

RECORD OF PROCEEDINGS

KREMMLING SANITATION DISTRICT

REGULAR BOARD MEETING
DECEMBER 12, 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 6:03 p.m. Directors present: Noble Underbrink, Dave Sammons, Alan Hassler, Eric Bradley and Stuart Heller. Directors absent: None. 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 NOVEMBER 14, 2022 AS PRESENTED. BRADLEY SECONDED. MOTION CARRIED.

APPROVAL OF EXPENDITURES: BRADLEY MOVED TO APPROVE THE EXPENDITURES PRESENTED FOR THE PERIOD OF NOVEMBER 15, 2022 THROUGH DECEMBER 12, 2022 IN THE AMOUNT OF \$16,181.72. SAMMONS SECONDED. MOTION CARRIED.

PUBLIC COMMENT: None.

ENGINEER'S REPORT: Weber said that he had been talking to Nick Marcotte of Element Engineering about a number of subjects. 1) They discussed the Cliffside Estates subdivision and its sewer main design. They also talked about the number of potential taps and our ability to service them. 2) Weber has been sending only the BOD and TSS compliance labs to ACZ Laboratories and doing the rest in house. Weber is going to work with Thom Yoder and the Granby Sanitation District on BOD testing procedures. 3) Weber is concerned about having too much water in the reuse pond by next spring. He talked to Marcotte about scarifying the pond bottoms in the future to improve percolation. Rosene said that several years ago we had started the process of designing an overflow pipe into Muddy Creek and that may be something to look into also.

4) He got information from the school district on their water use on the ballfields and needs to get the quantities from the town for the ballfield meters. The Notice of Authorization for the school district needs to be reviewed to see if it needs any updates. Weber said the school district needs to be liable for compliance to the reuse regulations. 5) The Estates at the Bluffs mobile home park (formerly Rayner's) is planning on adding mobile home spaces and we need to review their plans for their connection to our North Interceptor main. 6) The blower building needs some additional ventilation to allow heat to escape. Weber will look into options for this. 7) Weber will be getting some preliminary dimensions and ideas for the proposed garage/shop building at the plant to Element Engineering to have them begin a design for the building.

Hassler said we need to look over the reuse water franchise agreement with the town as soon as their attorney finishes the update. The usage rates for the school district and our revenue for operational expenses need to be determined.

OPERATOR'S REPORT: Weber said that Thom Yoder, our Operator in Responsible Charge (ORC), is willing to come to a board meeting anytime the board desires. The November lab results are in the packet and look pretty good. The December labs have been completed and sent to ACZ Labs, but the results aren't back yet. The utility locate calls have dropped back to a manageable level. Weber did file a complaint with Colorado 811 concerning the natural gas line that was cut behind the West End Liquors and ATV rental building. The complaint was for their failure to call for locates when replacing the service lines from the liquor store and ATV rental businesses. He wasn't sure if Xcel Energy filed a complaint as well.

Weber and Mason Zamora (Operator trainee) went onto the ice on ponds B and C with the boat to break through the ice to allow air to escape and see if that would help the blowers as they seemed to be having back pressure issues and the blower temps were increasing. The temps and amperage draws did drop on the blowers for a while after the ice was opened up. He relayed the blower temperature issues to Nick Marcotte and Wade Stinson (formerly with bio-dome company). Stinson talked to Mike Mann (bio-dome company president) and Mann said that the air tubing in the domes may need to be replaced to improve aeration. This would be an expensive and difficult project. Weber talked to Jeremy Bock (former Superintendent) about the problems and Bock suggested trying gutter heat tape across the ponds to see if that would create an area for the air to escape. Underbrink said that he added aeration to his previous ponds and that helped to break up the ice. Weber said that he is looking into additional diffusers in the bio-dome areas to see if that additional air turbulence would help.

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MANAGER'S REPORT: Rosene gave an update on the town's staffing. They have hired Dillon Willson as the public works director and have hired an additional public works equipment operator. They have interviewed and made an offer for an accounts receivable position and are waiting for a response. The town is going to begin the process to place tax liens on the most delinquent accounts to get them current. The sanitation district will be part of the lien filing process as well since our monthly fees are collected by the town.

2023 BUDGET DISCUSSION AND ADOPTION: Rosene put the budget up on the monitor and discussed it at some length to help the board and staff better understand how he develops the amounts. Each revenue line item was explained in some detail. The sewer charges revenue was increased from the November draft as Rosene felt that the number of accounts he got recently from the town were a bit low and we should have at least the same revenue as 2022. He added back \$20,000 in septage station revenue in the hopes we can receive at least some household septage next summer. Our final assessed valuation had a decrease of 1.8% for the year. Since this was not an appraisal year, the values didn't change very much. The specific ownership tax remained the same as 2022 as it is dependent on the economy and how many new vehicles are licensed in the county. The interest income is expected to rise significantly over the past two years as interest rates have risen and are expected to rise more in 2023. The grant revenue is expected from the USDA grant for a portable generator.

