

# **KREMMLING SANITATION DISTRICT**

200 Eagle Avenue  
PO Box 538  
Kremmling, CO 80459

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

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## **REGULAR BOARD MEETING**

### **AGENDA**

**February 9, 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 limited to 5 minutes per person)  

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.
3. APPROVAL OF PREVIOUS MEETING MINUTES
  - a. Approval of minutes from the January 12, 2026, regular meeting
  - b. Approval of minutes from the January 26, 2026, special meeting
4. FINANCE
  - a. Approval of the January 12 – February 9, 2026, expenditure report
  - b. Discuss the Budget to Actuals Report dated December 31, 2025
5. OPERATOR'S REPORT
  - a. Report on Compliance Labs and Plant Activity
6. ENGINEER'S REPORT
  - a. Report on CDOT Lift Station and Main Line
  - b. Report on Reclaim Permit Additions
  - c. Adopt Resolution 2026-02-01, a Resolution Adopting Development Standards
7. MANAGERS' REPORTS
  - a. Discuss and Appoint Legal Counsel
    - i. John Chmil of Lyons Gaddis, PC
    - ii. Laura S. Heinrich of Spencer Fane, LLP
    - iii. Joe Norris of Cockrel Ela Glesne Greher & Ruhland, PC

- b. Discuss the Updated Organizational Chart
- c. Approve Engagement Letter from McMahan and Associates for 2025 Audit
- d. Adopt Resolution 2026-02-02, Resolution Adopting Policy
  - i. Policy on Governance
  - ii. Policy on Conflicts of Interest
  - iii. Policy on Investments
- e. Adopt Resolution 2026-01-03, Employee Handbook
- f. Update on Compliance Matters
  - i. Bob's Western Motel
  - ii. Muddy Creek

#### 8. EXECUTIVE SESSION

- a. Discussion on Sewer Line Ownership

Pursuant to CRS 24-6-402(4)(e), for the purpose of determining positions relative to matters that may be subject to negotiations and instructing negotiators as it relates to private sewer line ownership.

#### 9. ACTION AS A RESULT OF EXECUTIVE SESSION

#### 10. ADJOURNMENT

# KREMMLING SANITATION DISTRICT RECORD OF PROCEEDINGS

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## Regular Meeting Minutes

January 12, 2026

A regular meeting of the Board of Directors (Board) of the Kremmling Sanitation District (District) was held on January 12, 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

Alan Hassler, Secretary/Treasurer

Stuart Heller, Assistant Secretary

Rory Menhennett, Assistant Secretary

#### Directors Absent

Dave Sammons, Vice President

#### Staff

Jack Seward, District Manager

Rich Rosene, Project Manager

Scott Weber, Superintendent

Thom Yoder, Operator in Responsible Charge

Trista Petefish, Utility Billing Clerk

### **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 5:56 PM.

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

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.

It was reported that Mr. Sammons had filed a Disclosure of Potential Conflict of Interest Statement with the Board in accordance with statutory requirements. Mr. Sammons' potential conflict of interest arises from his service as a Trustee of the Town of Kremmling (Town). The District contracts with the Town for certain administrative and financial services.

All Disclosure of Potential Conflict of Interest Statements, whether filed for this meeting or previously, are deemed continuing in nature and are incorporated into the record of the meeting. After Mr. Sammons and Mr. Menhennett 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 December 8, 2025, regular meeting.

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

## **5. APPROVAL OF EXPENDITURES**

a. Mr. Seward presented the expenditure report dated December 8, 2025 – January 12, 2026.

Mr. Heller made a motion to (i) approve the expenditure report dated December

8, 2025 – January 12, 2026, in the amount of one hundred seventeen thousand six hundred and seventy-eight dollars and three cents (\$117,678.03) and (ii) authorize the payment of all accounts, including current payables, in conformance with budgetary appropriations. Mr. Menhennett seconded the motion, which unanimously carried.

## **6. OPERATOR'S REPORT**

Mr. Weber and Mr. Yoder presented the operator's report. Mr. Weber informed the Board that the District has hired an operator to fill the vacant position. Mr. Yoder reported on the Biochemical Oxygen Demand (BOD) violation that occurred in December and advised that he had filed the appropriate notifications with the state. The Board engaged in discussion regarding the ongoing BOD violations issues.

Mr. Weber reported that the ammonia testing limit will drop in January due to lower flow in the Muddy Creek. Mr. Weber and Mr. Yoder are working on multiple reports for the Colorado Department of Public Health and Environment.

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

Mr. Weber presented the engineer's report. Mr. Seward reported that he spoke to the Sunrise Annexation developer, the developer agreed to the District's requested changes to the cost reimbursement agreement, which has now been executed. The District is in receipt of the developer's inclusion petition and will now need to make submission of its proposed development. Mr. Seward advised that the Library District's new property is already included in the District and no inclusion proceedings will be required.

Mr. Seward presented the Development Standards and Resolution 2026-01-02. The Board discussed the standards and the process of implementation. Mr. Yoder advised that the Board could benefit from clarifying language related to inspections. Mr. Hassler requested changes to the resolution and standards regarding enforcement. Mr. Seward advised that enforcement proceedings are contemplated in the Rules and Regulations. The Board decided to table the resolution until the next meeting so Mr. Seward and Mr. Hassler could address enforcement and inspection language.

## **8. MANAGER'S REPORT**

Mr. Seward presented the manager's report.

a. Mr. Seward presented Resolution 2026-01-01, Annual Administrative

Resolution. Mr. Hassler advised that it is community custom to post public hearing notices special meeting notices at Town Hall and the Post Office, Mr. Seward advised that the statue only requires posting of notices on the District's website. At Mr. Hassler's request the resolution was amended to require postings of special meetings and public hearings to be posted at Town Hall and the Post Office. The Board next discussed the need to make clarifying amendments to section 12 and 15 of the resolution to ensure that Board members participating in remote meetings can both hear and speak in the meeting, the Board sought clarification around insurance renewal. . Mr. Hassler made a motion to adopt Resolution 2026-01-01, Annual Administrative Resolution, as amended with the President and Secretary to verify accurate changes prior to execution. Mr. Heller seconded the motion, which unanimously carried.

- b. Mr. Seward updated the Board that their current attorney, Georgia Noriyuki is going to retire in the next year, and he presented three proposals for general and water counsel. The Board requested a special meeting to interview the prospective counsel.
- c. Mr. Seward presented an updated organizational chart. The Board discussed the proposal with staff, and Mr. Seward will return next month with modifications based on the presentation.
- d. Mr. Seward presented Resolution 2026-01-03, Resolution Adopting Policy. Mr. Heller made a motion to strike Paragraph 1 and Exhibit A from the resolution to renumber as appropriate, to renumber the resolution as Resolution 2026-01-02, and to adopt Resolution 2026-01-02 with the amendments. Mr. Hassler seconded the motion, which unanimously carried. The Board directed the President and Secretary to confirm the accuracy of the amendments to the final resolution prior to execution.
- e. Mr. Seward reported on the Hill Holding dispute. The Town has now initiated a zoning enforcement case and, given the change in use on the property, will be adjusting its water billing to reflect the new use. He then advised that, given the change in use, the property's tap permit was void and a new permit would have to be issued. The Board discussed the need for tap fees and recognized that payment in full of the fees is unlikely, but some sort of fee will need to be paid.

## **9. EXECUTIVE SESSION**

- a. Mr. Hassler made a motion to enter into executive session Pursuant to CRS 24-6-402(4)(e), for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for

negotiations; and instructing negotiators, as it relates to the District's Intergovernmental Agreement with the Town of Kremmling. Mr. Heller seconded the motion, which unanimously carried.

The Board entered into executive session at 7:46 PM and exited executive session at 8:10 PM.

#### **10. ACTION AS A RESULT OF EXECUTIVE SESSION**

Mr. Heller made a motion to adopt the Intergovernmental Agreement with the Town of Kremmling in the form and format presented to the Board, subject to review and approval by legal counsel. Mr. Menhennett seconded the motion, which unanimously carried.

#### **11. ADJOURNMENT**

There being no further business to come before the Board, Mr. Hassler made a motion to adjourn the meeting. Mr. Menhennett seconded the motion, which unanimously carried. The Board adjourned at 8:14 PM

The foregoing represents a true and accurate representation of the proceedings of the Board's regular meeting held on January 12, 2026



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Jack Seward  
Recording Secretary

# KREMMLING SANITATION DISTRICT RECORD OF PROCEEDINGS

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## Special Meeting Minutes

January 26, 2026

A special meeting of the Board of Directors (Board) of the Kremmling Sanitation District (District) was held on January 26, 2026, at 6:00 PM online using Google Meet. Links and call-in information were provided.

### **ATTENDANCE**

#### Directors Present

Noble Underbrink, President

Alan Hassler, Secretary/Treasurer

Stuart Heller, Assistant Secretary

Rory Menhennett, Assistant Secretary

#### Directors Absent

Dave Sammons, Vice President

#### Staff

Jack Seward, District Manager

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

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

### **2. INTERVIEW PROSPECTIVE LEGAL COUNSEL**

- a. Mr. Seward introduced John Chmil, a partner with the law firm Lyons Gadis, PC based in Littleton, CO. Mr. Chmil made reference to his proposal sent to the Board dated December 5, 2025. Mr. Chmil responded to questions from the Board.
- b. Mr. Seward introduced Laura Heinrich, a senior associate with the law firm Spencer Fane, LLP based in Denver, CO. Ms. Heinrich made reference to

her proposal sent to the Board dated December 2, 2025. Ms. Heinrich responded to questions from the Board.

