

MINUTES
KEN-CARYL RANCH WATER AND SANITATION DISTRICT
February 18, 2026

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE KEN-CARYL RANCH WATER & SANITATION DISTRICT was held on February 18, 2026 at 8:00 a.m. in person and by telephone and video conference, pursuant to notice given to each Director and posting of notice as required by law. The Directors in attendance were David Thurston, Jeff Nesheim, Mike Spalding, and Philip Varley. All Directors in attendance were present in the District conference room. Also present in the District conference room were District Manager, Lou Vullo, Office Manager, Kim Sturgeon; Debbie Seagraves, as the liaison to the District from the Ken-Caryl Ranch Master Association; and attorney, Kylie Crandall, was in attendance by telephone conference. Noting that a quorum existed, Director Varley brought the meeting to order at 8:00 a.m.

Chairman Bud Becker provided advance notice of his inability to attend and was absent from the meeting. Upon motion by Director Thurston, seconded by Director Nesheim, and unanimously approved, Chairman Becker's absence was excused. Director Varley acted as chair for the meeting.

1. Board Disclosure of Potential Conflicts. No new or potential conflicts of interest, or changes in previously reported conflicts, were reported.

2. Executive Session. Upon a motion made by Director Thurston and seconded by Director Nesheim, the Board entered executive session for purposes of obtaining legal advice. Upon a motion by Director Spalding that was seconded by Director Nesheim, the Board concluded the executive session and returned to the regular Board meeting.

3. Public Comment. There was no public comment.

4. Minutes of the January 21, 2026 Regular Meeting of the Board. The Board reviewed the minutes from the January 21, 2026 regular meeting of the Board. Following a motion by Director Thurston that was seconded by Director Nesheim, the minutes were unanimously approved.

5. Accounts Payable for January 2026. Mr. Vullo presented the Accounts Payable list to the Board for review. There being no further comments, the Accounts Payable list was approved by the Board, following a motion and a second by Directors Nesheim and Spalding.

6. January 2026 Financial Statements. Mr. Vullo presented the January 2026 Financial Statements to the Board for review. Following a discussion by the Board, the Financial Statements were accepted by the Board upon a motion and a second by Directors Nesheim and Thurston.

7. Revised Fee Schedule. Ms. Sturgeon presented the revised fee schedule for the District. Following a motion and second by Directors Thurston and Nesheim, the Board approved and adopted the revised fee schedule.

8. District Policy Nos. 24 and 25. Mr. Vullo and Ms. Sturgeon presented the Board with District Policy Nos. 24 and 25 for review and consideration. After discussion, the Board recommended updates to Policy No. 25 to increase the minimum threshold requiring legal service for contracts to address inflation and general increase in contracting costs and fees.

9. Manager's Report. Mr. Vullo presented the Manager's report to the Board.

10. Capital Projects. Mr. Vullo provided a brief update on the timing and progress of ongoing capital projects.

11. Other Matters. Mr. Vullo followed up with the Board on a tap fee study update. The Board authorized the District to move forward with the tap fee study update upon a motion by Director Thurston that was seconded by Director Nesheim.

12. Adjourn. There being no other matters to come before the Board, and following a motion by Director Thurston that was seconded by Director Nesheim, the meeting was adjourned at 9:08 a.m.

Secretary