Board of Trustees Workshop and Meeting Agenda

Monday, July 13, 2026 at 4:30 p.m.

Town Hall Board Room - 1026 Park Avenue

The Town of Grand Lake upholds the Six Pillars of Character:
Citizenship, Trustworthiness, Respect, Responsibility, Fairness and Caring

Please join my meeting from your computer, tablet or smartphone.
https://us06web.zoom.us/j/85296202565

You can also dial in using your phone.
United States: 719-359-4580
Meeting ID: 852 9620 2565

Work Session 4:30 p.m.

2. Call to Order

3. Roll Call

4. Conflicts of Interest

5. Items of Discussion

A. Colorado Wildfire Resiliency Code (CWRC) — Trustee Discussion and Briefing

B. 2025 Town of Grand Lake Audit Presentation

Evening Meeting 6:00 p.m.

7. Call to Order

8. Pledge of Allegiance

9. Announcements

10. Roll Call

11. Conflicts of Interest

12. Mayor's Report

13. Manager's Report

A. July 13, 2026

14. Public Comments (Limited to 3 Minutes)

15. Consent Agenda

A. Accounts Payable

16. Items of Discussion

A. 2025 Audited Financial Statements — Approval and Presentation by Dazzio & Associates, PC

B. Resolution No. 62-2026 — Authorizing Cash Account and Safe Deposit Box Signers

C. **[Quasi-Judicial]** Grand Arts Council Special Event Liquor Permit Application and Resolution No. 55-2026

D. Colorado AeroLab Special Event Permit Application and Resolution No. 56-2026

E. Colorado AeroLab Special Event Permit Application and Resolution No. 57-2026

F. Grand Arts Council Special Event Permit Application and Resolution No. 58-2026

G. Peaks 'n Pines Quilt Guild Special Event Permit Application and Resolution No. 59-2026

H. Friends of Grand County Library Special Event Permit Application and Resolution No. 60-2026

I. Code Amendment Package — Ordinances Nos. 04–23-2026 — First Reading

J. Appointment of Town Representative to the Grand County Historic Preservation Board and Resolution No. 63-2026

K. Proposition 123 Affordable Housing Expedited Review Process and Resolution No. 64-2026

L. 2026 Grand Lake Clarity Stakeholders' MOU — Authorization to Execute

M. W. Portal Road Pedestrian Crosswalk at County Road 663 — Authorization to Proceed

17. Future Items for Consideration

18. Adjourn Meeting

TOWN OF GRAND LAKE
STAFF REPORT

TO: Mayor Bergquist & Town Trustees **FROM:** Steve Kudron, Town Manager **DATE:** July 13, 2026

ACTION TYPE: ☑ Action Requested ☐ Information Only

RE: Colorado Wildfire Resiliency Code (CWRC) — Trustee Brief and Direction to Adopt

BOTTOM LINE: Adoption of the Colorado Wildfire Resiliency Code (CWRC) is a state mandate under SB23-166 — it is not a choice. The adoption deadline was October 1, 2025. Grand Lake has not adopted. We are out of compliance with state law. This brief provides trustees with the factual basis to direct adoption this session.

KEY TAKEAWAY

The question before the Board is not whether to adopt the CWRC — the statute requires it. The question is how quickly Grand Lake can come into compliance and how well we implement it.

1. WHAT THE COLORADO WILDFIRE RESILIENCY CODE REQUIRES

The CWRC was created by SB23-166 and became effective July 1, 2025, codified as 8 CCR 1507-39. It establishes minimum wildland-urban interface (WUI) construction standards for new buildings and substantial additions in Colorado WUI zones.

Two-Tier Classification System

Requirement	Class 1 — Low Intensity	Class 2 — Moderate/High Intensity
Roofing	Class A roofing required	Class A roofing required
Vents	Ember-resistant vents	Ember-resistant vents
Gutters	Noncombustible gutters	Noncombustible gutters
Exterior Walls	Standard (no upgrade)	Fire-resistant walls required
Eaves	Standard (no upgrade)	Fire-rated eaves required
Decking	Standard (no upgrade)	Noncombustible decking required
Glazing	Standard (no upgrade)	Tempered glazing required
Doors	Standard (no upgrade)	Solid-core doors; ember-resistant garage doors
Defensible Space	0–5 ft Zone 1 clearance	Full 100 ft defensible space required

Note: Class 1 requirements apply to parcels in low-intensity WUI fire zones. Class 2 requirements apply to moderate/high-intensity WUI fire zones as mapped by DFPC.