- c. Mr. Seward introduced Joe Norris, a partner with the law firm Cockrel Ela Glesne Greher & Ruhland, PC based in Denver, CO. Mr. Norris made reference to his proposal sent to the Board dated January 14, 2026. Mr. Norris responded to questions from the Board.

### **3. DISCUSSION ON LEGAL COUNSEL**

The Board discussed their thoughts on each of the prospective attorneys, noting strengths and weaknesses. Mr. Seward discussed how the three candidates were selected, advising he sought proposals from eight law firms specializing in Colorado local governments. The three that were interviewed tonight were the three that returned proposals. Mr. Seward met with each of the candidates in advance of the interview to discuss the needs of the District and inform the candidates response to the Board's questions. The Board chose to defer a final decision until the February regular meeting.

### **4. ADJOURNMENT**

There being no further business to come before the Board, Mr. Heller made a motion to adjourn the meeting. Mr. Menhennett seconded the motion, which unanimously carried. The Board adjourned at 7:36 PM

The foregoing represents a true and accurate representation of the proceedings of the Board's special meeting held on January 26, 2026



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Jack Seward  
Recording Secretary

Report Criteria:

Invoices with totals above \$0.00 included.  
Paid and unpaid invoices included.

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Voided
<b>Kremmling Sanitation</b>								
<b>00-002-2140</b>								
1013	CEBT	INV 0072160	HEALTH, DENTAL & LIFE INS	01/17/2025	3,148.84	3,148.84	01/19/2026	
1013	CEBT	INV 0078137	HEALTH, DENTAL & LIFE INS	09/16/2025	2,082.31	.00		
1013	CEBT	INV 0078923	HEALTH, DENTAL & LIFE INS	10/21/2025	1,047.83	.00		
1013	CEBT	INV 0079216	HEALTH, DENTAL & LIFE INS	11/04/2025	1,047.83	.00		
1013	CEBT	INV0074033	HEALTH, DENTAL & LIFE INS	03/12/2025	1,018.67	1,018.67	01/19/2026	
1013	CEBT	INV0075278	HEALTH, DENTAL & LIFE INS	04/24/2025	2,082.31	2,082.31	01/19/2026	
Total 00-002-2140:					10,427.79	6,249.82		
Total :					10,427.79	6,249.82		
<b>Administration</b>								
<b>00-200-6065</b>								
1004	BANKCARD CENTER	JANUARY 19,	MICROSOFT	01/19/2026	13.13	.00		
1004	BANKCARD CENTER	JANUARY 19,	ITEMS FOR IT (JACK)	01/19/2026	224.78	.00		
1004	BANKCARD CENTER	JANUARY 19,	ITEM FOR IT (JACK(	01/19/2026	10.81	.00		
1154	STREAMLINE	84A790A3-001	STREAMLINE FLEX 2/1 - 3/1/26	02/01/2026	140.00	.00		
Total 00-200-6065:					388.72	.00		
<b>00-200-6100</b>								
1169	CEGR LAW	12/31/2025	ATTORNEY FEE	12/31/2025	1,360.00	.00		
1068	NORIYUKI & PARKER, P.C.	71643	ATTORNEY FEES	01/26/2026	82.50	.00		
Total 00-200-6100:					1,442.50	.00		
<b>00-200-6180</b>								
1088	TOWN OF KREMMLING	1052	JAN 26 SHARED SERVICES	02/01/2026	5,833.33	.00		
Total 00-200-6180:					5,833.33	.00		
<b>00-200-6200</b>								
1066	MOUNTAIN PARKS ELECTRIC I	1/22/2026	CONVENIENCE FEE	01/22/2026	2.00	.00		
Total 00-200-6200:					2.00	.00		
Total Administration:					7,666.55	.00		
<b>Collections</b>								
<b>00-300-6060</b>								
1002	ALPINE MOTOR SPORTS	53613	PROPANE FOR WEED BURNIN	01/15/2026	20.40	.00		
1004	BANKCARD CENTER	JANUARY 19,	UV REPAIR	01/19/2026	29.33	.00		
1069	NORTHWEST RANCH SUPPLY	01/25/2026	SMALL PROPANE WEED BURNI	01/25/2026	7.49	.00		
Total 00-300-6060:					57.22	.00		
<b>00-300-6155</b>								
1118	ELEMECH, INC.	PAL7936 1/19/	PORTALOGIC SOFTWARE SUP	01/19/2026	1,500.00	.00		
1108	UTILITY NOTIFICATION CENTE	226010790	811 LOCATES	01/31/2026	40.94	.00		

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Voided
Total 00-300-6155:					1,540.94	.00		
<b>00-300-6190</b>								
1001	ACZ LABORATORIES INC	101987	COMPLIANCE LABS	01/15/2026	477.40	.00		
Total 00-300-6190:					477.40	.00		
<b>00-300-6210</b>								
1002	ALPINE MOTOR SPORTS	INV-53827	SHOP PROPANE	01/28/2026	21.25	.00		
1004	BANKCARD CENTER	JANUARY 19,	BOOTS FOR NEW EMPLOYEE	01/19/2026	201.94	.00		
1004	BANKCARD CENTER	JANUARY 19,	SHOP TOWELS & PENS	01/19/2026	89.36	.00		
1004	BANKCARD CENTER	JANUARY 19,	PRINTER INK	01/19/2026	201.57	.00		
1004	BANKCARD CENTER	JANUARY 19,	BLADE CARPET FLOOR TOOL	01/19/2026	119.29	.00		
1004	BANKCARD CENTER	JANUARY 19,	BINDERS	01/19/2026	20.56	.00		
1058	KREMMLING MERCANTILE LLC	01-849619	TP	01/08/2026	11.49	.00		
1058	KREMMLING MERCANTILE LLC	01-866310	CLEANING SUPPLIES	01/21/2026	23.56	.00		
1069	NORTHWEST RANCH SUPPLY	01/25/2026	6V 4.5 AMP BATTERY	01/25/2026	25.95	.00		
1069	NORTHWEST RANCH SUPPLY	01/25/2026	GLOVES	01/25/2026	32.99	.00		
Total 00-300-6210:					747.96	.00		
<b>00-300-6250</b>								
1004	BANKCARD CENTER	JANUARY 19,	CRWA EXAM	01/19/2026	50.00	.00		
1004	BANKCARD CENTER	JANUARY 19,	COLLECTION CLASS #2 TEST	01/19/2026	104.00	.00		
1004	BANKCARD CENTER	JANUARY 19,	PSI EXAM	01/19/2026	104.00	.00		
1004	BANKCARD CENTER	JANUARY 19,	CRWA EXAM	01/19/2026	50.00	.00		
Total 00-300-6250:					308.00	.00		
<b>00-300-6300</b>								
1066	MOUNTAIN PARKS ELECTRIC I	1/22/2026	416 S 3RD ST	01/22/2026	60.18	.00		
1066	MOUNTAIN PARKS ELECTRIC I	1/22/2026	MCELROY SWR PMP	01/22/2026	43.62	.00		
Total 00-300-6300:					103.80	.00		
<b>00-300-6310</b>								
1004	BANKCARD CENTER	JANUARY 19,	VISIONARY	01/19/2026	110.34	.00		
1014	CENTURY LINK	JAN. 19, 2026	970-724-9259 967B	01/19/2026	104.22	.00		
1066	MOUNTAIN PARKS ELECTRIC I	1/22/2026	345 MARTIN WAY BLOWERS	01/22/2026	6,088.20	.00		
1066	MOUNTAIN PARKS ELECTRIC I	1/22/2026	345 MARTIN WAY SEWER LAGO	01/22/2026	883.55	.00		
1091	VERIZON WIRELESS	6133468868	CELL PHONE	01/13/2026	103.62	.00		
1101	XCEL ENERGY	963723983	345 MARTIN WAY	02/03/2026	494.73	.00		
Total 00-300-6310:					7,784.66	.00		
<b>00-300-6351</b>								
1059	K-TOWN NAPA	082044	ENGINE AIR FILTER AND OIL	01/15/2026	80.21	.00		
1059	K-TOWN NAPA	082048	DODGE RAM OIL FILTER	01/15/2026	10.09	.00		
Total 00-300-6351:					90.30	.00		
<b>00-300-6400</b>								
1004	BANKCARD CENTER	JANUARY 19,	SODAASH	01/19/2026	870.80	.00		
Total 00-300-6400:					870.80	.00		

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Voided
					11,981.08	.00		
					30,075.42	6,249.82		
					30,075.42	6,249.82		

Dated: \_\_\_\_\_

Treasurer: \_\_\_\_\_

District Manager: \_\_\_\_\_

Report Criteria:

- Invoices with totals above \$0.00 included.
- Paid and unpaid invoices included.

