons seconded the motion, which unanimously carried.

Mr. Norris advised that it was his opinion as counsel to the District that the executive session would constitute attorney-client privileged communication and, as a result, no recording of the executive session would be made. The Board entered into executive session at 7:30 PM and exited executive session at 8:37 PM.

The Board took no action as a result of executive session.

6. APPROVAL OF EXPENDITURES

a. Mr. Seward presented the expenditure report dated June 9, 2026 – July 13, 2026.

   Mr. Menhennett made a motion to (i) approve the expenditure report dated June 9, 2026 – July 13, 2026, in the amount of thirty thousand one hundred eighty-five dollars and sixty-five cents ($20,185.65) and (ii) authorize the payment of all accounts, including current payables, in conformance with budgetary appropriations. Mr. Heller seconded the motion, which unanimously carried.

b. Mr. Seward presented the budget-to-actuals report for the period ending May 31, 2026.

7. OPERATOR'S REPORT

a. Mr. Weber presented the operator's report. Mr. Weber reported that the District's contracted laboratory completed an investigation into lab results that indicated elevations in the wastewater treatment plant's BOD levels. The investigation revealed no abnormalities in the testing process. As a result of the investigation Mr. Weber and Mr. Yoder are evaluating the wastewater treatment plant's process controls to identify any needed improvements. All other lab values were within normal limits.

b. Mr. Weber reported the septic receiving station is open and one hauler permit has been issued. He then detailed work on the reuse water system and its usage, noting that water use is higher than anticipated.

8. ENGINEER'S REPORT

a. Mr. Seward provided an update on development activities, reporting that the Kremmling Sunrise developer has indicated general agreement to the District's terms of inclusion and an agreement regarding the same is being drafted. A fourth round of comments have been provided to the K-Town North developer.

b. Mr. Weber provided an update regarding the collection system project, noting the project is nearing completion and substantial completion will be achieved at the end of the month.

9. MANAGER'S REPORT

a. Mr. Seward advised the Board that pursuant to state law, a draft of the annual independent audit was provided for the Board's review and comment by on June 30, 2026. Mr. Seward has to date received no comments on the draft audit. The auditor will finalize the audit and file it with the Office of the State Auditor before the July 31, 2026 deadline and will attend the August Board meeting to present her findings.

10. ADJOURNMENT

There being no further business to come before the Board, Mr. Sammons made a motion to adjourn the meeting. Mr. Hassler seconded the motion, which unanimously carried. The Board adjourned at 9:30 PM.

The foregoing represents a true and accurate representation of the proceedings of the Board's regular meeting held on July 13, 2026

Jack Seward
Recording Secretary

M & A

McMahan and Associates, L.L.C.

Certified Public Accountants and Consultants

Web Site: www.McMahanCPA.com Main Office: (970) 845-8800

To the Board of Directors
Kremmling Sanitation District
Kremmling, Colorado

We have audited the financial statements of Kremmling Sanitation District (the "District") as of and for the year ended December 31, 2025. Professional standards require that we provide you with the following information related to our audit.

Qualitative Aspects of Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in the Notes to the Financial Statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements was:

- Estimated allowance for uncollectible receivables ($2,735 at December 31, 2025), based on management's experience with customers, together with actual collections history since year-end.
- Estimated useful lives of fixed assets, in connection with the calculation of depreciation expense, which is based on industry practice and management's experience.

We evaluated the key factors and assumptions used to develop these estimates and found them to be reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered difficulties in completing audit procedures due to inconsistent reconciliations and other accounting records provided by Town of Kremmling (the "Town") staff, requiring multiple adjustments to the financial statements. While we were ultimately able to obtain adequate documentation to support our audit and render our opinions on the District's financial statements, we incurred significant additional time, delays, and audit costs in researching and correcting the District's accounts.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The following misstatements detected as a result of audit procedures were corrected by management and reflected in the 2025 audited financial statements:

- Capitalized fixed asset additions and recorded depreciation expense.
- Adjusted property taxes receivable and related deferred property tax revenue to match the District's mill levy
- Reclassified debt principal payments from expenditures to long-term liability accounts
- Reversed prior year accruals for receivables
- Adjusted beginning fund balance to agree to prior year audit
- Accrued grants receivable

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

As is required in all audit engagements, we have requested certain representations from management that are included in the management representation letter.

Material Weakness

In planning and performing our audit of the District's financial statements as of and for the year ended December 31, 2025 in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the following deficiency in the District's internal control to be a material weakness.

Material Weakness (continued)

Completeness and Accuracy of Accounting Records

A critical control to safeguard District resources and ensure accurate financial reporting is the timely, complete, and accurate reconciliation of all significant account balances, including cash / investments, and all major assets and liabilities (especially those accounts which utilize subsidiary ledgers). These reconciliations help ensure that transactions reported on both external records (such as monthly bank statements) and within the subsidiary ledgers (such as the accounts receivable or accounts payable listings) are properly recorded within the District's general ledger system.

In the course of our audit, we observed multiple instances where reconciliations were not timely prepared or completed. A lack of accurate, complete reconciliations required us to spend significant time working with District and Town staff to identify reconciling items, resulted in significant adjustments to the District's financial records (as noted earlier in this letter).

It is imperative that all of the District's critical account balances are regularly reconciled to supporting external records and subledgers, as applicable, so as to ensure the accuracy and completeness of the District's internally produced financial reports. All reconciling items should be promptly investigated and resolved as soon as possible. Reconciliations should be reviewed by an appropriate supervisory staff member (i.e., someone who did not prepare the reconciliation), signed and dated as evidence of this review process, and retained for future reference. Reconciliations performed by a District contractor should be closely reviewed for accuracy by District management.

During 2026, the Town hired an outside accounting firm to assist in reconciliations and audit preparation. We strongly recommended that the Town utilizes the firm to provide oversight of its monthly accounting processes, strengthen the lack of segregation of duties, and to provide experienced and knowledgeable accounting counsel during the year.

This report is intended solely for the information and use of the Board of Directors, management, and others within the District and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
July 25, 2026

Kremmling Sanitation District
Kremmling, Colorado

Financial Statements

December 31, 2025 and 2024

KREMMLING
SANITATION DISTRICT

Kremmling Sanitation District
Financial Statements
December 31, 2025 and 2024

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McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants

Web Site: www.McMahanCPA.com Main Office: (970) 845-8800

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Kremmling Sanitation District
Kremmling, Colorado

Opinion

We have audited the financial statements of the business-type activities of Kremmling Sanitation District (the "District"), as of and for the years ended December 31, 2025 and 2024, which collectively comprise the District's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2025 and 2024 and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Kremmling Sanitation District
Kremmling, Colorado

Auditor's Responsibilities for the Audit of the Financial Statements

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

U.S. GAAP require that the Management's Discussion and Analysis in section B be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
July 25, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Kremmling Sanitation District
Management's Discussion and Analysis
December 31, 2025 and 2024

We, the financial managers of Kremmling Sanitation District (the "District"), offer readers of the District's financial statements this narrative summary of the financial activities of the District for the fiscal years ended December 31, 2025 and 2024.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of two components: 1) financial statements; and 2) notes to the financial statements. These components are discussed below.

Financial Statements: The financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the District's assets, liabilities (both short-term and long-term), and deferred inflows with the difference between the three reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position shows how the government's net position changed during the years presented. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned revenue that will be received in subsequent years).

The Statement of Cash Flows shows the District's sources of cash inflows and outflows for the years presented. Cash flows are categorized among operating, non-capital financing, capital and related financing and investing activities, and unlike items reported in the Statement of Revenues, Expenses and Changes in Net Position, these amounts are reported on the cash basis of accounting.

The business-type activity of the District relates to sanitation services. There are currently no governmental-type activities occurring at the District.

The District's basic financial statements can be found in Section C of this report.

Proprietary Fund: The District maintains a proprietary fund commonly known as an enterprise fund. Enterprise funds are used to report business-type activities. The District uses an enterprise fund to account for its sanitation services.

Notes to the Financial Statements: The notes provide a background of the entity, certain required statutes, and accounting policies utilized by the District. They also provide additional information that will aid in the interpretation of the financial statements. The Notes to the Financial Statements can be found in Section D of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also contains certain supplementary information. The Schedule of Revenues and Expenditures - Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis provides a detailed comparison of the District's actual revenues and expenditures to budgeted amounts. As the District's budget was adopted in a manner that is not consistent with Generally Accepted Accounting Principles ("GAAP"), this statement is presented on a non-GAAP basis with a reconciliation to GAAP basis. This supplementary information can be found in Section E of this report.

Overview of the Financial Statements (continued)

Financial Analysis of the District: The following table shows the District's assets, liabilities and net position at the end of 2025 and 2024:

Kremmling Sanitation District - Net Position

	2025	2024
Assets:		
Current and other assets	$ 983,202	986,624
Capital assets	2,815,348	2,751,531
Total Assets	3,798,550	3,738,155
Liabilities:		
Current liabilities	134,042	107,135
Long - term liabilities	10,244	10,244
Total Liabilities	144,286	117,379
Deferred Inflows of Resources	59,249	55,960
Net Position:		
Net investment in capital assets	2,815,348	2,686,789
Restricted	-	143,666
Unrestricted	779,667	734,361
Total Net Position	$ 3,595,015	3,564,816

In 2025, the District's total assets increased by $60,395. Amounts due from other governments increased by $18,343 due to an increase in grant receivables related to capital projects. Net capital assets increased between 2025 and 2024, as total additions of $387,010 were more than depreciation expense of $323,193.

