

# RECORD OF PROCEEDINGS

## KREMMLING SANITATION DISTRICT

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REGULAR BOARD MEETING  
SEPTEMBER 9, 2019

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 President Jason Bock at 6:00 p.m. Directors present: Jason Bock, Dave Sammons, Dwayne Uhrich, Eric Bradley and Ken Bentler. Director(s) absent: None. Staff present: Superintendent Jeremy Bock and District Manager Rich Rosene. Audience present: None.

Superintendent Bock noted that the minutes have an incorrect name for A&A Septic. The minutes will be corrected from AA Septic to A&A Septic.

**APPROVAL OF MINUTES:** SAMMONS MOVED TO APPROVE THE REGULAR MEETING MINUTES OF AUGUST 12, 2019 AS CORRECTED. BRADLEY SECONDED. MOTION CARRIED.

Superintendent Bock said that the Mountain Parks Electric bill will be high throughout the winter due to turning up the power on the large blowers to better remove BOD.

**APPROVAL OF EXPENDITURES:** SAMMONS MOVED TO APPROVE THE EXPENDITURES PRESENTED FOR THE PERIOD OF JULY 9, 2019 THROUGH AUGUST 12, 2019 IN THE AMOUNT OF \$26,729.51. UHRICH SECONDED. MOTION CARRIED.

**PUBLIC COMMENT:** None.

**ENGINEER'S REPORT:** None.

**OPERATOR'S REPORT:** Bock said that he talked to A&A Septic and Good to Go about the quantity of septage they did last year. A&A did 217,400 gallons and Good to Go did 765,000 gallons. They also did about 75,000 gallons of grease. Bock said we would not be able to take that so they are going to contact McDonald Farms to find out what do with the grease. Both companies are OK with some kind of contract, but would need to review the rates before they would sign.

Bock talked to Brandon at Water Technology Group about the price of the station and Brandon said it would probably be below \$170,000. This would include the concrete containment base and the Porta Logic electronics for billing. This price does not include an electronic gate at our entrance. Bock would like to go look at some stations.

Bock said he talked to the septic haulers and the \$0.15/gallon price he was planning on would not work for them. He said that if we were down around \$0.10 or \$0.11 they would be interested. McDonald Farms charges them \$0.11 to pick it up in Grand County so anything higher would be a loss for the haulers. McDonald Farms charges them \$720 for 5,000 gallons in the summer and \$960 for 5,000 gallons in the winter. There is an I-70 surcharge for the winter hauling. Bock still felt that if we charged \$0.10/gallon and had about 1,000,000 gallons per year coming in, we could still make about \$100,000/year. This would allow us to pay off the station in about two years and then the revenue would only be offset by maintenance costs, which should be minimal.

Bradley asked what impact this would have to our capacity at the plant. Bock said we have two limits, one for 600 pounds per day of BOD and one for 300,000 gallons per day of influent flow. Our flow is currently about 150,000 gallons per day. The BOD would increase by about 43 pounds and that would not be a problem to treat during the summer. There could be some winter hauling by the companies but only on days above freezing. Uhrich asked what they do with the grease now. Bock said he needs to find out more about that and see if they could share a tanker for grease. Good to Go gets about 75,000 gallons of grease per year. Bock said he will have better numbers for cost and other information at the next meeting. Bradley asked about the difference in costs of the stations. Bock said they range from \$110,000 to \$170,000 for 'Plain Jane' to fancy. Plain Jane models use 120V electric and the fancy models use 220V and he would prefer to keep with the 120V models. Bradley asked if we could get more contractors to help offset costs. Bock said he would like to get Grand County served first and run for a while to see if we have any hiccups in operations. If things go well, then we could expand to Eagle County or others.

**2018 AUDIT REPORT:** Michael Jenkins of McMahan and Associates gave the board a report on the 2018 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. Jenkins went over page C1, the Statement of Net Position. The district's net position at the end of the year was \$4.174 million. This was an \$84,000 increase from the previous year. The bulk of the net position is in capital assets, as would be expected.

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Regular Board Meeting  
September 9, 2019  
Page 2 of 2

There is a restricted amount of \$100,416 which is the required loan reserve for the CWRPDA loan. The unrestricted amount of \$474,698 is the money available for our operations. There was a slight increase in total assets from 2017. The district has good liquidity, as is common for sanitation districts. On page C2, the operating income showed a net loss for the year of \$128, 556 due mostly to capital expenditures. The fees for providing services only covered about 80% of the costs of operating the district.

Jenkins then went over page E1, which has the budget comparison of revenues and expenditures as compared to the previous year. The district ended the year about \$177,000 ahead of the budget prediction. This was due to revenues above expectations and lower expenses for capital expenditures.

Jenkins stated that the board is the internal control and it is important that they review the monthly financials and disbursements carefully. Jenkins said that they added a new recommendation on conflict of interest on page 2 of their 3 page letter that came with the audit that is about the signing of timesheets by related parties. He recommended that the board keep aware of the current fees and charges to be sure they are adequate for current operations as well as for future capital needs. The board thanked Jenkins for the report.

**OPERATOR'S REPORT (Cont.):** Bock said he received a phone call from Red Waldron of Blue Valley Spirits concerning the 2 new sewer taps needed for the distillery. Waldron said he didn't feel he should need to pay this. Bock said that he also needs to talk to Rick Reliford with Grand Adventures Brewery as he hasn't received any samples from him. Bock said when the sewer main was jettied this summer there was a very strong smell of beer so he is concerned about the discharge from the brewery. Bock said that Waldron was going to install a 3,000 gallon tank for the discharge that would be available for sampling. Sammons said we need to send a letter that says we need samples from each business. Rosene and Superintendent Bock will get a draft letter for the board to review and then have it signed by President Bock. Sammons said he understood that there would be a holding tank for the brewery installed. The current one sewer tap was for the restaurant and we need to determine what the additional impact of the brewery and distillery will have to our discharge permit. Any additional sewer taps would also give them additional water usage before any overage charges would apply. Bock said it may be that since the restaurant now uses mostly glasses for serving beer that more beer may go down the sink than when partially full bottles were just thrown in the trash.

**OLD BUSINESS:** None.

**NEW BUSINESS:** The 2020 budget season is here and we need to appoint a budget officer.

SAMMONS MOVED TO APPOINT RICH ROSENE AS THE BUDGET OFFICER FOR THE 2020 BUDGET. UHRICH SECONDED. MOTION CARRIED.

SAMMONS MOVED TO SET THE RATE INCREASE HEARING FOR NOVEMBER 11, 2019. BRADLEY SECONDED. MOTION CARRIED.

Rosene said the renewal paperwork for the CEBT health, dental and life insurance has arrived. There will be a 3.5% increase in the health rates, but no increase in dental or life rates.

BRADLEY MOVED TO APPROVE THE RENEWAL OF THE CEBT INSURANCE POLICIES FOR 2020. UHRICH SECONDED. MOTION CARRIED.

**ADJOURNMENT:** UHRICH MOVED TO ADJOURN AT 6:53 PM. BRADLEY SECONDED. MEETING ADJOURNED.

Signed:

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/s/ Richard A. Rosene  
Secretary