Report Criteria:

- Includes only accounts with balances and activity
- Includes grand totals

Formatted Account Number	Title	2025-25 Current year Budget	2025-25 Current year Actual	2026-26 Future year Budget	2026-26 Future year Actual
<b>Kremmling Sanitation</b>					
<b>Sanitation Revenue</b>					
00-100-3000	GENERAL PROPERTY TAXES	55,960.00	55,598.95	59,249.00	2,981.31
00-100-3010	SPECIFIC OWNERSHIP TAXES	2,500.00	2,939.94	2,500.00	265.08
00-100-3100	TAP FEES	90,000.00	67,500.00	80,000.00	.00
00-100-3200	SEWER CHARGES	610,000.00	650,234.88	847,740.00	.00
00-100-3400	PAYMENT FROM TOWN	1,560.00	.00	1,560.00	.00
00-100-3500	INTEREST EARNED	25,000.00	25,548.51	25,000.00	1,854.21
00-100-3550	MISCELLANEOUS INCOME	1,000.00	2,496.00	1,000.00	.00
00-100-3600	GRANTS AND LOANS	451,675.00	118,767.30	136,835.00	.00
Total Sanitation Revenue:		1,237,695.00	923,085.58	1,153,884.00	5,100.60
<b>Administration</b>					
00-200-4000	SALARIES	72,890.00	68,401.46	.00	5,425.48
00-200-4005	DIRECTOR FEES	.00	2,400.00	3,250.00	200.00
00-200-4010	PART-TIME SALARIES	.00	18,435.75	29,484.00	1,937.00
00-200-4030	WORKERS COMPENSATION INSURAN	4,400.00	7,137.00	3,044.00	.00
00-200-4050	RETIREMENT & TAXES	1,175.00	1,635.90	2,701.00	167.80
00-200-6025	AUDIT	16,200.00	.00	17,000.00	.00
00-200-6050	DUES / SUBSCRIPTIONS	1,575.00	2,376.99	2,035.00	924.30
00-200-6065	IT SERVICES	7,790.00	2,869.00	7,840.00	590.00
00-200-6075	CASUALTY INSURANCE	18,540.00	15,234.00	19,975.00	19,975.00
00-200-6090	INVESTMENT EXPENSE	.00	.08	.00	.00
00-200-6100	LEGAL	2,500.00	2,378.00	15,000.00	82.50
00-200-6175	BUILDING REPAIRS - TOWN HALL	20,000.00	8,105.73	12,000.00	1,260.00
00-200-6180	PAYMENT TO TOWN	.00	.00	58,140.00	.00
00-200-6185	EMERGENCY RESERVE	.00	.00	34,617.00	.00
00-200-6200	SUPPLIES AND EXPENSES	5,000.00	1,877.26	5,000.00	.00
00-200-6250	TRAINING	.00	.00	.00	225.00
00-200-6285	TREASURER'S FEE	2,800.00	2,789.86	2,963.00	149.06
00-200-6300	UTILITIES - TOWN HALL	2,365.00	1,944.88	2,256.00	.00
00-200-7600	LOAN PAYMENT - CWPR	66,450.00	66,446.84	.00	.00

Formatted Account Number	Title	2025-25 Current year Budget	2025-25 Current year Actual	2026-26 Future year Budget	2026-26 Future year Actual
Total Administration:		221,685.00	202,032.59	215,305.00	30,936.14
<b>Collections</b>					
00-300-4000	SALARIES	226,535.00	141,601.27	156,800.00	11,645.00
00-300-4010	PART-TIME SALARIES	.00	29,418.90	56,280.00	3,319.00
00-300-4050	RETIREMENT & BENEFITS	57,125.00	46,323.84	58,395.00	2,968.73
00-300-4100	OVERTIME	.00	17,472.12	11,230.00	1,012.50
00-300-6060	LAGOON MAINTENANCE & REPAIRS	66,000.00	3,312.76	22,000.00	57.22
00-300-6065	REUSE MAINTENANCE & REPAIRS	14,585.00	2,153.19	15,160.00	.00
00-300-6075	INSURANCE / BONDS	.00	1,485.00	.00	.00
00-300-6078	COLLECTION MAINT & REPAIR	39,600.00	31,657.25	37,100.00	.00
00-300-6082	DISCHARGE & REUSE PERMITS	7,620.00	2,618.00	6,500.00	.00
00-300-6155	ENGINEERING & TECHNICAL SERVIC	8,450.00	26,436.11	10,000.00	1,500.00
00-300-6190	LAB TESTS & SUPPLIES	17,765.00	13,783.83	13,865.00	477.40
00-300-6210	GENERAL SUPPLIES	9,000.00	3,462.27	5,000.00	778.98
00-300-6250	TRAINING	7,500.00	2,526.82	6,000.00	442.00
00-300-6300	UTILITIES-LIFT STATIONS	1,540.00	1,188.88	1,386.00	.00
00-300-6310	UTILITIES-LAGOONS & REUSE	125,825.00	98,655.05	119,676.00	260.12
00-300-6320	VEHICLES - FUEL	7,500.00	4,347.62	5,000.00	203.22
00-300-6351	VEHICLES-REPAIRS	5,000.00	2,317.79	5,000.00	371.30
00-300-6400	CHEMICALS	17,445.00	15,230.03	17,445.00	870.80
00-300-6520	DAMAGE CLAIMS	500.00	.00	500.00	.00
00-300-7000	CAPITAL IMPROVEMENTS	943,350.00	288,371.45	390,520.00	91,678.69
00-300-7001	CAPITAL IMPROVEMENT RESERVES	.00	.00	172,000.00	.00
Total Collections:		1,555,340.00	732,362.18	1,109,857.00	115,584.96
<b>Kremmling Sanitation Revenue Total:</b>		<b>1,237,695.00</b>	<b>923,085.58</b>	<b>1,153,884.00</b>	<b>5,100.60</b>
<b>Kremmling Sanitation Expenditure Total:</b>		<b>1,777,025.00</b>	<b>934,394.77</b>	<b>1,325,162.00</b>	<b>146,521.10</b>
<b>Total Kremmling Sanitation:</b>		<b>539,330.00-</b>	<b>11,309.19-</b>	<b>171,278.00-</b>	<b>141,420.50-</b>
Grand Totals:		539,330.00-	11,309.19-	171,278.00-	141,420.50-

# KREMMLING SANITATION DISTRICT

FEBRUARY 9<sup>TH</sup> 2026

## OPERATORS REPORT

January compliance lab results

February compliance labs sent to lab

January plant performance

Reuse cost analysis

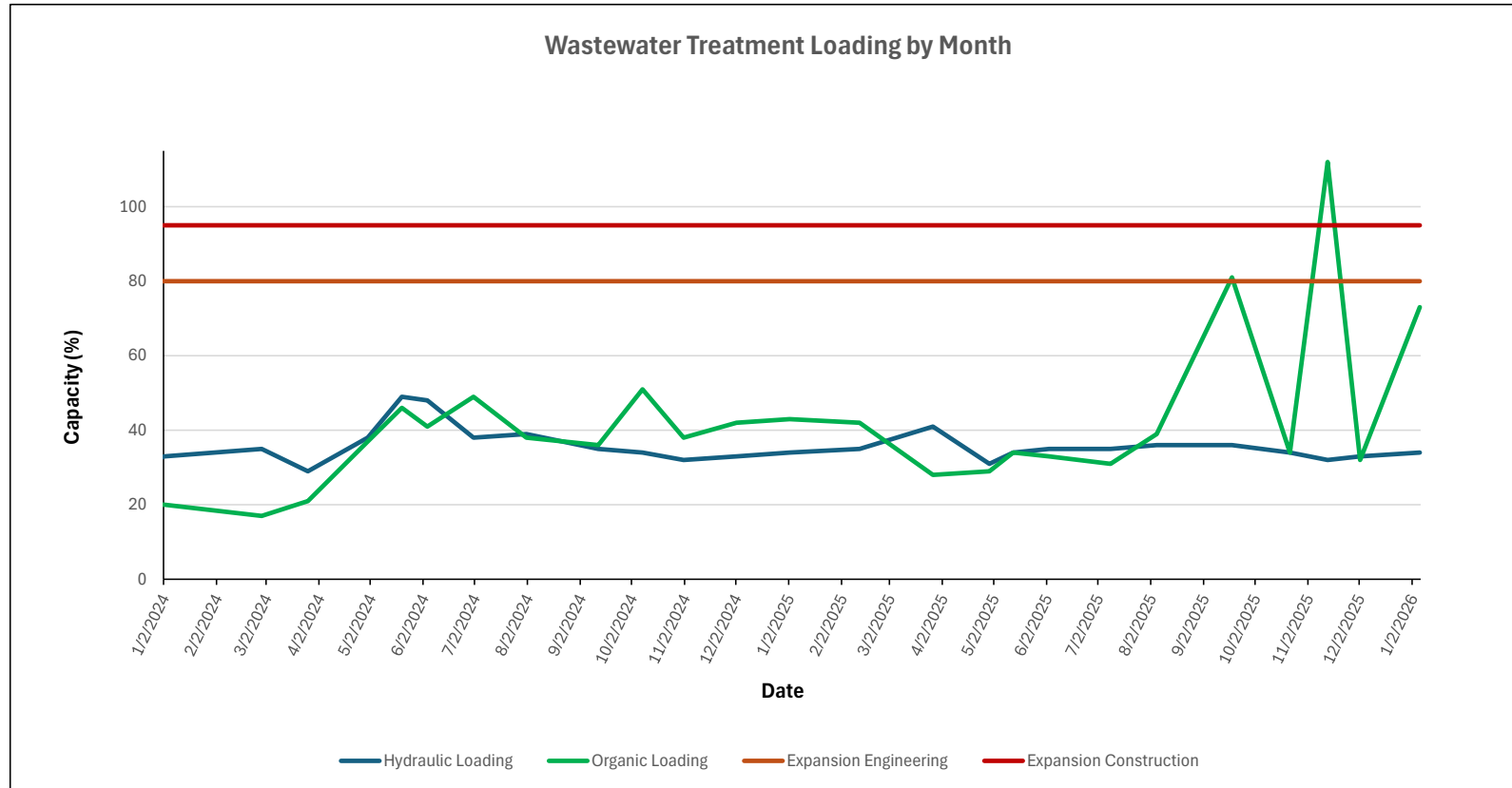
## ENGINEERS REPORT

Element Engineering (Nick Marcotte)