The District's total liabilities at the end of the 2025 fiscal year were $26,907 higher than at the end of the preceding year. Current liabilities, which consist primarily of amounts due for trade, construction, and retainage, were higher by $26,907 due to timing of payments and vendor invoicing. Non-current liabilities, which is comprised of accrued compensated absences, did not change from the prior year.

Deferred inflows of resources, which consist of unavailable property tax revenue, was $3,289 higher at December 31, 2025.

Traditionally, the largest portion of any special district's net position is its investment in capital assets used to deliver or provide services to its constituents and other users. The District's investment in capital assets accounted for approximately 78% of its total net position at the end of 2025. This portion of the District's net position is not available for future spending. The remaining net position balance of $779,667 may be used to meet the District's ongoing costs of operations.

At the end of the 2025 fiscal year, the District is able to report positive balances in all categories of net position. Overall, the District's net position increased $30,199 during 2025 and decreased $92,948 during 2024. These changes are further analyzed on the following pages.

Overview of the Financial Statements (continued)

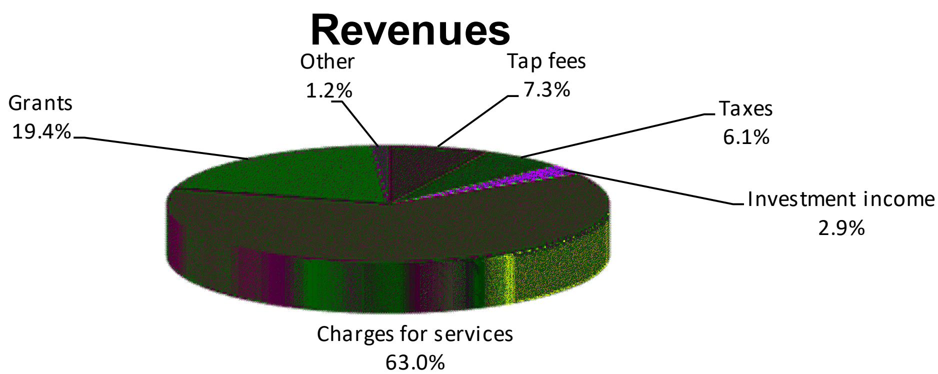
Financial Analysis of the District (continued): The following table summarizes information from the District's Statement of Revenues, Expenses and Changes in Net Position:

Kremmling Sanitation District - Change in Net Position

	2025	2024
Revenues:		
Program revenues:		
Charges for services	$ 600,716	595,888
General revenues:		
Property taxes	55,386	53,367
Specific ownership taxes	2,940	2,204
Grants	184,961	1,002
Investment income	27,826	40,371
Other revenues	2,496	476
Developer contributions	8,481	1,800
Tap fees	70,000	80,700
Total Revenues	952,806	775,808
Expenses:		
Administration	159,306	131,176
Sewage collection and treatment	436,175	420,381
Depreciation	323,193	311,139
Treasurer's fees	2,790	2,506
Interest expense	1,143	3,554
Total Expenses	922,607	868,756
Change in Net Position	30,199	(92,948)
Net Position - Beginning of Year	3,564,816	3,657,764
Net Position - End of Year	$ 3,595,015	3,564,816

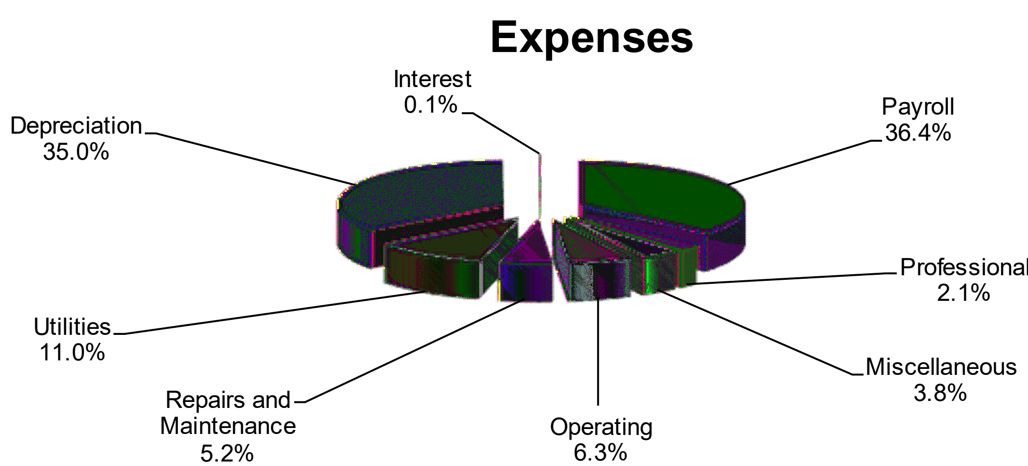
Overview of the Financial Statements (continued)

Financial Analysis of the District (continued): The following chart summarizes the District's revenue sources in 2025:



The District's total revenues increased by $176,998 between 2024 and 2025 due to increases in grant revenue for capital sewer projects.

The following chart summarizes the District's expenses, by natural classification, during 2025:



Total expenses for the District increased by $53,851 between 2024 and 2025 due to increased sewage collection and treatment expenses.

Budget Variances

2025 revenues were $284,889 less than budgeted for the year, while actual 2025 expenditures for the District were $676,033 lower than expected. Significant budget variances were as follows:

	Final Budget	Actual Amount	Variance Positive (Negative)	Reason
Revenues:				
Grants	451,675	184,961	(266,714)	Budget expects full grant for project not yet fully completed and reimbursed
Expenditures:				
Sewage collection and treatment:				
Repairs and maintenance	81,185	39,857	41,328	Conservative budgeting
Capital outlay	943,350	387,010	556,340	Budget expects total project not yet completed

Capital Asset and Debt Administration

Capital Assets: The District's net capital assets increased by $63,817 in 2025 and decreased by $34,728 in 2024. A detailed classification of the District's capital assets activity can be found in Note III.B to the 2025 financial statements.

Long-term Debt: The District's long-term debt obligations at December 31, 2025 consist of a loan with CWRPDA matured in 2025. Additional information about the District's long-term debt can be found in Note III.C of this report.

Next Year's Budget and Rates

The District's net position at the end of 2025 was $3,595,015. The District's 2026 budget anticipates a decrease in net position for the upcoming year, with revenues of $1,237,695 and expenditures of $1,731,980.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Kremmling Sanitation District
P.O. Box 538
Kremmling, Colorado 80459

FINANCIAL STATEMENTS

Kremmling Sanitation District
Statement of Net Position
December 31, 2025 and 2024

	2025	2024
Assets:		
Current assets:		
Cash and investments - Unrestricted	736,131	787,248
Receivables, net:		
Property taxes	59,249	55,960
Other governments	161,759	143,416
Prepaid expenses	26,063	-
Total - Current assets	983,202	986,624
Non-current assets:		
Capital assets:		
Non-depreciable capital assets	238,310	139,671
Depreciable capital assets, net of accumulated depreciation	2,577,038	2,611,860
Total - Non-current assets	2,815,348	2,751,531
Total Assets	3,798,550	3,738,155
Liabilities:		
Current liabilities:		
Trade payables	126,243	25,253
Payroll liabilities	7,799	16,578
Interest payable	-	562
Current portion of long-term debt	-	64,742
Total - Current liabilities	134,042	107,135
Non-current liabilities:		
Accrued compensated absences - Due in more than one year	10,244	10,244
Total - Non-current liabilities	10,244	10,244
Total Liabilities	144,286	117,379
Deferred Inflows of Resources:		
Property taxes	59,249	55,960
Total Deferred Inflows of Resources	59,249	55,960
Net Position:		
Net investment in capital assets	2,815,348	2,686,789
Restricted for operations and maintenance	-	143,666
Unrestricted	779,667	734,361
Total Net Position	3,595,015	3,564,816

The accompanying notes are an integral part of these financial statements.

Kremmling Sanitation District
Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2025 and 2024

	2025	2024
Operating Revenues:		
Charges for services - Sewer fees	600,716	595,888
Miscellaneous	2,496	476
Total Operating Revenues	603,212	596,364
Operating Expenses:		
Administration	159,306	131,176
Sewage collection and disposal	436,175	420,381
Depreciation	323,193	311,139
Total Operating Expenses	918,674	862,696
Operating Income (Loss)	(315,462)	(266,332)
Non-operating Revenues (Expenses):		
Property taxes	55,386	53,367
Specific ownership taxes	2,940	2,204
Grants	184,961	1,002
Investment income	27,826	40,371
Interest expense	(1,143)	(3,554)
Treasurer's fees	(2,790)	(2,506)
Total Non-operating Revenues (Expenses)	267,180	90,884
Income (Loss) Before Capital Contributions	(48,282)	(175,448)
Capital Contributions:		
Developer contributions	8,481	1,800
Tap fees	70,000	80,700
Total Capital Contributions	78,481	82,500
Change in Net Position	30,199	(92,948)
Net Position - Beginning of Year	3,564,816	3,657,764
Net Position - End of Year	3,595,015	3,564,816

The accompanying notes are an integral part of these financial statements.