2. WHY THIS MATTERS MORE FOR GRAND LAKE

Grand Lake faces an outsized wildfire threat compared to most Colorado municipalities:

- The entire town is located within the WUI — we are not partially in it.
- Grand Lake is surrounded by Rocky Mountain National Park (RMNP) on three sides, with limited egress routes.
- Our housing stock is predominantly pre-2000 wood-frame and log construction — the most combustible building types.
- We are at elevation in a high-wind corridor with periodic extreme drought conditions.

East Troublesome Fire — October 2020

- Area burned: 193,812 acres (second-largest in Colorado history)
- Structures destroyed: 366 homes and 186 outbuildings in Grand County
- Proximity to Grand Lake: fire perimeter reached the eastern edge of town
- Trigger: wind-driven crown fire under red-flag conditions; fire moved 10+ miles in under 2 hours

3. OUR LEGAL POSITION

The CWRC adoption deadline was October 1, 2025. Grand Lake has not adopted. We are in statutory non-compliance.

Consequences of Non-Compliance

- Statutory violation: Failure to enforce a mandatory state code creates direct liability exposure for the Town.

- Tort liability: Should a fire-related loss occur on a structure built without CWRC compliance, the Town faces potential negligence claims for failure to enforce a mandatory code.
- Insurance market deterioration: Insurers are actively tracking WUI municipal compliance. Non-compliance accelerates coverage reduction and premium increases.
- Reduced grant access: DFPC and FEMA hazard mitigation grants increasingly require demonstrated code compliance.
- There is no opt-out provision in SB23-166.

3a. Can Grand Lake Opt Out?

Short answer: NO.

- SB23-166 contains no exclusion provision for WUI municipalities regardless of size or existing code status.
- There is no waiver process available under the statute.
- The Wildfire Resiliency Code Board (WRCB) petition process covers map and parcel classification disputes, not code exemptions.
- Grand County Building and Sanitation is our contracted Authority Having Jurisdiction (AHJ). There is no alternative AHJ available.
- Grand Lake's IGA with Grand County does not override the state mandate — it is the delivery mechanism for it.

What the Town CAN Do

- Petition DFPC for parcel reclassification if specific parcels are mis-classified on the WUI intensity map.
- Adopt standards more protective than the CWRC minimums where local conditions warrant.
- Influence the Grand County IBC update cycle through the Intergovernmental Agreement (IGA) process.
- Seek a code variation petition with DFPC for specific, documented local conditions.

Bottom line: The Town's discretion is HOW to implement the CWRC, not WHETHER to implement it.

4. COST IMPLICATIONS

4a. Construction Cost Impact (New Construction Only — Not Retrofit)

The CWRC applies to new construction and substantial additions only. It does not require retrofit of existing structures.

Component	Standard Cost	Fire-Resistant Premium
Class A roofing	Baseline	Negligible — cost-competitive with standard asphalt
Ember-resistant vents	$5–15 each	$20–50 each; ~$200–2,000/home
Fiber cement siding	Baseline	+$3–5/sq ft; ~$3,000–8,000/home
Composite decking (Class 2)	Baseline	+$8–15/sq ft; ~$5,000–20,000/deck
Tempered windows (Class 2)	Baseline	+$50–150/window
Defensible space clearing	N/A	$1,000–5,000 one-time

Overall premium: 3–15% on new construction cost. On a 1,500 sq ft home at $300/sq ft ($450,000 base), CWRC adds approximately $13,500–$67,500 in materials. For comparison, average East Troublesome home replacement cost exceeded $400,000 — exclusive of land, permitting delays, and displacement costs. CWRC compliance is a fraction of the loss exposure.