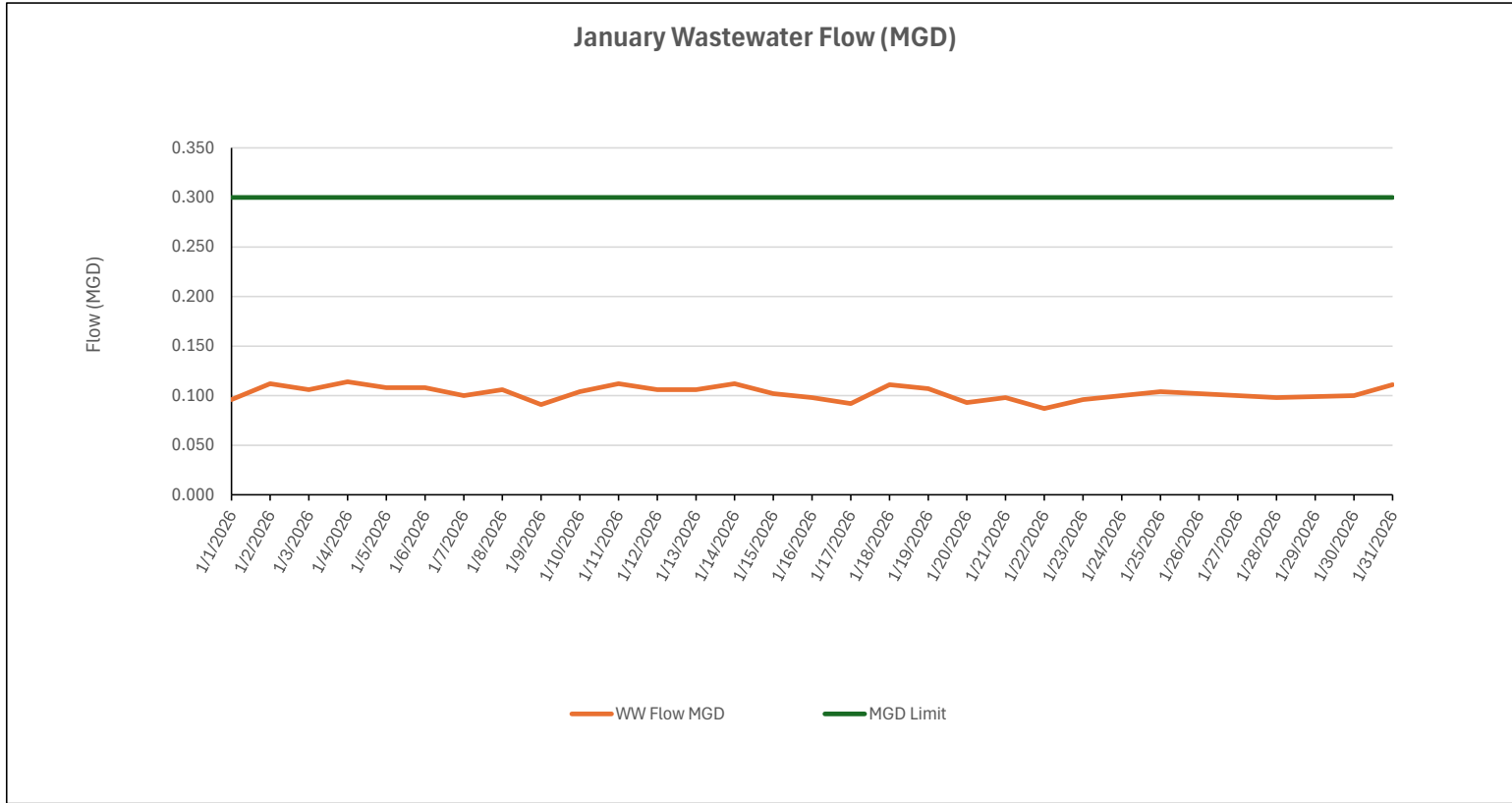
(Report included in packet)