Kremmling Sanitation District
Statement of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities:		
Cash received from customers and others	651,063	692,117
Cash paid for goods and services	(275,739)	(272,260)
Cash paid to employees for salaries and benefits	(344,633)	(312,484)
Net Cash Provided (Used) by Operating Activities	30,691	107,373
Cash Flows From Non-capital Financing Activities:		
Cash received from property and specific ownership taxes, net	55,536	53,065
Net Cash Provided (Used) by Non-capital Financing Activities	55,536	53,065
Cash Flows From Capital and Related Financing Activities:		
Cash received from tap fees and developers	78,481	82,500
Cash received from grants	118,767	1,002
Cash paid for loan principal	(64,742)	(62,535)
Cash paid for loan interest	(1,705)	(3,912)
Cash paid for capital acquisitions	(295,971)	(276,411)
Net Cash Provided (Used) by Capital and Related Financing Activities	(165,170)	(259,356)
Cash Flows From Investing Activities:		
Interest received	27,826	40,371
Net Cash Provided (Used) by Investing Activities	27,826	40,371
Net Increase (Decrease) in Cash and Cash Equivalents	(51,117)	(58,547)
Cash and Cash Equivalents - Beginning of Year	787,248	845,795
Cash and Cash Equivalents - End of Year	736,131	787,248

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:

	2025	2024
Operating income (loss)	(315,462)	(266,332)
Adjustments:		
Depreciation	323,193	311,139
(Increase) decrease in accounts receivable	47,851	95,753
(Increase) decrease in prepaid expenses	(26,063)	-
Increase (decrease) in accounts payable	9,951	(26,395)
Increase (decrease) in payroll liabilities	(8,779)	(6,792)
Total Adjustments	346,153	373,705
Net Cash Provided (Used) by Operating Activities	30,691	107,373

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Kremmling Sanitation District
Notes to the Financial Statements
December 31, 2025 and 2024

I. Summary of Significant Accounting Policies

Kremmling Sanitation District (the “District”) is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District’s service area is located in Grand County, Colorado, and was formed to provide sanitation services. The District is governed by an elected, five-member Board of Directors (the “Board”).

The District’s financial statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria above, the District is not financially accountable for any other entity nor is the District a component unit of any other government.

B. Financial Reporting

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The District uses a proprietary fund-type, an enterprise fund, to account for its sole activity, providing wastewater treatment services to taxpayers within the District’s boundaries. Enterprise funds are used to account for operations (a) which are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Measurement Focus and Basis of Accounting

Proprietary funds use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Financial Statement Presentation

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Financial Statement Accounts

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the District.

Investments are stated at fair value or net asset value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The District follows Colorado state statutes as an investment policy, which permits investments in the following type of obligations which corresponds with state statutes:

- U.S. Treasury obligations (maximum maturity of 60 months)
- Federal instrumentality securities (maximum maturity of 60 months)
- FDIC-insured certificates of deposit (maximum maturity of 18 months)
- Corporate bonds (maximum maturity of 36 months)
- Prime commercial paper (maximum maturity of 9 months)
- Eligible banker's acceptances
- Repurchase agreements
- General obligations and Revenue obligations
- Local government investment pools
- Money market mutual funds

Kremmling Sanitation District
Notes to the Financial Statements
December 31, 2025 and 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. As of December 31, 2025 and 2024, the District established an allowance for uncollectible accounts of $2,735 and $6,954 respectively.

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by governmental units until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and a deferred inflow of resources.

4. Capital Assets

Capital assets, which include land, sewer collection systems and related improvements and equipment, are reported in the financial statements. The District defines capital assets as assets with an initial cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred.

Sewer collection systems and improvements, equipment, and lagoons are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Sewer collection system/improvements - Existing system	30
Equipment	5 - 15
Sewer collection system/improvements - New combined system	20 - 50
Lagoons	30 - 50

5. Compensated Absences

The District allows its employees to accumulate sick and vacation leave based on the employee’s length and hours of service. The District estimates how much accrued leave is more likely than not to be used as paid leave and recognizes that portion as a liability for compensated absences.

Kremmling Sanitation District
Notes to the Financial Statements
December 31, 2025 and 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

6. Deferred Inflows and Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District does not have any item that qualifies for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category. Accordingly, the item – unavailable property taxes – is deferred and recognized as an inflow of resources in the period that the amount becomes available.

7. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

8. Net Position

Governments report reservations of net position for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. At December 31, 2025 and 2024, the District reported $0 and $143,666, respectively, of restricted net position for an operation and maintenance reserve required by debt covenants, as discussed in Note III.C.1. The debt was paid off as of year end and restriction was released.

9. Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

In the fall of each year, the Board formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level and all appropriations lapse at year-end.

Kremmling Sanitation District
Notes to the Financial Statements
December 31, 2025 and 2024
(Continued)

II. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

The budget for the District's sole proprietary fund is adopted on a non-GAAP basis. A reconciliation to GAAP basis is included in the budgetary comparison schedule on page E1.

As required by Colorado statutes, the District followed the timetable noted below in preparing, approving, and enacting its budget for 2025.

1. For the 2025 budget year, prior to August 25, 2024, the County Assessor sent to the District an assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10 only once by a single notification to the District.
2. The Manager of the District submitted, on or before October 15, 2024, a recommended budget that detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
3. Prior to December 15, 2024, after a required publication of "Notice of Proposed Budget" and a public hearing, the District certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the District adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
4. After adoption of the budget resolution, the District may make the following changes: a) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; b) approve emergency appropriations; and c) reduce appropriations for which originally estimated revenues are insufficient.

The District also followed the required budget timeline in preparing, approving, and enacting its budget for 2024.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2024 were collected in 2025, and taxes certified in 2025 will be collected in 2026. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (no later than April 30) or two equal installments (not later than February 28 and June 15) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Kremmling Sanitation District
Notes to the Financial Statements
December 31, 2025 and 2024
(Continued)

II. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

The District's voters approved the following TABOR ballot question on November 5, 1997:

> *Without any increase in the property tax mill levy, which is currently 2.273, shall the Kremmling Sanitation District, be authorized to collect, retain and expend all revenue and other funds from any source effective January 1, 1996, and continuing thereafter, notwithstanding the limitation of Article X, Section 20 of the Colorado Constitution or any other law?*

District management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

III. Detailed Notes on All Funds

A. Deposits and Investments

The District held the following deposits and investments at December 31, 2025 and 2024:

	2025	2024
Deposits	$ 232,296	91,317
Local government investment pools	503,835	695,931
Total	$ 736,131	787,248

The District's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first $250,000 of the District's deposits at each financial institution. Deposit balances for accounts over $250,000 are collateralized as required by PDPA.

The District measures and records its investments using fair value measurement guidelines established by GAAP. At December 31, 2025 and 2024, the District had the following investments measured at net asset value:

Investments Measured at Net Asset Value	**2025**	**2024**
Local government investment pools:		
COLOTRUST	$ 503,835	695,931

The local government investment pool represents an investment in the Colorado Government Liquid Asset Trust ("COLOTRUST"), which is a 2a7-like pool. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool.

Kremmling Sanitation District
Notes to the Financial Statements
December 31, 2025 and 2024
(Continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities, the District has limited its interest rate risk.

Credit Risk. The District limits its investments to those authorized by Colorado statutes, as outlined in Note I.D.1. The District's general investment policy is to apply the "prudent person rule": investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

At December 31, 2025 and 2024, the District's deposits and investments had the following maturities:

2025

	Standard & Poor's Rating	Carrying Amounts	Maturities: Less than one year	Maturities: One to five years
Deposits:				
Interest-bearing checking	Not rated	$ 124,382	124,382	-
Money market	Not rated	107,914	107,914	-
Total deposits		232,296	232,296	-
Investments:				
Investment pools	AAAm	503,835	503,835	-
		$ 736,131	736,131	-

2024

	Standard & Poor's Rating	Carrying Amounts	Maturities: Less than one year	Maturities: One to five years
Deposits:				
Interest-bearing checking	Not rated	$ 25,654	25,654	-
Money market	Not rated	65,663	65,663	-
Investments:				
Investment pools	AAAm	695,931	695,931	-
		$ 787,248	787,248	-

Kremmling Sanitation District
Notes to the Financial Statements
December 31, 2025 and 2024
(Continued)

III. Detailed Notes on All Funds (continued)

B. Capital Assets

The District's capital asset activity for 2024 and 2025 was as follows:

	1/1/24 Beginning Balance	Additions and Transfers	Disposals and Transfers	12/31/24 Ending Balance	Additions and Transfers	Disposals and Transfers	12/31/25 Ending Balance
Capital assets, not being depreciated:							
Land	$ 103,576	-	-	103,576	-	-	103,576
Construction in progress	-	36,095	-	36,095	98,639	-	134,734
Total capital assets, not being depreciated	103,576	36,095	-	139,671	98,639	-	238,310
Capital assets, being depreciated:							
New wastewater system	5,500,733	224,028	-	5,724,761	288,371	-	6,013,132
Buildings	44,885	-	-	44,885	-	-	44,885
Sewer lines	562,163	-	-	562,163	-	-	562,163
Lagoons	354,366	-	-	354,366	-	-	354,366
Furniture and equipment	505,972	16,288	-	522,260	-	-	522,260
Total capital assets being depreciated	6,968,119	240,316	-	7,208,435	288,371	-	7,496,806
Less accumulated depreciation for:							
New wastewater system	(3,317,177)	(269,615)	-	(3,586,792)	(276,421)	-	(3,863,213)
Buildings	(21,525)	(2,244)	-	(23,769)	(2,245)	-	(26,014)
Sewer lines	(406,356)	(5,801)	-	(412,157)	(5,327)	-	(417,484)
Lagoons	(187,252)	(4,991)	-	(192,243)	(11,332)	-	(203,575)
Furniture and equipment	(353,126)	(28,488)	-	(381,614)	(27,868)	-	(409,482)
Total accumulated depreciation	(4,285,436)	(311,139)	-	(4,596,575)	(323,193)	-	(4,919,768)
Total capital assets, being depreciated, net	2,682,683	(70,823)	-	2,611,860	(34,822)	-	2,577,038
Total capital assets, net	$2,786,259	(34,728)	-	2,751,531	63,817	-	2,815,348

Kremmling Sanitation District
Notes to the Financial Statements
December 31, 2025 and 2024
(Continued)

III. Detailed Notes on All Funds (continued)

C. Long-term Liabilities

1. Colorado Water Resources and Power Development Authority (“CWRPDA”) Loan

On September 13, 2005, the District executed a $950,000 loan agreement, with interest accruing at 3.5% per annum, with CWRPDA, the proceeds of which were utilized to upgrade and expand the District’s wastewater system.

