WEST MONTROSE SANITATION DISTRICT
RECORD OF PROCEEDINGS
October 21, 2026

The Board of Directors of the West Montrose Sanitation District met at the WMSD office located at 239 Chipeta Road. Kristi Harvey, President called the meeting to order at 7:02 p.m. Members of the Board present were Kristi Harvey, Michael Monell, Randall McBride, William Green, and William Merrel. Also in attendance were Aaron Brooks, Hyrum Webb, Cheryl Schmalz and Nathan Waldvogle.

VISITORS: None
PUBLIC COMMENT: None
CORRESPONDENCE: None

APPROVAL OF AGENDA: William Merrel made a motion to approve the agenda as presented. Michael Monell seconded the motion. Motion carried.

CONSENT AGENDA: Michael Monell made a motion to approve the Consent Agenda. William Merrel seconded the motion. Motion carried.

REPORTS:

1) **Financial & Office – Cheryl Schmalz and Hyrum Webb**
   A. **Financial Reports**
      i) Cheryl Schmalz reviewed the bills to be paid for the current month and the petty cash report. Ms. Schmalz pointed out the exam fees for Hyrum Webb and herself, the $455.36 for the telehandler rental for maintenance work at the treatment plant, and the $250 for Rexel for maintenance and repairs parts for the treatment plant. All other petty cash expenditures are normal and routine. Ms. Schmalz noted to the Board that all expenses on the Current Bills to be Paid are normal and routine.
      ii) Ms. Schmalz presented the Profit and Loss and Balance Sheets thru September 2026 or nine months of the year. Ms. Schmalz also presented and discussed the Budget Comparison report through the first nine months of the year, noting that Operating Revenues are at 73% of what was budgeted, Non-Operating Revenue is at 94% and with the payment from Mr. Luna for his approved residential tap, Capital Contributions are at 480% of what was budgeted. Overall, all departments were well under budget.
         (1) Michael Monell made a motion to approve the financial reports through September 30, 2026. William Green seconded the motion. Motion carried.
      iii) Ms. Schmalz presented to the Board the references for potential auditors Blair and Associates and Haynie CPAs. Both companies were highly recommended by their references. Ms. Schmalz emphasized the need to make a decision soon, as the new auditor would need to present his Letter of Engagement by the December 16, 2026 Board meeting.
         (1) Michael Monell made a motion to hire Blair and Associates to replace the retiring Don Moreland as the District's auditor for 2026 audit. William Green seconded the motion. Motion carried
      iv) Hyrum Webb presented the proposed budget noting an increase in the health insurance expense, the combining of the Repairs & Maintenance-Collection and Repairs & Maintenance-CCTV into one expense account, and the addition of a Tools expense account. Mr. Webb also informed the Board that the Public Notice of Proposed Budget would be submitted to the Montrose Daily Press for publication in the October 24, 2026 newspaper. Cheryl Schmalz noted that the Certification of Values from Montrose County had been received for 2027 and that the draft of the 2027 Mill Levy had been completed and sent to Don Moreland for review. Mr. Moreland found no errors and if there are no changes in property valuations, the Certification of Tax Levies would be finalized and

submitted to the Montrose County Commissioners by December 14, 2026. Mr. Webb reviewed the 2027 Budget Calendar and noted that the District staff were on schedule with all deadlines at this time.

v) Hyrum Webb presented to the Board a proposal to split costs of health insurance premiums with staff that had a spouse or family on their plans. The cost splits for premiums would be either a 75/25 or a 70/30 cost split depending on the insurance plan chosen by employees during open enrollment.
   (1) Michael Monell made a motion to approve the Employee Health Insurance Benefits premium cost splits as presented. William Green seconded the motion. Motion carried

2) <u>Treatment Facility Report – Nathan Waldvogle</u>

i) Nathan Waldvogle presented the Board with the treatment plant section of the Facility report for the month of September, 2026. Mr. Waldvogle reported that the monthly average influent flow for September was 0.32 MGD, or approximately 46% of the facility's hydraulic capacity of 0.7 MGD. The yearly accumulation of influent is 3% lower than 2020, which, along with 2021 were similarly low flow years. All lab analysis were conducted in-house. Results for September were normal and within compliance of the District's discharge permit limits.

ii) Mr. Waldvogle reported on the repairs that were happening at the treatment plant to the Board. The supernatant pump replacement is briefly holding for Cogent to receive the new pump and to schedule the lift station retrofit installation. Mr. Waldvogle reported that the second of two replacements for the flawed Lagoon 3 aerator floats from Aqua Aerobics was received and installed. A telehandler was rented from Black Dog Equipment to place the floats/aerators into their working locations. Mr. Waldvogle informed the Board that coordination was made with Canyon Creek Electric to test a Lagoon 1 aerator motor while the telehandler was on site. Canyon Creek Electric confirmed that the treatment plant's electrical infrastructure is solid but the motor itself is somewhat weak. The aerator's location was swapped with another aerator in lagoon 2. The weaker aerator will now reside in a lagoon that contains less solids to work against.

iii) Mr. Waldvogle presented to the Board the September septage receiving report. Loads – 12; Gallons – 13,727; Revenue - $3,431.75. 10 loads came from Montrose County, 1 load from Ouray County, and 1 load from San Miguel County.

3) <u>Manager's Report – Hyrum Webb</u>

i) Hyrum Webb informed the Board that it was decided to keep CSAFE as the operational investment account and to move $657,806.00 to CSLIP as the capital funds investment account. Mr. Webb reported that after reviewing all audits from 1974 to 2025, he determined this amount equates to the "capital funds" that the District has on hand.
   (1) William Merrel made a motion to transfer $687,806.00 from the CSAFE operational account to the CSLIP capital funds account. William Green seconded the motion. Motion carried

ii) Hyrum Webb presented to the Board the SGM Engineering Contract for Professional Services. Mr. Webb informed that Board that Aaron Brooks had reviewed and approved the wording of the contract. This is an on-call contract that allows the District to be supported by professional services from SGM. The contract will also allow the District to complete specifically stated "tasks" as they come up as well.
   (1) William Green made a motion to accept the SGM Contract for Professional Services as presented. Randall McBride seconded the motion. Motion carried

iii) Hyrum Webb presented to the Board several options for delivering the public notice on the proposed rate increase and the hearing that will take place at the December 16, 2026 Board meeting. The decision was made to send an informational mailer with a link to the website for more information. Mr. Webb will start working with the print shop for design and address list requirements.

4) **Legal Counsel Report**
None

5) **Upcoming Meeting Dates**

A. Board Meeting	November 18, 2026	7:00 p.m.
B. Public Hearing for the 2027 Budget	November 18, 2026	7:00 p.m.
C. Christmas Dinner	December 2026	TBD

OTHER:

ADJOURNMENT: Having no other business to come before the Board, Kristi Harvey asked for a motion to adjourn the Board meeting for Wednesday, October 21, 2026.

At 8:18 p.m., Michael Monell made a motion to adjourn the meeting. William Merrel seconded the motion. Motion carried.

Respectfully submitted

Cheryl Y Schmalz