## January 2026 Wastewater Performance

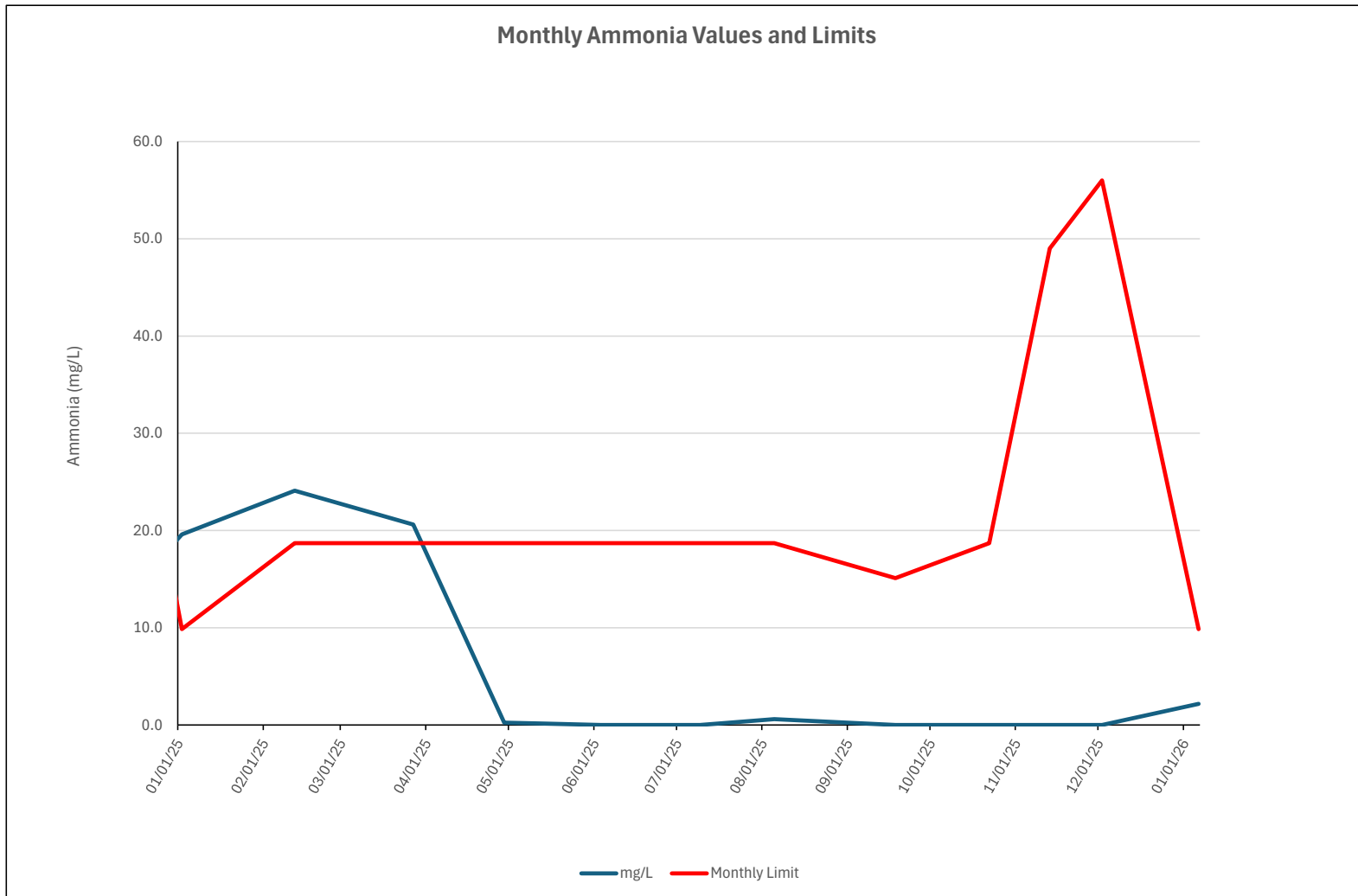
Sample date: 1/6/26

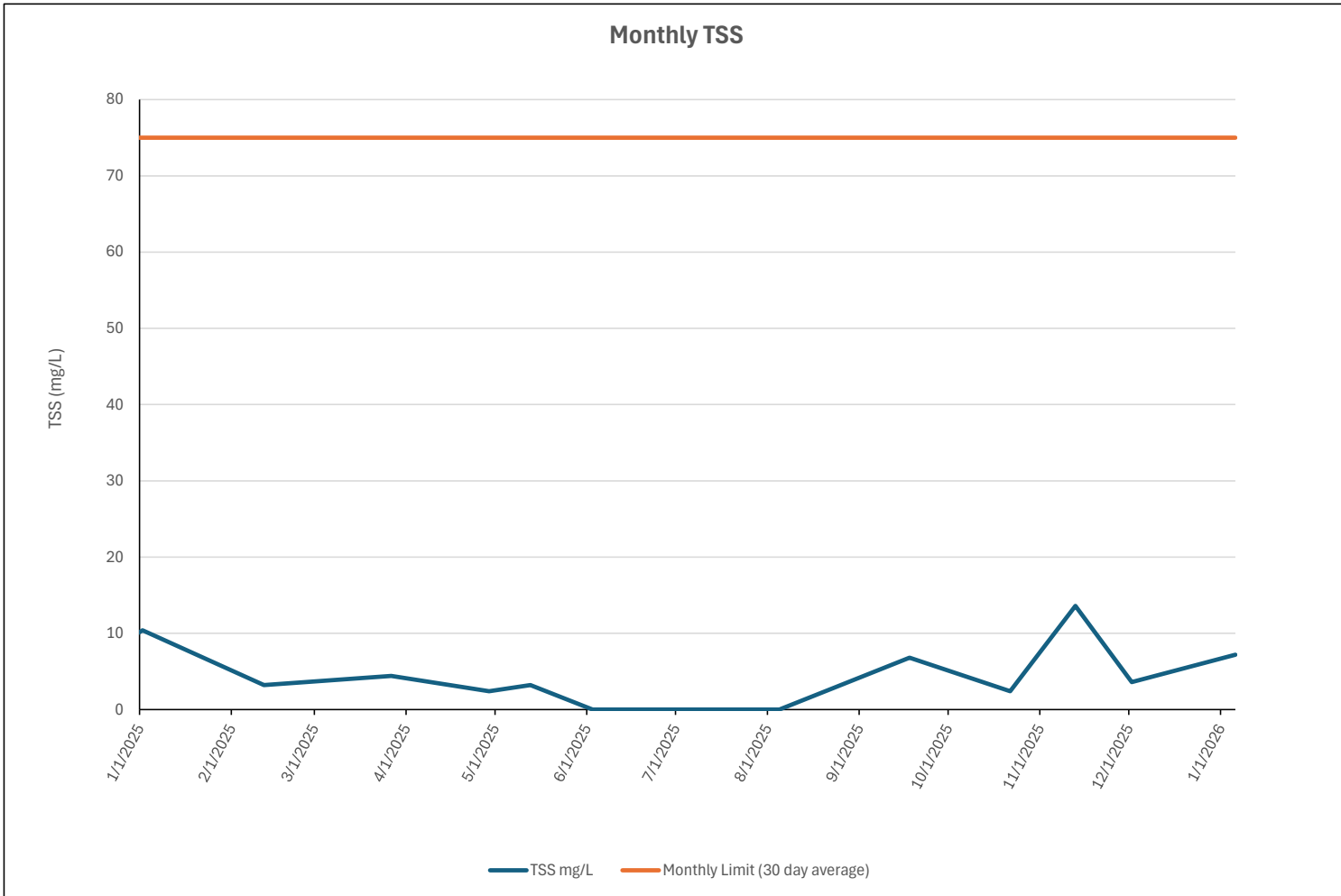


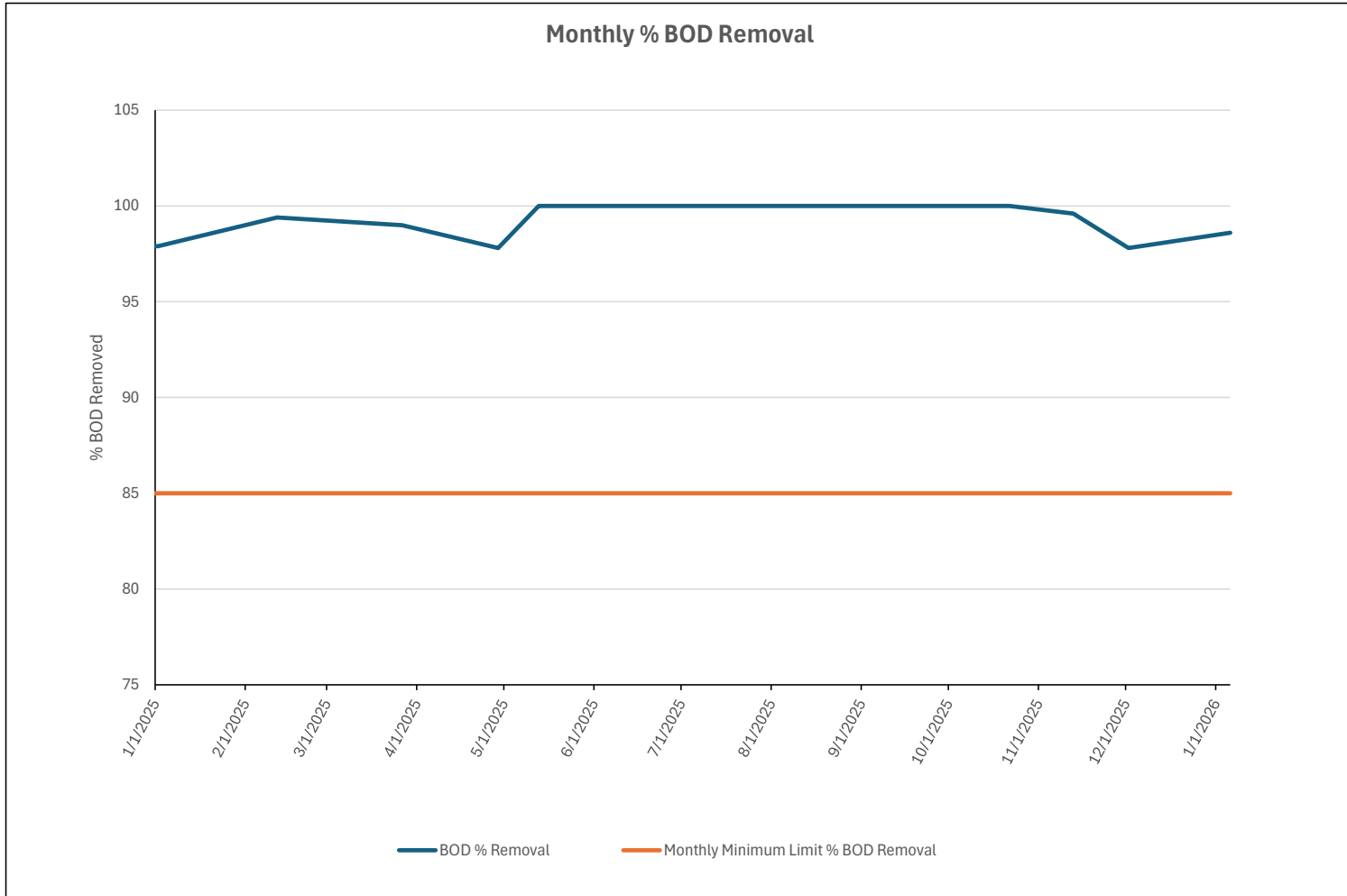
Effluent Parameters	Permit Limit	Monthly Reported Values	Influent Parameters	Monthly Reported Values
BOD (mg/L)	30-45 mg/L	7.0 mg/L	Hydraulic % Capacity	34%
BOD % Removal	85% minimum	98.6%	Organic % Capacity	73%
TSS (mg/L)	75-110 mg/L	7.2 mg/L	BOD (mg/L)	487 mg/L
Ammonia	9.86 mg/L	2.17 mg/L	TSS (mg/L)	129 mg/L
E. coli (#/100mL)	1088-2176	2 #/100mL		
pH	6.5 - 9.0 SU	7.12-7.30 SU		

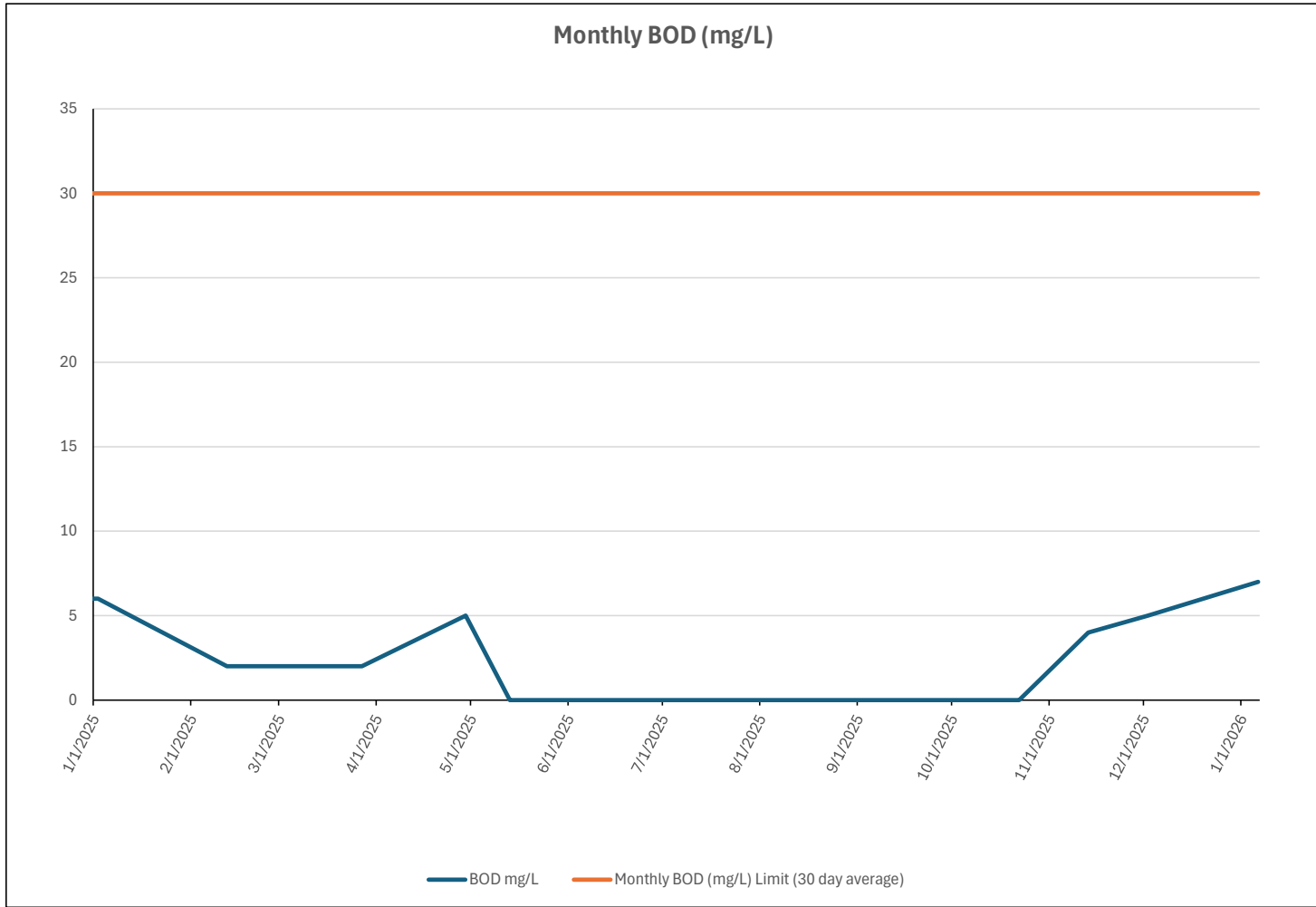


	Wastewater Plant Flows (Kgal/Day)
<b>Average</b>	0.103
<b>Minimum</b>	0.087
<b>Maximum</b>	0.114
<b>% Flow</b>	34%











## ENGINEER'S PROGRESS REPORT

**TO:** Kremmling Sanitation District Board  
**FROM:** Element Engineering, LLC  
**DATE:** February 9<sup>th</sup>, 2026  
**SUBJECT:** Progress Report on Current Projects

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### **GENERAL ENGINEERING**

All re-use documents regarding Ceriani Park have been completed, signed, and submitted to CDPHE.