Starting in 2006, principal, interest, and administrative surcharge (included with interest expense) payments totaling $33,223 are due May 1 and November 1, through 2025. As set forth in the loan agreement, the District received a credit against interest payments for the amount of capitalized interest and investment income available to be applied. This one-time credit in the amount of $14,218 was used to reduce interest payments in 2006.

The loan constitutes an irrevocable and first lien on the District’s wastewater system revenues (excluding ad valorem property taxes, capital grant revenues, and other funds borrowed and used to provide capital improvements to the wastewater system). The loan is not a general obligation debt of the District.

The loan agreement contains various restrictive covenants and requirements, including maintenance of a three-month operating and maintenance reserve. The District has restricted $0 and $143,666 of net position at December 31, 2025 and 2024, respectively, for this purpose, which are the approximate required reserves. As of year end December 31, 2025, the debt was paid in full and no reserve was recorded.

2. Long-term Liability Activity

Long-term liability activity for 2025 and 2024 was as follows:

	CWRPDA Loan	Compensated Absences *	Total
January 1, 2024 balance	$ 127,277	15,370	142,647
Additions	-	-	-
Reductions	(62,535)	(5,126)	(67,661)
December 31, 2024 balance	64,742	10,244	74,986
Additions	-	-	-
Reductions	(64,742)	-	(64,742)
December 31, 2025 balance	$ -	10,244	10,244
Due within one year - 2024	$ 64,742	-	64,742
Due within one year - 2025	$ -	-	-

* The change in accrued compensated absences is presented as a net change.

Kremmling Sanitation District
Notes to the Financial Statements
December 31, 2025 and 2024
(Continued)

IV. Other Information

A. Risk Management

The District pays annual premiums to the Pool for liability, property and public official's coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. A summary of audited statutory basis financial information for the Pool as of and for the year ended December 31, 2025 (the latest audited information available) is available here: https://csdpool.org/financials

B. Deferred Compensation Plan – Section 457

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code section 457 (the "Plan"). The Plan permits employees to defer a portion of the salary until future years. The deferred compensation is not available to employees until termination, retirement, or death.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the Plan participants and their beneficiaries.

The accrual basis of accounting is used for the Plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

The District has no liability for losses under the Plan but does have the duty of due care that would be required of an ordinary prudent investor. The Plan is administered by Mission Square Retirement.

In accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the District does not report the plan as a fund in the financial statements because the District is not a trustee of the deferred compensation plan.

In addition to Social Security, the District matches a six percent (6%) payroll deduction. District employees contributed $9,382 and $8,977 to the Plan for 2025 and 2024 respectively. These amounts were matched by the District, equal to its required contribution for these years.

Permanent full-time (budgeted for forty (40) hours per week) employees participate in the Plan. Employees may contribute additional amounts, up to maximum allowable limits as established under IRC, but these amounts are not matched by the District.

C. Intergovernmental Agreement – Town of Kremmling

On January 13, 2003, the District entered into an Intergovernmental Agreement with the Town of Kremmling, Colorado for mutually beneficial cooperative use of personnel and equipment. The agreement has an initial one-year term, but renews automatically unless otherwise terminated by the parties. Under the terms of the agreement, each entity is to invoice the other, on a monthly basis, for hours worked and equipment used.

IV. Other Information (continued)

D. Construction Commitments

The District has entered into construction and professional services contracts having remaining commitments under the contracts as of December 31, 2025 totaling $347,710. The commitments for these funds are not reflected in the accompanying financial statements. Only the unpaid amounts incurred to date for these contracts are included as liabilities in the financial statements.

SUPPLEMENTARY INFORMATION

Kremmling Sanitation District
Schedule of Revenues and Expenditures
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original and Final Budget	**Actual**	**Final Budget Variance: Positive / (Negative)**	**Actual**
Revenues:				
Charges for services - Sewer fees	610,000	600,716	(9,284)	595,888
Grants	451,675	184,961	(266,714)	1,002
Developer contributions	-	8,481	8,481	1,800
Tap fees	90,000	70,000	(20,000)	80,700
Property taxes	55,960	55,386	(574)	53,367
Specific ownership taxes	2,500	2,940	440	2,204
Investment income	25,000	27,826	2,826	40,371
Shared employee reimbursements	1,560	-	(1,560)	-
Miscellaneous	1,000	2,496	1,496	476
Total Revenues	1,237,695	952,806	(284,889)	775,808
Expenditures:				
Administration:				
Payroll expenses	74,065	101,037	(26,972)	83,161
Audit and legal	18,700	19,254	(554)	14,700
Insurance	22,940	20,812	2,128	20,199
Miscellaneous	6,720	6,275	445	1,971
Operating supplies and expenses	6,600	1,877	4,723	3,177
Repairs and maintenance	20,000	8,106	11,894	6,212
Utilities	2,365	1,945	420	1,756
Treasurer's fees	2,800	2,790	10	2,506
Total - Administration	154,190	162,096	(7,906)	133,682
Sewage Collection and Treatment:				
Payroll expenses	283,660	234,817	48,843	222,531
Miscellaneous	8,000	2,527	5,473	1,885
Operating supplies and expenses	59,330	39,462	19,868	44,846
Repairs and maintenance	81,185	39,857	41,328	39,085
Utilities	127,365	99,844	27,521	108,931
Engineering and technical services	8,450	23,887	(15,437)	7,103
Capital outlay	943,350	387,010	556,340	276,411
Total - Sewage Collection and Treatment	1,511,340	827,404	683,936	700,792
Debt Service:				
Principal and interest	66,450	66,447	3	66,447
Total Expenditures	1,731,980	1,055,947	676,033	900,921
Excess (Deficiency) of Revenues Over Expenditures - Budget Basis	(494,285)	(103,141)	391,144	(125,113)
Reconciliation to GAAP Basis:				
Depreciation expense		(323,193)		(311,139)
Accrued interest change		562		358
Debt principal payments		64,742		62,535
Change in allowance for doubtful accounts		4,219		4,000
Capitalized assets		387,010		276,411
Change in Net Position - GAAP Basis		30,199		(92,948)

The accompanying notes are an integral part of these financial statements.