Most of the administrative expenditures are expected to increase modestly. The salaries and benefits items include the town's shared employees, board of directors pay, and the district manager. The debt service is for the Colorado Water Resources and Power Development Authority loan that will be paid off in 2025.

The collections and treatment expenses were discussed next. Rosene changed how he calculated the three repairs and maintenance items. He moved some direct expenses for each from other line items and increased the base amounts for each based on recent expenditure history. Engineering and technical services now includes general engineering costs, Colorado 811 locate costs, and the GIS system subscription. Salaries and benefits are for the two full time employees, weekend duty pay, one seasonal position, one part-time position, and the ORC. The COLA for the district's salary increases will be 8%. The vehicle fuel, vehicle repairs, and supplies and expenses are the same as 2022. The capital outlay projects include sewer main replacement and repairs, reroute of the mains by the old Kremmling Country lift station, a metering tank for the septage station, design costs for the proposed garage/shop building, the portable generator, and capital project engineering. The utilities for the lift station and WWTP area are based on 2022 costs plus an inflation factor of 10%. The discharge and reuse permits expenses are based on actual costs for the three permits and a site application fee if any permit modifications are needed. The damage claim item was reduced as we are doing a much better job of jetting and inspecting the mains for potential issues. The training item is for the two operators to get training to maintain or acquire licenses. Lab tests and chemicals are based on current year expenses plus an inflation factor of 10%.

Rosene went over the additional letters, mill levy certification, and budget message needed to file with the county commissioners and the state division of local government. There are three resolutions for the board to adopt to finalize the 2023 budget. The first adopts the budget, the second sets the mill levy for property taxes and the third appropriates the funds.

HASSLER MOVED TO APPROVE RESOLUTION NUMBER 2022-12-1, A RESOLUTION TO ADOPT BUDGET. SAMMONS SECONDED. MOTION CARRIED.

SAMMONS MOVED TO APPROVE RESOLUTION NUMBER 2022-12-2, A RESOLUTION TO SET MILL LEVIES. BRADLEY SECONDED. MOTION CARRIED.

BRADLEY MOVED TO APPROVE RESOLUTION NUMBER 2022-12-3, A RESOLUTION TO APPROPRIATE SUMS OF MONEY. SAMMONS SECONDED. MOTION CARRIED.

BUSINESS ITEMS: Discussion and Action on renewal of property and liability insurance. Rosene has received the new insurance policy and asked for a motion to renew the property, liability and automobile insurance program with Gallagher for 2023. He has not received the invoice yet.

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SAMMONS MOVED TO RENEW THE INSURANCE POLICY WITH GALLAGHER FOR 2023. HELLER SECONDED. MOTION CARRIED.

Discussion and Action on Town of Kremmling use of the District's Kremmling Mercantile easement for a pathway: Hassler reviewed the easement agreement for our sewer main across the Mercantile property where the town would like to put a paved trail. He felt that we should do a letter to the town to grant permission for the trail with the caveat that they would be responsible for any repairs or replacement of the trail surface if we needed to work on our sewer main.

HASSLER MOVED TO ISSUE WRITTEN PERMISSION TO THE TOWN OF KREMMLING AUTHORIZING USE OF THE SURFACE OF OUR EASEMENT ON THE KREMMLING MERCANTILE PROPERTY IN ACCORDANCE WITH THE EASEMENT AGREEMENT; AND THAT THE TOWN WOULD BE LIABLE FOR ANY REPAIRS TO THE TRAIL SURFACE IF THE DISTRICT NEEDED TO REPAIR OUR SEWER MAIN. SAMMONS SECONDED. MOTION CARRIED.

Discussion and Action on participation in FAMILI program: Rosene said he is recommending that the district decline participation in the FAMILI program. He has found that most special districts have opted out of the program as they offer similar or better paid leave benefits. He felt that the district should wait and see how the program works as the district can opt in at any time in the future.

HASSLER MOVED TO ADOPT RESOLUTION NUMBER 2022-12-4, A RESOLUTION DECLINING ANY AND ALL EMPLOYER PARTICIPATION IN THE COLORADO PAID FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM. HELLER SECONDED. MOTION CARRIED.

Other Discussion: Hassler said he was pleased that we had a rate study in the budget so that we can go forward with tap fee rate adjustments based on good data, not just a guess or using an inflation factor. Other districts have had complaints filed on fee increases without a sound, factual basis.

Underbrink would like to get a group with a couple of board members and the manager to talk to the town on their possible plans for a new town hall building. He would also like to prepare a list of repairs and improvements to the building that should be considered based on that discussion.

Sammons said he will not be at the January board meeting due to stock show commitments.

ADJOURNMENT: SAMMONS MOVED TO ADJOURN AT 8:20 PM. BRADLEY SECONDED. MEETING ADJOURNED.

Signed:

/s/ Richard A. Rosene
Secretary