### **ENGINEERING AND DEVELOPMENT STANDARDS AND GUIDE**

Element and district staff met and went through the standards. Element has made all changes requested and have sent the final standards to the district for approval.

### **COLLECTION SYSTEM IMPROVEMENTS**

The project is on winter shut down. The project will likely start back up in May weather dependent.

### **DEVELOPMENT COORDINATION**

#### Sunrise Annexation

We have had no recent correspondence related to the development.

#### K-Town North

Mike Johnston will be revising the plans to include an alley for sewer line access.

**KREMMLING SANITATION DISTRICT****RESOLUTION 2026-02-01****RESOLUTION ADOPTING DEVELOPMENT STANDARDS**

**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”) of the District, pursuant to C.R.S. 32-1-1001(1)(m), is empowered to adopt rules and regulations governing the use of District property and facilities, such as the wastewater collection system, sanitary sewer, reclaimed water system, and wastewater treatment.

**WHEREAS**, the Board hereby finds and determines that in order to protect its wastewater facilities and ensure the health, safety, and welfare of the public, it is necessary to adopt Development Standards and Construction Specifications (the “Development Standards”), attached hereto as *Exhibit A* and incorporated by reference.

**WHEREAS**, the adoption of Development Standards will establish the terms, conditions, and specifications of construction and maintenance of the District’s wastewater collection system, sanitary sewer, reclaimed water system, and wastewater treatment.

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

1. Adoption of Development Standards. The Development Standards attached as *Exhibit A* are adopted.
2. Mandatory Compliance. No contractor, property owner, or other person or entity shall install any sanitary sewer installation, improvement, or modification within the boundaries of the District that does not comply with the Development Standards and is not approved in writing by the District.
3. Repeal of Inconsistent Standards. Any standards, specifications, or documents that are inconsistent herewith are repealed as of the effective date. Notwithstanding the foregoing in the event of conflict regarding standards, the stricter shall control.
4. 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.
5. Effective Date. This Resolution shall take effect immediately upon adoption.

ADOPTED by the Board this 9th day of February 2026.

**KREMMLING SANITATION DISTRICT**

By: \_\_\_\_\_  
Noble Underbrink  
President

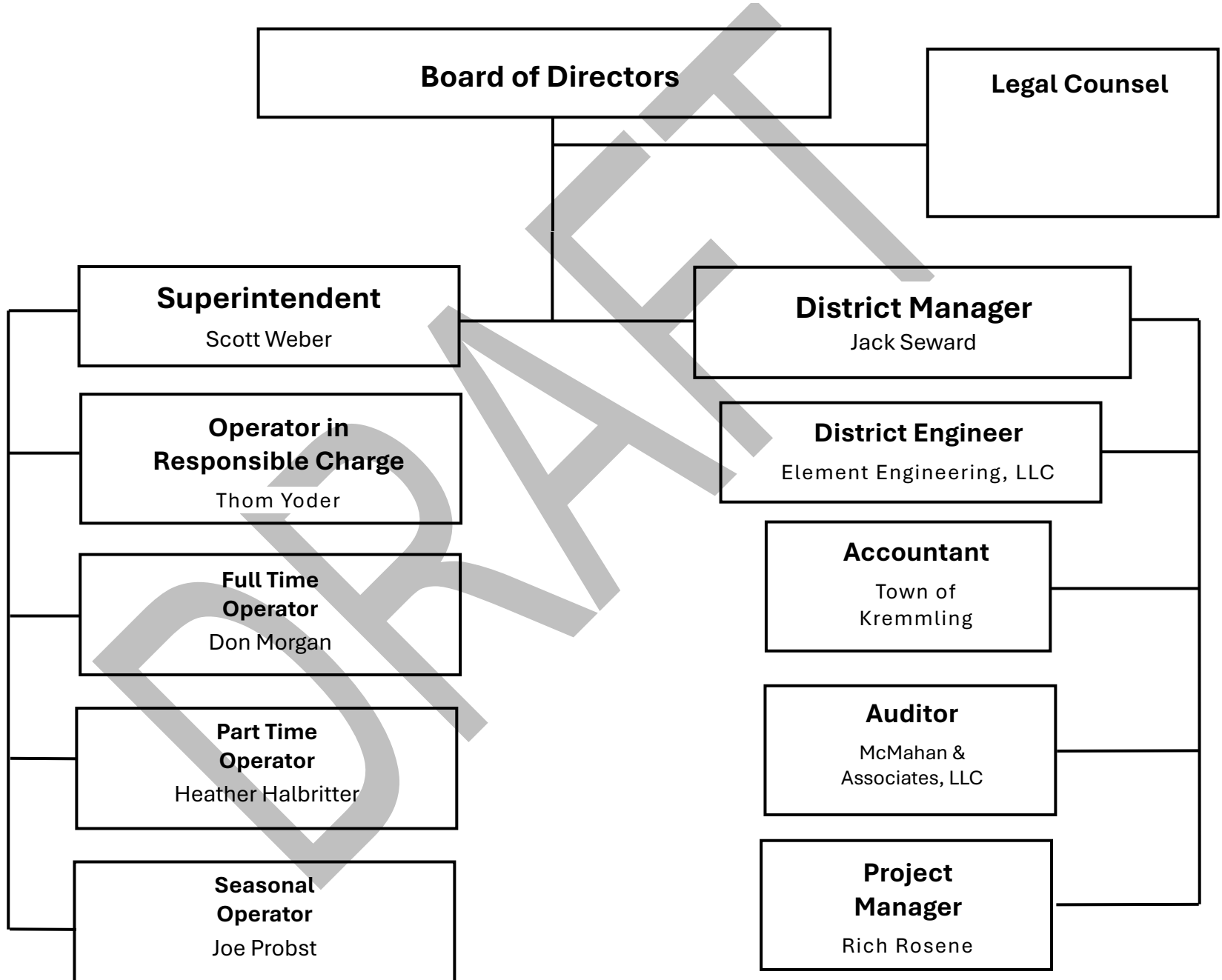
ATTEST:

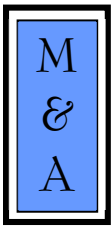
\_\_\_\_\_  
Alan N. Hassler  
Secretary

**Exhibit A**  
**Development Standards**

# Kremmling Sanitation District Organizational Chart

February 2026





January 28, 2026

**Board of Directors  
Kremmling Sanitation District  
P.O. Box 538  
Kremmling, Colorado 80459  
Attention: Jack Seward, District Manager**

Dear Board members:

You have requested that we audit the business-type activities, and the aggregate remaining fund information of the Kremmling Sanitation District (the "District") as of December 31, 2025 and for the year then ended and the related notes, which collectively comprise the District's basic financial statements.

The objectives of our audit 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 opinion. 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 auditing standards generally accepted in the United States of America ("U.S. GAAS") will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and 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.

Accounting principles generally accepted in the United States of America ("U.S. GAAP"), as promulgated by the Governmental Accounting Standards Board ("GASB") require that management's discussion and analysis ("MD&A") be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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. As part of our engagement, we will apply certain limited procedures to the required supplementary information ("RSI") in accordance with U.S. GAAS. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by GAAP and will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis

Supplementary information other than RSI will accompany the District's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

- Budgetary comparison schedules for proprietary funds

*Member: American Institute of Certified Public Accountants*

### **Auditor Responsibilities**

We will conduct our audit in accordance with U.S. GAAS. As part of an audit in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, 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 a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

### **Audit Procedures – Compliance**

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

## Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the basic financial statements in accordance with U.S. GAAP;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements;
3. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
  - b. Additional information that we may request from management for the purpose of the audit;
  - c. Unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence;
  - d. If applicable, a written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report;
  - e. If applicable, a final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
4. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
5. For identifying and ensuring that the District complies with the laws and regulations applicable to its activities;
6. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current period under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole;
7. For acceptance of non-attest services, including identifying the proper party to oversee non-attest work;
8. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
9. For informing us of any known or suspected fraud affecting the District involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials;
10. For the accuracy and completeness of all information provided;
11. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
12. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

### **Management Responsibilities (continued)**

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

### **Non-attest Services**

With respect to any non-attest services we perform, at the end of the year, we agree to perform the following:

- Preparation of the District's financial statements and related notes
- Propose adjusting or correcting journal entries to be reviewed and approved by the District's management.