KREMMLING SANITATION DISTRICT

AUGUST 10TH 2026

OPERATORS REPORT

Reclaim water report

July plant performance

Septic receiving station report

Capitol/collections systems update

Joe Probst back to school August 17 2026

Treatment pond liner issue

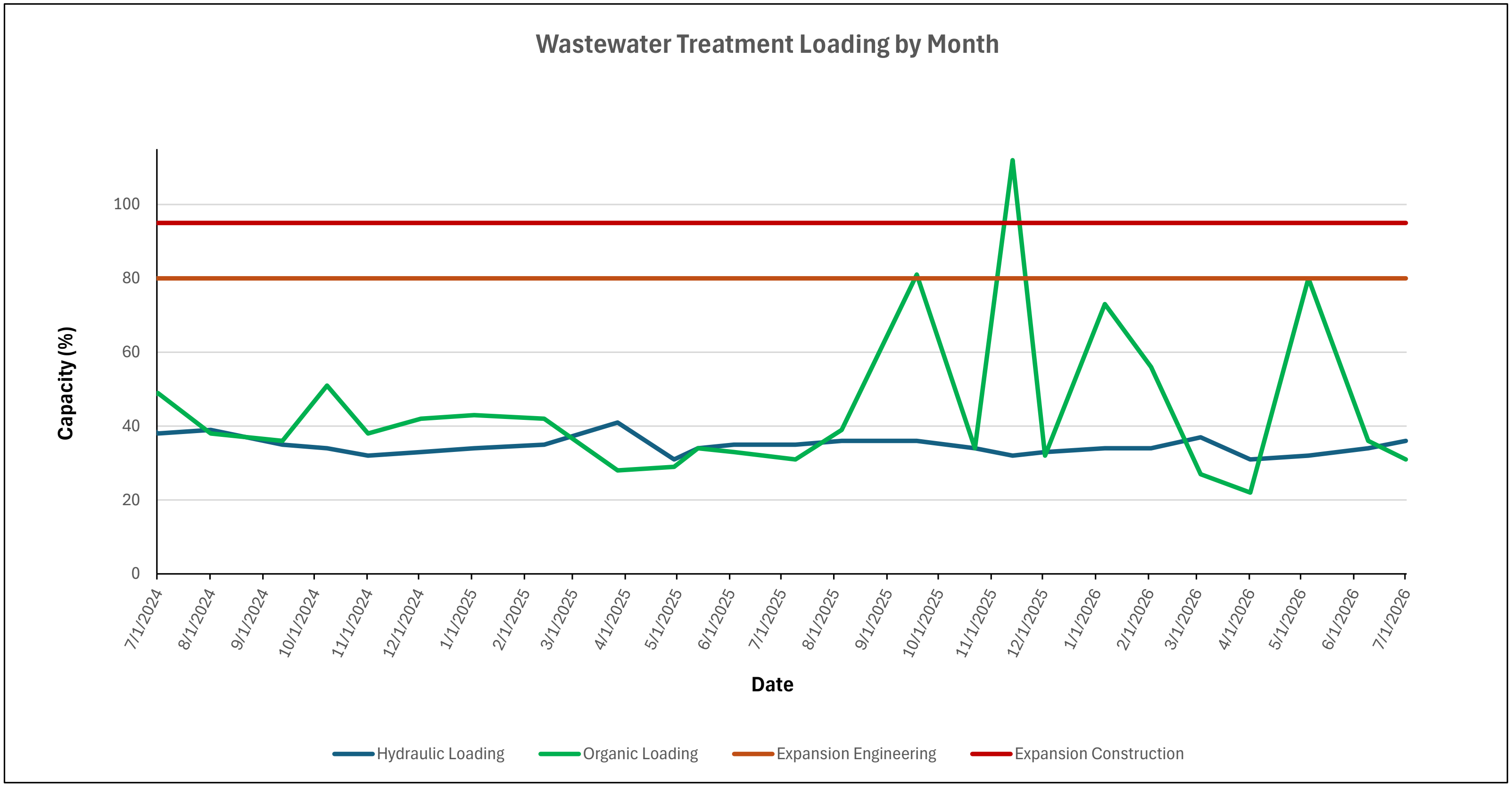
PH violation

Mainline sewer cleaning schedule

Possible manhole inspection/ducumentation

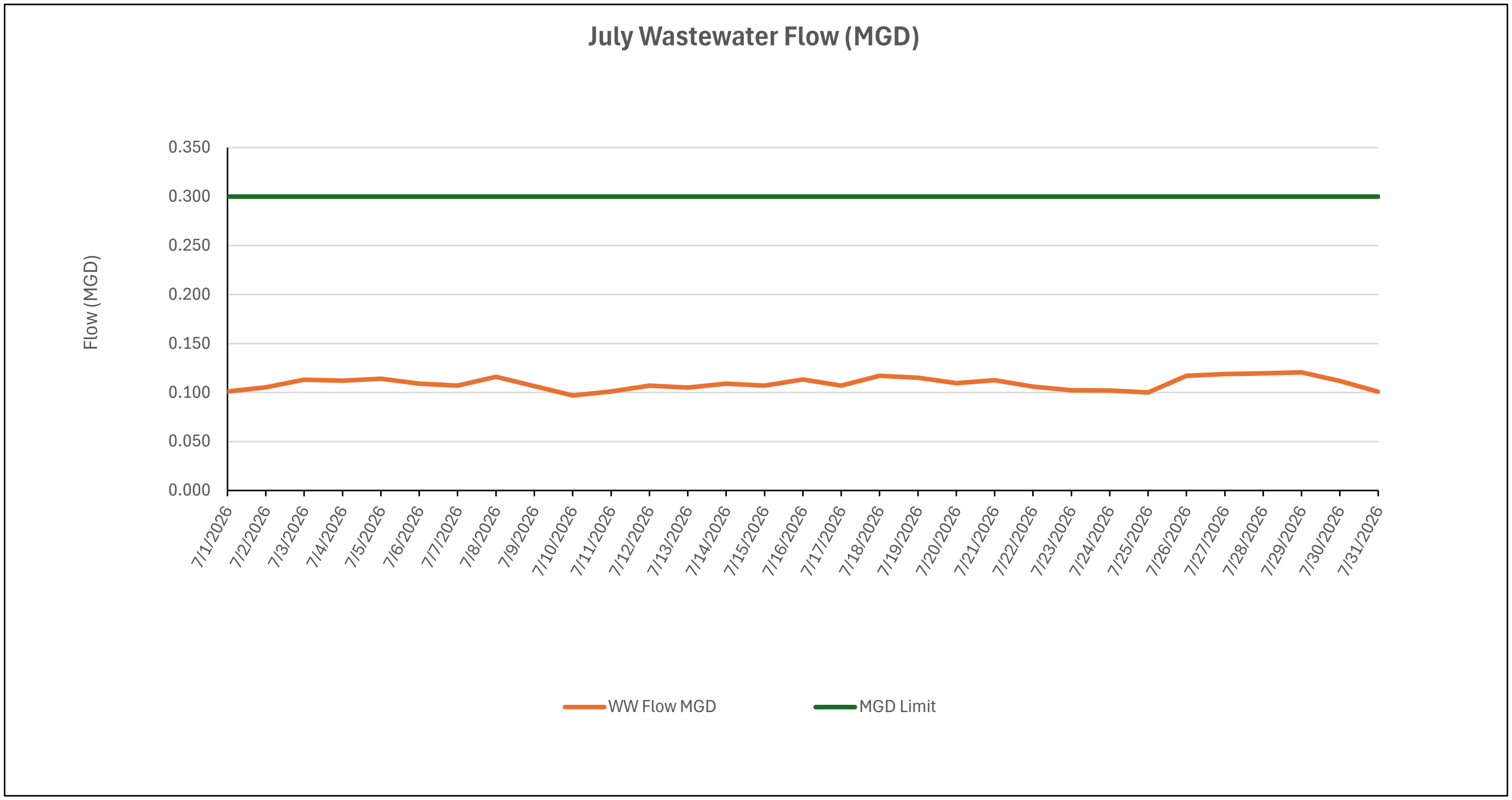
July 2026 Wastewater Performance

Sample date: 7/1/26

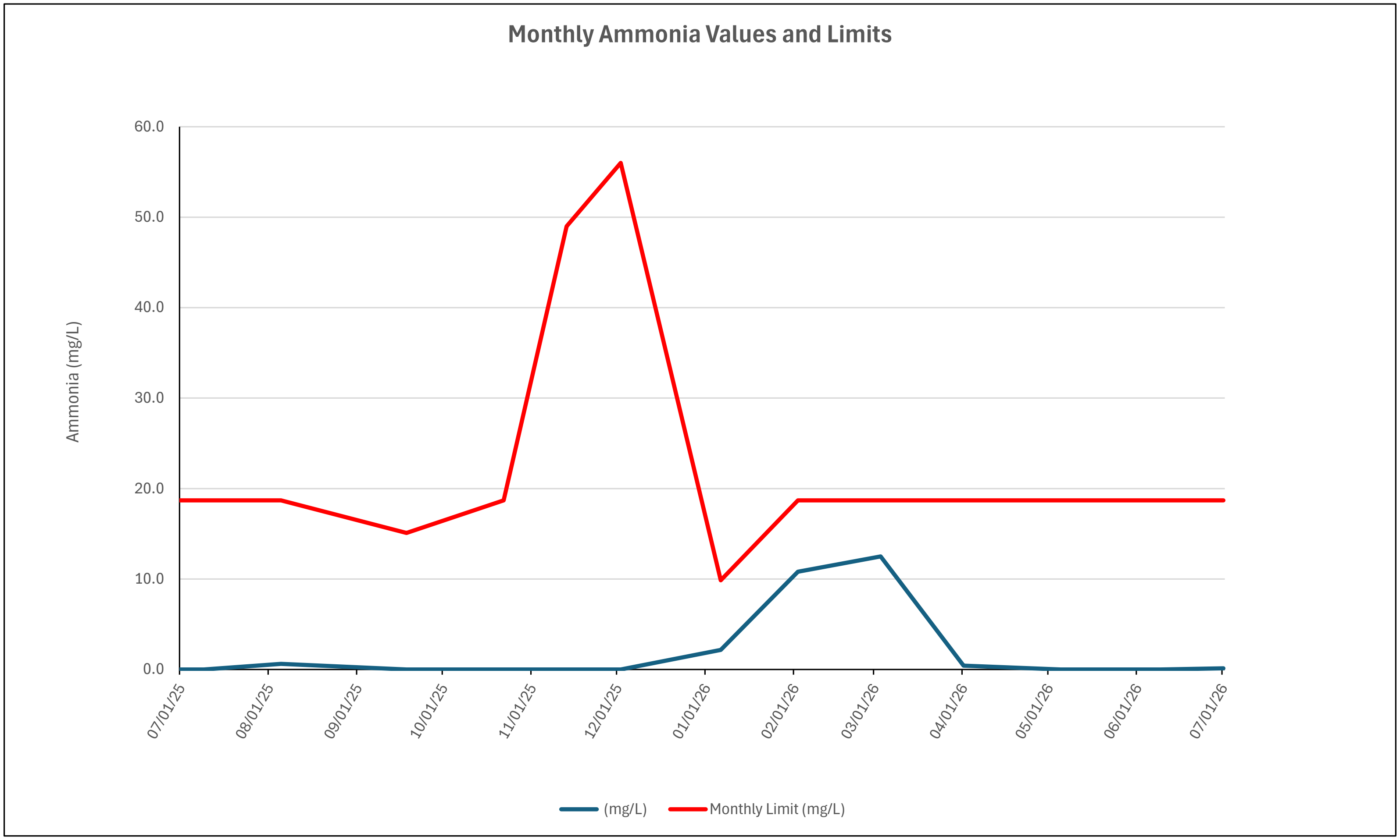


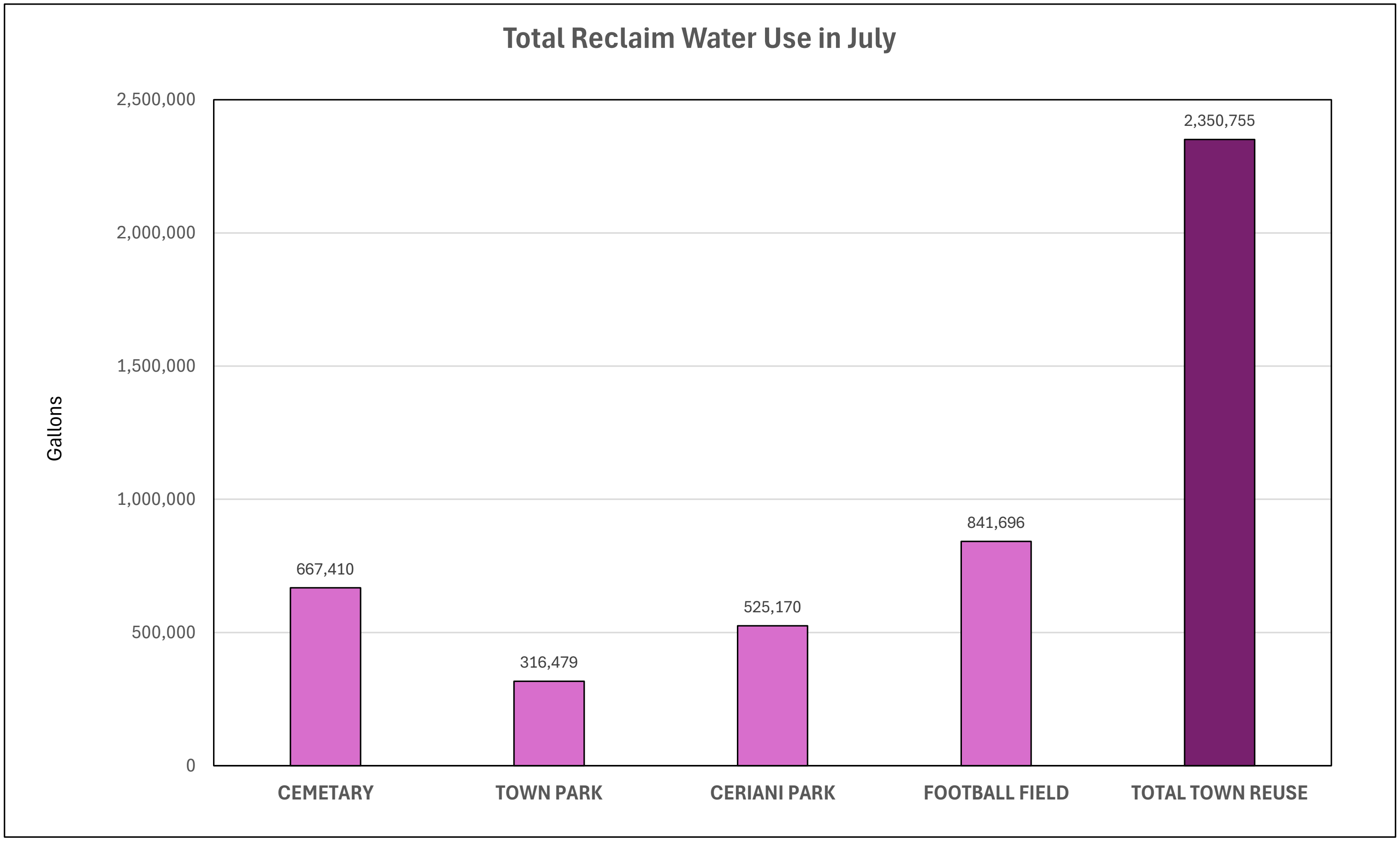
Effluent Parameters	Permit Limit	Monthly Reported Values
BOD (mg/L)	30-45 mg/L	2 mg/L
BOD % Removal	85% minimum	100.0%
TSS (mg/L)	75-110 mg/L	< 2 mg/L
Ammonia	18.7 mg/L	0.133 mg/L
E. coli (#/100mL)	1088-2176 #/100mL	1.0 #/100mL
pH	6.5 - 9.0 SU	6.37 - 7.55 SU

Influent Parameters	Monthly Reported Values
Hydraulic % Capacity	36%
Organic % Capacity	31%
BOD (mg/L)	222 mg/L
TSS (mg/L)	184 mg/L



	Wastewater Plant Flows (Kgal/Day)
Average	0.109
Minimum	0.097
Maximum	0.121
% Flow	36%


Monthly Ammonia Values and Limits
Ammonia (mg/L)
60.0
50.0
40.0
30.0
20.0
10.0
0.0
07/01/25
08/01/25
09/01/25
10/01/25
11/01/25
12/01/25
01/01/26
02/01/26
03/01/26
04/01/26
05/01/26
06/01/26
07/01/26
(mg/L)
Monthly Limit (mg/L)


Total Reclaim Water Use in July
Gallons
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
667,410
316,479
525,170
841,696
2,350,755
CEMETARY
TOWN PARK
CERIANI PARK
FOOTBALL FIELD
TOTAL TOWN REUSE

DATE	CEMETARY cubic feet	CEMETARY gallons	TOWN PARK cubic feet	TOWN PARK gallons	CERIANI PARK gallons	FOOTBALL FIELD gallons	CEMETARY DAILY gallons	TOWN PARK DAILY gallons	CERIANI DAILY gallons	FOOTBALL DAILY gallons	TOTAL TOW gallons
5/31/26	3440550	25735314	1316730	9849140	9091800						0
6/1/26	3443780	25759474	1318070	9859164	9112500		24160	10023	20700		54883
6/2/26	3447376	25786372	1319415	9869224	9121590		26898	10061	9090		46049
6/3/26	3450885	25812620	1320765	9879322	9135400		26247	10098	13810		50155
6/4/26	3450897	25812710	1322167	9889809	9156390		90	10487	20990		31567
6/5/26	3454120	25836818	1322240	9890355	9177000		24108	546	20610		45264
6/6/26	3457333	25860851	1323375	9898845	9197615		24033	8490	20615		53138
6/7/26	3460618	25885423	1324688	9908666	9218460		24572	9821	20845		55238
6/8/26	3463827	25909426	1326003	9918502	9239130		24003	9836	20670		54509
6/9/26	3466955	25932823	1327321	9928361	9248210		23397	9859	9080		42336
6/10/26	3470250	25957470	1328691	9938609	9260470		24647	10248	12260		47155
6/11/26	3470756	25961255	1329813	9947001	9282310		3785	8393	21840		34018
6/12/26	3474018	25985655	1329813	9947001	9303830		24400	0	21520		45920
6/13/26	3478025	26015627	1331159	9957069	9325580		29972	10068	21750		61790
6/14/26	3481657	26042794	1332451	9966733	9347110		27167	9664	21530		58361
6/15/26	3485295	26070007	1333825	9977011	9368720		27212	10278	21610		59100
6/16/26	3489343	26100286	1335391	9988725	9381160		30279	11714	12440		54433
6/17/26	3493439	26130924	1336023	9993452	9393260		30638	4727	12100		47465
6/18/26	3493448	26130991	1336575	9997581	9416390		67	4129	23130		27326
6/19/26	3497470	26161076	1338289	10010402	9438100	42092	30085	12821	21710	42092	106708
6/20/26	3501927	26194414	1338289	10010402	9462740	64252	33338	0	24640	22160	80138
6/21/26	3505885	26224020	1338289	10010402	9484580	85892	29606	0	21840	21640	73086
