

RECORD OF PROCEEDINGS

KREMMLING SANITATION DISTRICT

REGULAR BOARD MEETING
NOVEMBER 14, 2022

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 Noble Underbrink at 6:02 p.m. Directors present: Noble Underbrink, Dave Sammons, and Alan Hassler. Directors absent: Eric Bradley and Stuart Heller. Staff present: District Manager Rich Rosene and Superintendent Scott Weber. Audience present: None.

APPROVAL OF MINUTES: SAMMONS MOVED TO APPROVE THE REGULAR MEETING MINUTES OF OCTOBER 10, 2022 AS PRESENTED. HASSLER SECONDED. MOTION CARRIED.

APPROVAL OF EXPENDITURES: HASSLER MOVED TO APPROVE THE EXPENDITURES PRESENTED FOR THE PERIOD OF OCTOBER 11, 2022 THROUGH NOVEMBER 14, 2022 IN THE AMOUNT OF \$28,486.74. SAMMONS SECONDED. MOTION CARRIED.

PUBLIC COMMENT: None.

PUBLIC HEARING – PROPOSED RATE INCREASES: President Underbrink opened the public hearing at 6:10 pm. No public was present to comment. The hearing was closed at 6:11 pm. Rosene explained the proposed increase in monthly and commercial overage fees.

SAMMONS MOVED TO ADOPT RESOLUTION 2022-11-1, A RESOLUTION TO AMEND APPENDIX “A” SCHEDULE OF FEES AND CHARGES OF THE KREMMLING SANITATION DISTRICT RULES, REGULATIONS AND BYLAWS. HASSLER SECONDED. MOTION CARRIED.

PUBLIC HEARING – 2023 PROPOSED BUDGET: President Underbrink opened the public hearing for the 2023 budget at 6:15 pm. No public was present to comment. Rosene went over the changes made to the proposed budget since the last board meeting. The hearing was closed at 6:25 pm. Hassler asked about the utilities expenditures and possible increases especially in natural gas. Rosene went over his process to track utility costs through the year and then add an inflation factor for the following year. Hassler also asked about the workers comp insurance cost. Rosene said that our rate hasn't changed in a couple of years and we should be getting the actual cost for 2023 from Pinnacol in early December, hopefully in time for budget adoption.

AUDITOR'S REPORT – 2021 AUDIT: Mike Jenkins of McMahan and Associates went over the 2021 audit report with the board via Zoom. He reported that the district had a “clean” audit, indicating no concerns or issues with the district's financials. Page C1 has the district's balance sheet with assets and liabilities and it showed a Net Position of \$3,993,642 in 2021, for a decrease of about \$118,500 which was primarily due to depreciation of assets. Page C2 showed the statement of revenues and expenditures with the changes in net position. Page C3 is the statement of cash flows with the cash and cash equivalents at the beginning and the end of the year. Jenkins said that the district is in good financial condition and recommended that we look at our fees and charges to see if some increases may be warranted.

Jenkins said that the letter to the board concerning the audit report had a brief discussion about the size of the organization and the difficulty of segregating duties in finances. He encouraged the board to continue to review the monthly expenditure report closely as a good way of monitoring the district's expenses. Jenkins also said that beginning with the 2022 audit, new sections will be added with information on any operational leases.

ENGINEER'S REPORT: None.

OPERATOR'S REPORT: Weber said that the septage received in October was 20,000 gallons, which was up to the cutoff date of October 10th and some minor emergency dumps. He had 38 call-outs for locates. A natural gas line was cut in the alley behind 200 W. Park (West End Liquors and the ATV rental business) while the building owner's personnel were replacing the service line. Everyone west of the cut line (including the Kremmling Mercantile, our plant, and residents on County Road 12) was without natural gas until about 1:30 in the morning. There was no locate requested by the owner. The owner relied on old paint from a previous locate in the alley. Weber wasn't sure if a complaint has been or will be filed. He felt that Xcel Energy probably would as they were the most heavily impacted. Sammons and Hassler felt the district should file a complaint and should also bill the owner for our time and expenses.

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Weber said that he followed the ammonia levels thorough the ponds after the last septage dump and that the process control and compliance labs look good. He feels that we are back on track with our processes. He has placed some manholes for the air piping blow-offs and there is a little cleanup that will need to be done next spring or summer. He met with the school district superintendent and maintenance staff to talk about reuse water for the school fields. He also met with Curtis Docheff of the town concerning the sprinklers at the town properties. Docheff plans to cut back on the amount of time on those systems next summer.

Weber met with the new owners of Rayner's mobile home park (renamed Estates at the Bluffs) about their expansion plans and their connection to the North Interceptor main. They may be looking at a different connection location into the interceptor. He had a group of sixth graders come to the plant for a tour and he was impressed with the questions they asked and their interest in sewer treatment.

Sammons asked where we were with staffing now. Weber said that Mike Oros is done for the season and that Heather Halbritter is working about 5-6 hours per week, primarily on labs and SOPs. We have Mason Zamora on full time and Thom Yoder as a contract employee as our ORC.

MANAGER'S REPORT: Discussion on District Manager duties and job description: Rosene said that he would like to postpone this discussion until another meeting.

BUSINESS ITEMS: Discussion and Action on participation in FAMLI program: Rosene said he isn't asking for any action tonight, but will be asking for action at the December meeting to decline participation in the program. He felt that we should wait and see how the program works as the district can opt in at any time. Notice to the employees about the meeting and the discussion will be given to Weber and Zamora.

Discussion and Action on retention bonus proposal: Rosene asked the board to do a retention bonus for both of our employees. We are fortunate to have two good employees and Rosene would like to offer them a \$5,000 retention bonus with the stipulation that they stay for at least 6 months.

SAMMONS MOVED TO ENTER INTO A RETENTION BONUS AGREEMENT WITH THE DISTRICT'S TWO EMPLOYEES. HASSLER SECONDED. MOTION CARRIED.

Discussion and Action on Town of Kremmling use of the District's Kremmling Mercantile easement for a pathway: Rosene said he has found the easement agreement for the realignment of our main across the Mercantile property. Sammons said that the Hammers, owners of the Mercantile, are in favor of the pathway. Rosene asked that Hassler look over the easement and see what authority we would have to put stipulations on the pathway concerning would happen if we needed to dig up our main and who would be responsible for repairs to the pathway. Hassler said he would look over the easement document and see if we have the authority to allow other users. Rosene will have this discussion on next month's agenda.

Discussion and Action on merit pay increase proposal: Rosene said he would like to have the board consider a merit increase of \$2/hour for Weber based on the additional duties he is taking on as our superintendent. Weber said that Zamora is taking some classes and Weber hopes he can be ready to test for the small systems license by the end of the year.

HASSLER MOVED TO PROVIDE A MERIT INCREASE OF \$2/HOUR FOR SCOTT WEBER. SAMMONS SECONDED. MOTION CARRIED.

ADJOURNMENT: SAMMONS MOVED TO ADJOURN AT 7:43 PM. HASSLER SECONDED. MEETING ADJOURNED.

Signed:

/s/ Richard A. Rosene
Secretary