We will not assume management responsibilities on behalf of the District. However, we will provide advice and recommendations to assist management of the District in performing its responsibilities.

The District's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the non-attest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The non-attest services are limited to the services as previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

### **Reporting**

We will issue a written report upon completion of our audit of the District's basic financial statements. Our report will be addressed to the Districts' Board of Directors. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

### **Engagement Administration**

Lillian Marcione is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. Additional firm personnel will be assigned to the engagement as considered necessary. We will begin our audit and issue our reports on a mutually agreed-upon timeframe.

We understand that your employees will prepare all cash or other confirmations, reconciliations, or work papers we request and will locate any documents selected by us for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

### **Engagement Administration (continued)**

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

The audit documentation for this engagement is the property of McMahan and Associates, L.L.C. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the District's cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office, or peer reviewers for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. If requested, access to such audit documentation will be provided under the supervision of McMahan and Associates, L.L.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing. At the conclusion of our audit engagement, we will communicate to the District's Board of Directors the following significant findings from the audit:

- Our view about the qualitative aspects of the District's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

**Engagement Administration (continued)**

Our fee for these services will be based on our standard hourly rates, plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). Our standard hourly rates vary according to degree of responsibility involved and experience level of the personnel assigned to the engagement. However, we anticipate that our fee for the 2025 audit engagement will approximately change from last year to reflect the Denver-Aurora-Lakewood Consumer Price Index. This fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit, including significant changes in the size and nature of the District's operations or the state of its accounting records and controls. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report, and you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

We appreciate the opportunity to be of service to Kremmling Sanitation District and look forward to working with you and your staff on this engagement. Please sign where indicated below to indicate your acknowledgment of, and agreement with, the arrangements for this engagement, including our respective responsibilities.

Very truly yours,  
**McMAHAN and ASSOCIATES, L.L.C.**



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**RESPONSE:**

This letter correctly sets forth the understanding of Kremmling Sanitation District with respect to services to be provided by McMahan and Associates, L.L.C.

**KREMMLING SANITATION DISTRICT**

*BY:*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**KREMMLING SANITATION DISTRICT****RESOLUTION 2026-02-02****RESOLUTION ADOPTING 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, hire, and retain agents, employees, engineers, and attorneys pursuant to C.R.S. § 32-1-100(1)(j).

**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).

**WHEREAS**, the District desires to clarify its general operating policies and consolidate the same into easy-to-understand policy documents.

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

1. Governance. Exhibit A, attached hereto and incorporated by this reference, is adopted as the District’s Governance Retention.
2. Conflict of Interest. Exhibit B, attached hereto and incorporated by this reference, is adopted as the District’s Policy on Conflict of Interest.
3. 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.
4. Effective Date. This Resolution shall take effect immediately upon adoption.

ADOPTED by the Board this 9th day of February 2026.

**KREMMLING SANITATION DISTRICT**

By: \_\_\_\_\_  
Noble Underbrink  
President

ATTEST:

\_\_\_\_\_  
Alan N. Hassler  
Secretary

**Exhibit A**  
**Policy on Governance**

## KREMMLING SANITATION DISTRICT

### Policy on Governance

Adopted: February 9, 2026

1. Purpose. This Governance Policy (the “Policy”) establishes the respective roles, responsibilities, and authority of the Board of Directors (the “Board”) and the District Manager of the Kremmling Sanitation District (“District”) in accordance with generally accepted principles of Policy Governance. This Policy is intended to ensure lawful, ethical, transparent, and effective governance while clearly separating governance from management.
2. Authority. This Policy is adopted pursuant to, and shall be interpreted consistently with the:
  - a. Colorado Special District Act, C.R.S. §§ 32-1-101 *et seq.*
  - b. Colorado Local Government Budget Law, C.R.S. §§ 29-1-101 *et seq.*
  - c. Open Meetings (“Sunshine Law”), C.R.S. § 24-6-402
  - d. Colorado Open Records Act (“CORA”), C.R.S. §§ 24-72-201 *et seq.*
  - e. Ethics, conflicts of interest, and disclosures, C.R.S. §§ 24-18-101 *et seq.* and C.R.S. § 32-1-902
  - f. Elections and director qualifications, C.R.S. §§ 1-1-101 *et seq.* and C.R.S. § 32-1-801 *et seq.*
3. Governance Philosophy. The District operates under a policy governance model, under which the Board governs through policy and strategic direction, and the District Manager administers operations and staff within the boundaries set by Board policy and the law. Authority is delegated to management consistent with C.R.S. § 32-1-1001(1)(h) and (i).
4. Role and Authority of The Board of Directors. The Board derives its authority from C.R.S. § 32-1-1001, which vests the board of directors with all powers necessary to manage and conduct the business and affairs of the district.

Acting collectively, the Board shall:

- a. Adopt Policy and Strategy.
  - i. Establish governance, financial, and operational policies.

Kremmling Sanitation District  
Policy on Governance

- ii. Set the District's mission, long-range goals, and strategic priorities.
- b. Fiscal Oversight.
  - i. Adopt the annual budget and appropriations.
  - ii. Certify mill levies and fix rates and fees.
  - iii. Ensure independent audits and financial reporting as required by law.
- c. Employment of the District Manager. Employ, evaluate, and compensate the District Manager.
- d. Employment of the Superintendent. Employ, evaluate, and compensate the Superintendent.

The Board shall not:

- e. Direct or supervise District employees other than the District Manager and Superintendent.
  - f. Engage in day-to-day operational decision-making.
  - g. Exercise individual authority outside of a duly noticed public meeting.
  - h. Take action inconsistent with adopted budgetary appropriations.
5. Role and Responsibility of the District Manager. The District Manager shall be the District's chief executive and administrative officer and shall administer the daily business and affairs of the District. The District Manager is an employee of the Board, pursuant to C.R.S. § 32-1-1001(1)(i).

Within the scope of Board policy and law, the District Manager shall:

- a. Monitor and evaluate the revenues and expenditures of the District and notify the Board when expenditures exceed revenues.
- b. Keep or cause to have kept accurate and timely books, papers, records, and accounts of the District's activities, finances, and operations.
- c. Execute contracts and approve expenditures within limits established by the Board.
- d. Prepare and recommend the annual budget and capital plans.

Kremmling Sanitation District  
Policy on Governance

- e. Evaluate, discipline, and compensate, within budgetary constraints, District employees.
  - f. Prepare bid specifications and obtain bids from contractors pursuant to the District's Procurement Policy.
  - g. Ensure compliance with all laws, regulations, and policies lawfully enacted.
  - h. Act in the name of and on behalf of the District in all correspondence, meetings, and communications with the public and other governmental agencies.
  - i. Represent the District before all courts of law, regulatory panels, and other governmental agencies.
6. Role and Responsibility of the Superintendent. The Superintendent shall be the District's chief of operations and shall oversee the operation of all District facilities and services. The Superintendent is an employee of the Board, pursuant to C.R.S. § 32-1-1001(1)(i).

Within the scope of Board policy and law, the Superintendent shall:

- a. Administer all District operations and services.
  - b. Oversee the operation, maintenance, repair, and replacement of all District facilities and the implementation of all District programs and services.
  - c. Administer and oversee contracts between the District and any contractors and ensure that contracted services are performed in a satisfactory manner.
  - d. Ensure the sound operation of the District's facilities and programs
  - e. Supervise, hire, and train District employees.
7. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of any law of the State of Colorado.
8. Amendment. The Board may amend this Policy from time to time, only in writing following a duly called meeting.

**Exhibit B**  
**Policy on Conflict of Interest**

## KREMMLING SANITATION DISTRICT

### Policy on Conflicts of Interest

Adopted: February 9, 2026

1. Purpose. This Policy on Conflicts of Interest (“Policy”) is adopted by the Board of Directors (the “Board”) of the Kremmling Sanitation District (the “District”) to protect the public trust and ensure District decisions are made solely in the District’s best interests, consistent with Colorado’s ethics and conflict-of-interest laws applicable to local government officials. Holding office as a director is a public trust, and directors must carry out their duties for the benefit of the people, not for private advantage. The Board adopts this policy as an exercise of the District’s powers and as a governance measure to guide Board and staff conduct.
2. Authority. This Policy is adopted pursuant to, and shall be interpreted consistently with the:
  - a. Article XXIX of the Colorado Constitution
  - b. Colorado Special District Act, C.R.S. §§ 32-1-101 *et seq.*
  - c. Colorado Local Government Officials Code of Ethics, C.R.S. §§ 24-18-103, 24-18-109, and 24-18-110.
  - d. Criminal Conflict-of-Interest provisions, C.R.S. §18-8-308
3. Definitions.
  - a. “Covered Person” means a director, officer, employee, and any member of a District committee or advisory body when acting for or on behalf of the District.
  - b. “Conflict of Interest” means a situation when a Covered Person’s private Financial Interest, or the private Financial Interest of an immediate family member or associated business, could reasonably be perceived to influence the covered person’s judgment, vote, recommendation, or action on a District matter.
  - c. “Financial Interest” means any interest that may result in a direct or indirect economic benefit or detriment that is distinguishable from the effects on the public generally.
4. Scope. This Policy applies to all District decisions and actions, including but not limited to contracts, procurements, change orders, claims, development-related

Kremmling Sanitation District  
Policy on Governance

decisions, personnel actions, and any matter that may confer an economic benefit on a covered person or a related party.