6/22/26	3509589	26251726	1338289	10010402	9506240	106957	27706	0	21660	21065	70431
6/23/26	3513776	26283044	1338289	10010402	9506860	123382	31319	0	620	16425	48364
6/24/26	3517839	26313436	1339243	10017538	9506480	162383	30391	7136	-380	39001	76148
6/25/26	3521905	26343849	1341025	10030867	9530270	199249	30414	13329	23790	36866	104399
6/26/26	3521905	26343849	1341654	10035572	9552560	212401	0	4705	22290	13152	40147
6/27/26	3525530	26370964	1342272	10040195	9574160	213916	27115	4623	21600	1515	54853
6/28/26	3529479	26400503	1343958	10052806	9595280	241523	29539	12611	21120	27607	90877
6/29/26	3533445	26430169	1344599	10057601	9616430	276711	29666	4795	21150	35188	90799
7/1/26	3541511	26490502	1346818	10074199	9640540	310667	60334	16598	24110	33956	134998
7/2/26	3546087	26524731	1347414	10078657	9662640	345937	34228	4458	22100	35270	96056
7/3/26	3550057	26554426	1348005	10083077	9684260	364422	29696	4421	21620	18485	74222
7/4/26	3554054	26584324	1349737	10096033	9706140	385882	29898	12955	21880	21460	86193
7/5/26	3557990	26613765	1350250	10099870	9727600	451389	29441	3837	21460	65507	120245
7/6/26	3561950	26643386	1350880	10104582	9749300	456696	29621	4712	21700	5307	61340
7/7/26	3565691	26671369	1352591	10117381	9760560	495372	27983	12798	11260	38676	90717
7/8/26	3569442	26699426	1354337	10130441	9772700	531091	28057	13060	12140	35719	88976
7/9/26	3569519	26700002	1356117	10143755	9794070	565540	576	13314	21370	34449	69709
7/10/26	3572873	26725090	1357877	10156920	9815000	583966	25088	13165	20930	18426	77609
7/11/26	3576294	26750679	1359606	10169853	9837590	603405	25589	12933	22590	19439	80551
7/12/26	3580035	26778662	1361311	10182606	9849480	635088	27983	12753	11890	31683	84309
7/13/26	3583764	26806555	1361311	10182606	9870380	670309	27893	0	20900	35221	84014
7/14/26	3587543	26834822	1363034	10195494	9879690	704501	28267	12888	9310	34192	84657
7/15/26	3590745	26858773	1364839	10208996	9891680	740267	23951	13501	11990	35766	85208
7/16/26	3590755	26858847	1366566	10221914	9912930	774863	75	12918	21250	34596	68839
7/17/26	3593936	26882641	1368272	10234675	9934940	793294	23794	12761	22010	18431	76996
7/18/26	3597183	26906929	1369992	10247540	9955880	812851	24288	12866	20940	19557	77651
7/19/26	3600413	26931089	1371723	10260488	9968130	844737	24160	12948	12250	31886	81244
7/20/26	3603611	26955010	1371723	10260488	9988980	863175	23921	0	20850	18438	63209
7/21/26	3606841	26979171	1373447	10273384	9998160	897539	24160	12896	9180	34364	80600
7/22/26	3610293	27004992	1375211	10286578	9998290	933538	25821	13195	130	35999	75145
7/23/26	3610683	27007909	1376958	10299646	10018220	973663	2917	13068	19930	40125	76040
7/24/26	3613970	27032496	1378710	10312751	10038400	977262	24587	13105	20180	3599	61471
7/25/26	3617248	27057015	1380438	10325676	10058300	977290	24519	12925	19900	28	57372
7/26/26	3620472	27081131	1382162	10338572	10078260	1008897	24116	12896	19960	31607	88579
7/27/26	3623684	27105156	1382162	10338572	10097830	1027067	24026	0	19570	18170	61766
7/28/26	3624343	27110086	1383898	10351557	10105750	1062724	4929	12985	7920	35657	61491
7/29/26	3627539	27133992	1385626	10364482	10125530	1098502	23906	12925	19780	35778	92389
7/30/26	3627542	27134014	1387360	10377453	10145910	1133939	22	12970	20380	35437	68809
7/31/26	3630737	27157913	1389128	10390677	10165710	1152363	23899	13225	19800	18424	75348

