

# KREMMLING SANITATION DISTRICT

## Policy on Conflicts of Interest

Adopted: March 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 Conflicts of Interest

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 shall recuse themselves from the matter, except where the conflict is of a de minimis value. 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,

Kremmling Sanitation District  
Policy on Conflicts of Interest

or other pecuniary benefits for themselves, an immediate family member, or an 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.