

# RECORD OF PROCEEDINGS

## KREMMLING SANITATION DISTRICT

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REGULAR BOARD MEETING  
SEPTEMBER 10, 2018

The Board of Directors for the Kremmling Sanitation District met in the boardroom located at 200 Eagle Avenue. The meeting was called to order by Treasurer Dave Sammons at 6:01 p.m. Directors present: Dwayne Uhrich, Dave Sammons, Ken Bentler, and Eric Bradley. Director(s) absent: President Jason Bock. Staff present: Superintendent Jeremy Bock and District Manager Rich Rosene. Audience present: Dillon Willson.

**APPROVAL OF MINUTES:** UHRICH MOVED TO APPROVE THE REGULAR MEETING MINUTES OF AUGUST 13, 2018 AS CORRECTED. BENTLER SECONDED. MOTION CARRIED.

**APPROVAL OF EXPENDITURES:** BENTLER MOVED TO APPROVE THE EXPENDITURES PRESENTED FOR THE PERIOD OF AUGUST 14, 2018 THROUGH SEPTEMBER 10, 2018 IN THE AMOUNT OF \$42,734.51. BRADLEY SECONDED. MOTION CARRIED.

BENTLER MOVED TO APPROVE PAYMENT TO CEBT FOR HEALTH INSURANCE IN THE AMOUNT OF \$2,559.76. UHRICH SECONDED. MOTION CARRIED.

BRADLEY MOVED TO APPROVE THE PURCHASE OF THE POLARIS RANGER FROM ALPINE MOTOR SPORTS IN THE AMOUNT OF \$13,246.96. UHRICH SECONDED. MOTION CARRIED.

**PUBLIC COMMENT:** None.

**2017 AUDIT REPORT:** Michael Jenkins and Ashley Findley of McMahan and Associates gave the board a report on the 2017 audit by telephone. Jenkins said that the audit went well and that they had an unmodified opinion or a clean audit. This means that the financials can be relied upon to give a good basis for decision making. Findley went over pages C1 – C2, the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position. The district's net position has increased due to the purchase and installation of the Bio-Domes. The bulk of the net position is in capital assets, as would be expected. The change in net position was positive, but not as high as 2016 due to the large amount of grant income that year. Pages D1 – D11 have the details of the financials and she recommended looking them over. Findley then went over page E-1, which has the budget comparison of revenues and expenditures as compared to the previous year. The district ended the year about \$97,000 ahead of the budget prediction.

Jenkins said that the board needs to keep aware of the current fees and charges to be sure they are adequate for current operations as well as for future capital needs. He stated that the board is the internal control and it is important that they review the monthly financials and disbursements carefully. He said that the policies and practices of the district are conservative, consistent and compliant. He also said that there are changes in accounting policies coming in 2020 and they will keep us informed. The board thanked Jenkins and Findley for the report.

**ENGINEER'S REPORT:** Superintendent Bock reported that Nick Marcotte of Element Engineering had submitted the letter to CDPHE asking for a reclassification of Muddy Creek to non-drinking water. We should hear back sometime in October. There are changes in the nutrient limits coming in 2025 for phosphorus and others. Sammons asked if we were discharging to Muddy Creek and Bock said we were not at this time. Our large storage ponds have enough infiltration galleries that we have never discharged directly into the creek.

**OPERATOR'S REPORT:** Superintendent Bock reported that he has been watering the cemetery with reuse water. There were some leaks in the piping in the plant and he replaced some 4" pipe with 6" pipe to have all piping the same size and fix the leaks. The chlorine pump died and he replaced it. Bill Jones of the town will be blowing out the sprinkler piping in late September or early October. Bock is looking at putting in some additional piping at the town square this fall so the disturbed areas can be revegetated. A meter pit and a water meter are needed and the town will purchase them. He needed to adjust the system pressure a bit as 90 psi at the plant is about 70 psi at the cemetery. There were also some sprinklers that needed adjustment. All in all, it looks like a successful operation even though it will be a short time of use for the reuse system this year. Bock said we will need to look at whether we will expand to the school areas as that is a revenue source for the town. He said we could use up to 214,000 gallons per day and have 150,000 gallons per day coming in. We have plenty of storage in our ponds to offset the negative balance each day.

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In the future he said we need to look at expanding to Ceriani Park and the Red Mountain ballfields. If we add more areas, we would still have the capacity to meet the needs. Currently the only leaks he has found are in the plant and he feels the reuse main is in good condition.

**OLD BUSINESS:** None.

**NEW BUSINESS:** The 2019 budget process is underway and a budget officer needs to be appointed. We will also need to have a rate increase hearing in November and to meet the publishing and regulatory deadlines, the notice needs to be published before the next board meeting.

BRADLEY MOVED TO APPOINT RICH ROSENE AS THE 2019 BUDGET OFFICER. UHRICH SECONDED. MOTION CARRIED.

BENTLER MOVED TO SET THE RATE INCREASE HEARING FOR NOVEMBER 12, 2018. BRADLEY SECONDED. MOTION CARRIED.

Dillon Willson presented to the board his proposal to continue the sewer main between Central Avenue and Highway 40. There is an existing main that extends from near 17<sup>th</sup> Street eastward and he plans to extend it to a point between his parcel and his sister's parcel so that both parcels can tap into the main. His main extension will be about 210 feet in length to a new terminal manhole and will be installed to meet our standards. The status of the existing main is somewhat in question as there appears to be no paper trail or agreements when the first segment was installed nor for the extension to another parcel to the east where the current terminal manhole is located. This manhole is where Willson will start his main extension. Rosene said that since this is a very simple extension, our current main extension agreement needs to be modified to better fit this proposal. The board concurred that it was a basic operation and should go forward.

Rosene said he is going to get some repairs to the town hall started. There is a leak in the roof above the board room and it caused some drywall tape to come loose. He will get the leak under control and the get the drywall repaired. He will also get some painting done to spruce up the building.

Some further old business is the proposal to move our checking account from Bank of the West (BOW) to Grand Mountain Bank (GMB). Rosene said he talked to Stephanie Sanford at BOW and told her of the proposal. She said she appreciated the heads up and understood our concerns with some of BOW's new policies.

BRADLEY MOVED TO CLOSE THE CHECKING ACCOUNT AT BANK OF THE WEST AND TO OPEN A NEW CHECKING ACCOUNT AT GRAND MOUNTAIN BANK WITH ALL MEMBERS OF THE BOARD AND THE DISTRICT MANAGER AS SIGNERS ON THE ACCOUNT. UHRICH SECONDED. MOTION CARRIED.

Rosene will begin the process of changing banks and monitor the BOW account to see when all checks have been cleared and that the electronic transfer of our property tax revenue from the county is going to the GMB account.

**ADJOURNMENT:** BRADLEY MOVED TO ADJOURN AT 6:55 PM. UHRICH SECONDED. MEETING ADJOURNED.

Signed:



Secretary