Date: 06/01/2026 - 8/6/2026 3:09:09 PM

No. Trips: **37**

Volume (Gallons): **96,178**

PORTALOGIC
A PRODUCT OF ELEMECH, INC.

Activity by Station - Detail

Date	Truck	Customer	Receipt	Type	Volume	Total
Station - 1						
6/3/2026 9:16 AM	1	Kremmling Sanitation District	1573	Septage	0	0
6/17/2026 2:34 PM	9,876	A&A septic	1574	Septage	3,720	3,720
6/18/2026 1:09 PM	9,876	A&A septic	1575	Septage	1,858	5,578
6/18/2026 3:39 PM	9,876	A&A septic	1576	Septage	3,797	9,375
6/18/2026 6:45 PM	9,876	A&A septic	1577	Septage	2,909	12,284
6/22/2026 1:28 PM	9,876	A&A septic	1578	Septage	3,269	15,553
6/22/2026 3:05 PM	9,876	A&A septic	1579	Septage	2,128	17,681
6/23/2026 2:00 PM	9,876	A&A septic	1580	Septage	3,195	20,876
6/23/2026 4:50 PM	9,876	A&A septic	1581	Septage	1,939	22,815
6/25/2026 6:44 PM	9,876	A&A septic	1582	Septage	2,653	25,468
6/26/2026 6:26 PM	9,876	A&A septic	1583	Septage	4,059	29,527
6/29/2026 3:22 PM	9,876	A&A septic	1584	Septage	3,100	32,627
6/30/2026 10:44 AM	9,876	A&A septic	1585	Septage	1,399	34,026
7/2/2026 1:02 PM	9,876	A&A septic	1586	Septage	2,317	36,343
7/6/2026 1:28 PM	9,876	A&A septic	1587	Septage	2,963	39,306
7/6/2026 5:16 PM	9,876	A&A septic	1588	Septage	2,120	41,426
7/7/2026 12:08 PM	9,876	A&A septic	1589	Septage	2,762	44,188
7/7/2026 5:16 PM	9,876	A&A septic	1590	Septage	3,207	47,395
7/8/2026 11:29 AM	9,876	A&A septic	1591	Septage	1,967	49,362
7/9/2026 9:34 AM	9,876	A&A septic	1592	Septage	3,075	52,437
7/9/2026 3:48 PM	9,876	A&A septic	1593	Septage	2,473	54,910
7/16/2026 12:38 PM	9,876	A&A septic	1594	Septage	2,875	57,785
7/16/2026 5:23 PM	9,876	A&A septic	1595	Septage	2,444	60,229
7/20/2026 2:26 PM	9,876	A&A septic	1596	Septage	2,493	62,722
7/21/2026 1:06 PM	9,876	A&A septic	1597	Septage	2,866	65,588
7/21/2026 5:28 PM	9,876	A&A septic	1598	Septage	2,612	68,200
7/22/2026 3:04 PM	9,876	A&A septic	1599	Septage	3,942	72,142
7/23/2026 3:14 PM	9,876	A&A septic	1600	Septage	2,172	74,314
7/27/2026 1:29 PM	9,876	A&A septic	1601	Septage	3,776	78,090
7/28/2026 9:23 AM	9,876	A&A septic	1602	Septage	2,696	80,786
7/28/2026 2:36 PM	9,876	A&A septic	1603	Septage	2,991	83,777
7/29/2026 9:45 AM	9,876	A&A septic	1604	Septage	2,607	86,384
7/29/2026 3:17 PM	9,876	A&A septic	1605	Septage	2,994	89,378
7/30/2026 11:24 AM	9,876	A&A septic	1606	Septage	2,394	91,772
7/30/2026 2:54 PM	9,876	A&A septic	1607	Septage	1,343	93,115
7/31/2026 1:06 PM	9,876	A&A septic	1608	Septage	677	93,792
8/5/2026 12:00 PM	9,876	A&A septic	1609	Septage	2,386	96,178

KREMMLING SANITATION DISTRICT

RESOLUTION 2026-08-01

RESOLUTION ADOPTING A SAFETY POLICY

WHEREAS, the Kremmling Sanitation District (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado, located in the County of Grand, Colorado, and is a duly organized and existing special district pursuant to C.R.S. § 32-1-101 *et seq*.

WHEREAS, the Board of Directors (the "Board") has the management, control, and supervision of all the business and affairs of the District, pursuant to C.R.S. § 32-1-1001(1)(h).

WHEREAS, the Board may appoint, exercise all rights and powers necessary or incidental to or implied from the specific powers granted to special districts pursuant to C.R.S. § 32-1-1001(1)(n).

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Kremmling Sanitation District as follows:

1. Adoption of Policy. Exhibit A is adopted as the District's Policy on Safety.

2. Severability. If any part, section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

3. Effective Date. This Resolution shall take effect immediately upon adoption.

ADOPTED by the Board this 10th day of August 2026.

KREMMLING SANITATION DISTRICT

By: ______________________________
Noble Underbrink
President

ATTEST:

____
Alan N. Hassler
Secretary

Exhibit A
Policy on Safety

KREMMLING SANITATION DISTRICT

Policy on Safety

Adopted: August 10, 2026

1. Purpose. This Policy on Safety (the “Policy) is adopted by the Kremmling Sanitation District ("District") to establish the District's commitment to workplace safety, assign responsibility for the administration of the District's safety program, and promote compliance with applicable federal, state, and local laws and regulations governing occupational safety and health.

2. Policy. It is the policy of the District to conduct its operations in a manner that protects the health, safety, and welfare of its employees and the public. Safety shall be an integral part of all District operations and shall be considered in planning, decision-making, and the performance of all work activities.

   The District expects every employee to perform assigned duties in a safe manner, to comply with applicable safety requirements, and to report unsafe conditions, accidents, injuries, illnesses, and near misses promptly.

3. Responsibilities.

   a. Board of Directors. The Board of Directors is responsible for:

      i. Establishing the District's overall safety policy and objectives.

      ii. Providing adequate resources to support the District's safety program, subject to budgetary appropriations.

      iii. Reviewing the effectiveness of the District's safety program as appropriate.

   b. District Manager. The District Manager is responsible for administering the District's safety program and for implementing this Policy. The District Manager may delegate specific safety responsibilities to supervisory personnel but shall retain overall responsibility for the administration of the District's safety program.

   c. Employees. Employees are responsible for complying with this Policy and the District's Safety Manual, performing work safely, using required protective equipment, reporting unsafe conditions, and immediately reporting workplace injuries, illnesses, accidents, and near misses.

4. Safety Manual. The District Manager shall develop, implement, and maintain a written Safety Manual establishing the District's safety program and safe work practices.

    a. The Safety Manual shall contain such policies, procedures, training requirements, and other guidance as the District Manager determines necessary to promote a safe workplace and to ensure compliance with applicable law and recognized safety standards.

    b. The District Manager may amend the Safety Manual from time to time as necessary to address changes in applicable law, operational needs, industry standards, or workplace hazards.