5. Governing Standards. Covered Persons must avoid conflicts of interest and the appearance of impropriety and must comply with the rules of conduct for local government officials and employees in Colorado law. Covered persons must not perform official acts that directly and substantially affect, to their economic benefit, a business or undertaking in which they have a substantial financial interest, except as permitted by law and after complying with disclosure and recusal requirements described in this Policy.
6. Duty to Disclose Promptly and Before Action. Any Covered Person who knows or reasonably should know of a potential Conflict of Interest related to a District matter shall disclose it as soon as the Conflict of Interest becomes known and, in all events, before participating in discussion, advocacy, negotiation, recommendation, or a vote on the matter. For Board actions, the director must disclose the Conflict of Interest on the record at a public meeting and ensure the disclosure is reflected in the minutes. Where written disclosure is required or advisable, the Covered Person must prepare a written disclosure describing the nature of the Conflict of Interest sufficiently to inform the Board and the public.

Colorado law provides a mechanism for written “voluntary disclosure” to the Secretary of State describing the Conflict of Interest, and it provides that such disclosure can operate as an affirmative defense to certain civil, criminal, or other sanctions relating to Conflict of Interest when properly made. In addition, Colorado criminal law separately requires advance written notice (at least seventy-two (72) hours) to the Secretary of State and to the governing body before exercising substantial discretionary functions in connection with a government pecuniary transaction when the director has a known potential Conflict of Interest.

7. Recusal, Abstention, and Non-Participation. A director with a disclosed Conflict of Interest must recuse themselves from the matter. Recusal under this Policy means the director will not debate, advocate, negotiate, attempt to influence other directors (formally or informally), or vote on the matter, and will not direct staff regarding the matter except to facilitate administrative handling of the recusal. When practical, and especially when the matter is quasi-judicial, competitive procurement, or a contested contract decision, the recused director should also leave the dais during deliberation and vote to avoid any appearance of influence, and the minutes should reflect the director’s recusal and whether the director was present during deliberations.
8. Contracting and Procurement Safeguards. No Covered Person may use their position to secure unwarranted privileges, contracts, purchase orders, payments, or other pecuniary benefits for themselves, an immediate family member, or an

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associated business. Covered Persons must not participate in the specification, selection, evaluation, negotiation, administration, approval, or change-order process for any vendor or contractor where the covered person has a Conflict of Interest. The District will use procurement practices designed to reduce risk, including clear scopes, competitive processes where feasible, documentation of selection rationale, and segregation of duties in invoice approval when a potential Conflict of Interest exists, consistent with the overarching duties imposed by Colorado ethics law on local officials and employees.

9. Gifts, Gratuities, and Things of Value. Covered Persons must comply with Article XXIX of the Colorado Constitution and applicable statutes and rules governing gifts and things of value, including restrictions that may apply to local government officials and employees. The District prohibits any Covered Person from soliciting or accepting any gift, favor, service, or other thing of value that could reasonably be construed as intended to influence a District decision or reward official action, whether offered directly or indirectly through an intermediary.
10. Disclosure Records. The District's records custodian shall maintain a Conflict of Interest file containing written disclosures submitted under this Policy and any related correspondence. For Board matters, the minutes will reflect the disclosure, the nature of the Conflict of Interest stated on the record, and the director's recusal/nonparticipation. If a director makes a written disclosure to the Secretary of State under Colorado's voluntary disclosure statute, the director should also provide a copy to the District for its records.
11. Training and Advice. The District may provide periodic ethics and conflict-of-interest training for directors and key staff. When a Covered Person is uncertain whether a conflict exists or how to handle it, the Covered Person should seek advice from the District's legal counsel before participating.
12. Violations and Enforcement. Violations of this Policy may result in remedial actions deemed appropriate by the Board and consistent with law, which may include censure, reassignment of duties, contract safeguards, referral to legal counsel for further evaluation, or other corrective measures. Covered Persons are also reminded that failure to disclose a conflict of interest may carry criminal consequences under Colorado law in certain circumstances. Nothing in this Policy limits the authority of any enforcement body or the applicability of any civil or criminal statute.
13. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of any law of the State of Colorado.
14. Amendment. The Board may amend this Policy from time to time, only in writing following a duly called meeting.

**KREMMLING SANITATION DISTRICT****RESOLUTION 2026-02-03****RESOLUTION ADOPTING EMPLOYEE HANDBOOK**

**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, hire, and retain agents, employees, engineers, and attorneys pursuant to C.R.S. § 32-1-1001(1)(j).

**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).

**WHEREAS**, the District presently employs various employees to provide the services of the District and desires to clarify its employment practices through the promulgation of an updated employee handbook, which will provide the compilation of employment-related policy and establish the general terms and conditions of employment.

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

1. Employee Handbook. Exhibit A, attached hereto and incorporated by this reference, is adopted as the District’s Employee Handbook.
2. Repeal of Prior Inconsistent Policy. Any prior policy inconsistent herewith is repealed effective immediately.
3. 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.
4. Effective Date. This Resolution shall take effect immediately upon adoption.

ADOPTED by the Board this 9th day of February 2026.

**KREMMLING SANITATION DISTRICT**

By: \_\_\_\_\_  
Noble Underbrink  
President

ATTEST:

\_\_\_\_\_  
Alan N. Hassler  
Secretary

**Exhibit A**  
**Employee Handbook**



Date: 1/6/2026

Hill Holdings LLC  
Box 909, Kremmling CO 80459  
**Re: Notice of Zoning Violation and Notice to Cure**

Dear Hill Holdings LLC:

This letter serves as the Town's formal Notice of Zoning Violation regarding the former hotel located at 109 W Park Avenue.

**Background**

On November 19, 2025, the Town sent correspondence regarding zoning compliance expectations for conversion of the former hotel to long-term residential use, and the documentation required to confirm compliance. In a subsequent phone call, you confirmed the Property contains fourteen (14) units (a house and thirteen (13) hotel rooms), and that the floor space used as long-term dwellings exceeds the 50% threshold permitted in the Central Business zone. The Town requested that you provide:

- A site plan by December 12, 2025; and
- That you initiate the Use by Special Review (USR) process to target a Planning & Zoning Commission hearing in February 2026.

As of the date of this notice, the Town has not received the requested site plan and has not received a USR application package.

**Background**

Based on the information available to the Town at this time, the Property appears to be in violation of the Kremmling Municipal Code, including one or more of the following:

- Operating and/or establishing long-term residential use on the Property without the required zoning approvals for the applicable zoning district; and
- Changing the use and/or intensity of use of the building(s) on the Property (including unit count and/or residential occupancy) without required review/approval;

**Required Actions**

Within 10 business days of this notice you are required to submit a complete Use by Special Review application describing in specificity how the property is being used. If you believe your property is in compliance with the Kremmling Municipal Code and that our understanding is incorrect, please submit written documentation within 10 business days of the date of this letter.



**Town of Kremmling**  
200 Eagle Ave. | P.O. Box 538  
Kremmling, CO 80459-0538  
Office 970.724.3249  
<https://townofkremmling.colorado.gov/>

**Failure to Cure**

If you fail to comply with the deadlines and requirements in this letter, the Town may proceed with additional enforcement actions, which may include issuing citations / summons, seeking injunctive relief, and any other remedies available under the Kremmling Municipal Code.

**Submittal and Contact**

Please submit materials electronically to [manager@townofkremmling.org](mailto:manager@townofkremmling.org) and [planner@townofkremmling.org](mailto:planner@townofkremmling.org) and / or deliver hard copies to Town Hall at 200 Eagle Avenue, Kremmling.

Sincerely,

Jen MacPherson  
Town Manager, Town of Kremmling



**Town of Kremmling**  
200 Eagle Ave. | P.O. Box 538  
Kremmling, CO 80459-0538  
Office 970.724.3249  
<https://townofkremmling.colorado.gov/>

Date: 1/15/2026

Levi Rozga  
Fortius Capital  
PO Box 7044  
Avon CO 81620

**Re: Water Billing**

Dear Mr. Rozga,

The purpose of this letter is to notify you of a correction to the way the Town of Kremmling bills its base water rate for Muddy Creek Cabins, effective February 16, 2026. Currently, Muddy Creek Cabins is being billed only at the base rate for a single 2-inch tap (\$349 / month). However, each cabin on your property is considered a Residential Water Using Unit as defined in Kremmling Municipal Code (KMC) Section 13.04.010:

*“Residential Water Using Unit” is a Water Using Unit that is used as a private dwelling, apartment, condominium unit, town home, single unit in any multifamily structure, a manufactured home, or mobile home whether or not located in a mobile home park, or any other existing unit that commonly houses a single family on an extended term basis.*

As per KMC 13.04.090.A, each Residential Water using unit is to be charged the minimum Base Amount:

*For each Residential Water Using Unit, whether individually metered or using a common meter with other Water Using Units, and whether or not served through an individual tap or through a residential or commercial tap shared with other Water Using Units, the minimum charge as set, per resolution, by the Board of Trustees shall be charged to each Residential Water Using Unit. (“Base Amount”).*

The Town’s minimum Base Amount per Residential Water Using Unit will be \$89 / month (including up to 6,000 gallons per unit) in 2026. We currently understand there to be 31 cabins on your property. Consequently, your base rate will be corrected to:

- \$89 / month x 31 cabins = \$2,759 / month

Please note that, as per Resolution 2024-02-05, the Board of Trustees continues to reserve the right to adjust the Single Family Unit Equivalent (SFE) multiple applied to the water system development (tap) fee assigned to if actual water usage exceeds the estimate of 1,788 gallons per cabin per month.

If you have questions, or if you believe our understanding of your property is incorrect, please contact the Town Manager at 970-724-3249 or [manager@townofkremmling.org](mailto:manager@townofkremmling.org).



**Town of Kremmling**  
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Sincerely,

*Jen MacPherson*

Jen MacPherson  
Town Manager, Town of Kremmling