5. Training. The District shall provide employees with safety training appropriate to their assigned duties and responsibilities. Employees shall participate in required training and comply with the safety procedures established in the Safety Manual.

6. Reporting. Employees shall promptly report workplace injuries, illnesses, accidents, property damage, hazardous conditions, and near misses in accordance with the procedures established in the Safety Manual. The District shall investigate reported incidents as appropriate to identify causes and implement corrective measures.

7. Compliance. Compliance with this Policy and the Safety Manual is a condition of employment. Failure to comply may result in disciplinary action, up to and including termination of employment, consistent with the District's personnel policies and applicable law.

8. Review. The District Manager shall periodically review the District's safety program and recommend revisions to this Policy as appropriate. The Board of Directors may amend this Policy by resolution.

9. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of any law of the State of Colorado.

10. Amendment. The Board of Directors may amend this Policy from time to time, only in writing following a duly called meeting.

INCLUSION AGREEMENT

THIS INCLUSION AGREEMENT is made this 10th day of August 2026, by and between the KREMMLING SANITATION DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the "**District**"), and MY FAMILY TRUST, LLC (the "**Owner**").

RECITALS

WHEREAS, District is located in Grand County, Colorado, and was organized to provide wastewater collection and treatment services and other public and private purposes by any available means and all necessary facilities, equipment and appurtenances thereto to its residents and the owners of real property within the jurisdictional boundaries of the District; and

WHEREAS, Owner is the fee owner of the subject real property, more particularly described in Exhibit A attached hereto and incorporated herein by reference (hereinafter referred to as "**Property**"), situated outside the jurisdictional boundaries of the District and capable of being served by the District subject to the terms and conditions hereinafter set forth; and

WHEREAS, District may agree to furnish wastewater collection and treatment service to real property situate outside the District's jurisdictional boundaries subject to the inclusion of such land into the District, pursuant to the provisions of Part 4 of Article 1, Title 32, C.R.S., but is under no obligation or duty to do so; and

WHEREAS, District, in exercising its statutory powers, may enter into contracts and agreements with owners of real property seeking to include their land into the District and may, in its discretion, impose specific conditions for such inclusion; and

WHEREAS, Owner has filed or will file with the Board of Directors of the District a petition for the inclusion of its property into the District and desires to obtain the benefits of wastewater collection and treatment service from the District, subject to the terms and conditions hereinafter set forth, which Owner knowingly declares to be fair, equitable and reasonably commensurate with the burden placed on District's wastewater system by reason of such inclusion; and

WHEREAS, the provision of wastewater collection and treatment service by the District to the Property in accordance with the terms of this Inclusion Agreement will be in the public interest and in the best interest of the Owner and the Property.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, understandings and agreements hereinafter set forth, the District and the Owner agree as follows:

1. Prior to the consideration of approval of the inclusion of the Property into the District by the Board of Directors of the District, the Owner shall fully comply with the Cost Reimbursement Agreement, dated December 15, 2025, by and between the District and the

Owner, governing the Owner's payment of all administrative costs, including publication expenses, engineering review, and attorney fees, incurred by the District to include the Property into the District. Further, a Petition for Inclusion and this Inclusion Agreement duly signed by the Owner shall be submitted to the District. The Owner is responsible for all costs incurred by the District, its agents and employees, in processing the Petition for Inclusion of the Property, and Owner may be required to replenish the Deposit or pay for all costs in excess of the Deposit. Any amount of the Deposit which remains unused will be returned to the Owner upon the conclusion of all inclusion-related activities conducted in connection with this Inclusion Agreement.

2. After the public hearing on this inclusion, approval of this Inclusion Agreement by the Board of Directors of the District, and the entry of an order of inclusion by the District Court pursuant to Section 32-1-401(1), C.R.S., the Property shall be included into the District subject to the terms and conditions hereinafter set forth, the duly promulgated rules and regulations of the District, and the laws of the State of Colorado pertaining to all matters set forth herein, whether now existing or subsequently amended.

3. By execution of this Inclusion Agreement, the District assumes no obligation and provides no warranties, expressed or implied, with regard to the adequacy of service to be provided to the Property other than that generally extended to properties connected to the wastewater system of the District.

4. After entry of the order of inclusion by the District Court, the Property shall then be within the jurisdictional boundaries of the District and eligible for connection to the wastewater collection and treatment system of the District. In the event that the Owner elects to receive wastewater service from the District, the Owner shall pay all fees and charges for connection permits set forth under the rules and regulations of the District at the time of connection to the wastewater system.

5. The Owner is responsible for the financing, construction, and installation of all improvements to the District's wastewater system as determined by the District to be necessary for serving the Property, including any easements or other necessary property interests. Such improvements may include, but are not limited to, construction of lift station(s), extension of wastewater collection lines, improvements to the District's wastewater treatment plant, and installation of any and all other infrastructure not specifically described herein. Such improvements shall be planned, engineered, and installed in accordance with the District's rules, regulations, and procedures. Any such completed improvements will be dedicated and conveyed to the District at no cost by the Owner and pursuant to such other requirements of the District's adopted rules, regulations and procedures.

6. The Owner hereby releases, discharges and holds the District harmless from any obligation or liability to provide service to the Property, except in accordance with the terms and conditions set forth herein and the rules and regulations of the District and subject to the same terms and conditions under which water service is generally provided to all users within the District.

7. The terms and conditions set forth in this Inclusion Agreement shall be binding upon and inure to the benefit of the District and Owner, their respective personal representatives, heirs, transferees, successors and assigns.

8. The terms and conditions set forth in this Inclusion Agreement shall be and remain covenants running with the Property and endure in perpetuity.

9. If any provision of this Inclusion Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the validity or enforceability of the other provisions hereof.

10. This Inclusion Agreement may be amended, from time to time, by agreement between the parties hereto. No amendment, modification or alteration hereof shall be binding upon the parties hereto unless the same is in writing and duly approved by the authorized representatives of each party.

11. This Inclusion Agreement constitutes the entire agreement between the parties hereto concerning the subject matter herein, and all prior negotiations, representations, contracts, understandings and agreements pertaining to such matter are merged into and superseded by this Agreement.

IN WITNESS WHEREOF, the parties have caused this Inclusion Agreement to be executed the day and year above written.

MY FAMILY TRUST, LLC

By:
Sam Stoia
Manager

STATE OF FLORIDA)
) ss.
COUNTY OF Monroe)

The foregoing Inclusion Agreement was acknowledged before me this 4 day of Aug 2026, by Sam Stoia, as Manager of My Family Trust, LLC.

Witness my hand and official seal.

My commission expires: August 20, 2027

DAMARY RIZO ALMAGUER
MY COMMISSION # HH435109
EXPIRES: August 20, 2027

Notary Public

KREMMLING SANITATION DISTRICT

By: ______________________________________
Noble Underbrink
President

ATTEST

By: ______________________________
Alan Hassler
Secretary

EXHIBIT A
PROPERTY DESCRIPTION

PARCEL A,

ANTELOPE PARK, ACCORDING TO THE LAND SURVEY PLAT RECORDED AUGUST 4, 1998 UNDER RECEPTION NO. 98008308, COUNTY OF GRAND, STATE OF COLORADO, CONTAINING 35.324 ACRES, MORE OR LESS.

ALSO INCLUDING THE ADJACENT 100-FOOT WIDE RIGHT-OF-WAY OF COLORADO STATE HIGHWAY 40 MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE SOUTHEAST CORNER OF SAID PARCEL A FROM WHENCE THE NORTHEAST CORNER OF SAID PARCEL A BEARS N 01°12’14” E A DISTANCE OF 1188.43 FEET, THIS BEING THE BASIS OF BEARINGS CONTAINED HEREIN;
THENCE ALONG THE SOUTH BOUNDARY OF SAID PARCEL A AND ALSO BEING THE NORTHERN RIGHT-OF-WAY OF SAID STATE HIGHWAY 40 N 64°20’00” W A DISTANCE OF 2167.50 FEET, MORE OR LESS, TO TIIE SOUTHWEST CORNER OF SAID PARCEL A, THIS BEING A POINT ON THE CURRENT TOWN OF KREMMLING LIMITS;
THENCE S 00°43’44” W ALONG THE SAID CURRENT TOWN OF KREMMLING LIMTS A DISTANCE OF 110.13 FEET MORE OR LESS TO THE SOUTHERN RIGHT OF WAY OF SAID STATE HIGHWAY 40, THIS ALSO BEING THE NORTHERN BOUNDARY OF THE MCELROY FIELD KREMMLING/GRAND COUNTY AIRPORT AND KREMMLING TOWN LIMTS;
THENCE S 64°20’00” E ALONG THE SOUTHERN STATE HIGHWAY 40 RIGHT-OF-WAY AND ALONG THE NORTHERN BOUNDARY OF SAID MCELROY FIELD ALSO BEING THE TOWN OF KREMMLING LIMTS A DISTANCE OF 2165.9 FEET, MORE OR LESS TO A POINT;
THENCE N 01°12’14” E A DISTANCE OF 109.9 FEET, MORE OR LESS TO THE POINT OF BEGINNING.
CONTAINING 4.97 ACRES, MORE OR LESS.

THE TOTAL ACREAGE FOR THE INCLUSION CONIAINS 40.294 ACRES, MORE OR LESS.