4b. Municipal Administrative Costs

Item	Cost / Notes
IGA amendment with Grand County	One-time staff and attorney effort, estimated $5,000–8,000
Inspector training	Free via DFPC WUI Inspector Training Program (~16–24 hours per inspector)
Permit fee surcharge	$200–500 per permit to recover added CWRC review time; self-funding
DFPC technical assistance	Free — available to all adopting municipalities
Estimated ongoing town admin cost	$10,000–20,000/year, primarily fee-recoverable

5. CULTURAL IMPLICATIONS

Anticipated Community Concerns

- Property rights: Residents may view added construction requirements as government overreach.
- Aesthetic concerns: Fear that fire-resistant materials will alter the rustic mountain character of Grand Lake.
- Housing affordability: Additional construction costs may deter workforce housing development.

- Contractor learning curve: Local contractors will need time to become familiar with new material specifications and inspection requirements.

Our Response

- East Troublesome fundamentally shifted community sentiment about fire risk in Grand Lake. Residents who lived through October 2020 understand viscerally what is at stake.
- Modern fire-resistant materials are not aesthetically incompatible with mountain character. Metal roofing, fiber cement siding, and composite decking are widely used in high-end mountain construction.
- Adoption should be positioned as a community commitment to resilience and to protecting what Grand Lake residents and property owners have built here.

6. GRAND COUNTY'S ROLE AS CONTRACTED BUILDING INSPECTOR

Grand County Building and Sanitation is the Authority Having Jurisdiction (AHJ) for all building permits in Grand Lake under a long-standing Intergovernmental Agreement (IGA). The Town does not have its own building department. This IGA structure is both an asset and a constraint for CWRC implementation.

Action Required	Why Needed	Who Leads
Amend IGA to cover CWRC scope	Without amendment, county has unclear enforcement authority for new WUI standards	Town Manager + Grand County
Add indemnification language	CWRC Section 104.8: town bears defense obligation; county needs contractual protection	Town Attorney + County Counsel
Inspector WUI training	Inspectors need competency in ASTM E84, E108, E2886, and defensible space standards	Grand County + DFPC
Adopt DFPC WUI map or petition for adjustment	Each parcel must be assigned a fire intensity classification (Class 1 or Class 2)	Town Planner
Update permit fee schedule	CWRC compliance review adds 2–4 hours per permit on average	Town Manager + Grand County
Specify appendices in ordinance	Appendices A, B, and C apply only if explicitly adopted by the municipality	Town Attorney

7. ADOPTION VS. NON-ADOPTION

Factor	Adopt CWRC	Do Not Adopt
Legal	Comes into compliance with SB23-166 and 8 CCR 1507-39	Ongoing statutory non-compliance; growing tort exposure
Safety	New structures built to minimum defensible standard; incremental risk reduction	Combustible new construction continues; no improvement in fire survivability
Insurance	Demonstrates due diligence to municipal insurers; supports property owner coverage	Continued deterioration of coverage availability and affordability
State Resources	Full access to DFPC grants, technical assistance, and pre-disaster mitigation funding	Potential ineligibility for DFPC and FEMA hazard mitigation grants
Culture	Demonstrates leadership and community commitment to resilience	Signals complacency; contradicts stated community values on fire risk

8. TOWN MANAGER RECOMMENDATION

Full adoption of the CWRC, including Appendices A, B, and C. Immediately.

Appendix A (Defensible Space), Appendix B (Existing Building Voluntary Standards), and Appendix C (Community Wildfire Protection Plan Integration) are not automatically adopted — they require explicit language in the enacting ordinance.

How to Do It Well

- Engage Grand County Building and Sanitation immediately to begin IGA amendment drafting and inspector training coordination.
- Direct Town Attorney to prepare enacting ordinance language explicitly adopting Appendices A, B, and C and specifying the DFPC WUI intensity map as the operative classification document.
- Direct Town Planner to review and, if needed, petition DFPC for any parcel classification adjustments before ordinance effective date.
- Establish a CWRC informational page on the Town website and prepare a plain-language one-pager for property owners and contractors.
- Set a permit fee surcharge to recover the added inspection cost so adoption is cost-neutral to the general fund.

9. RECOMMENDED NEXT STEPS

Action	Target	Lead
Board motion to direct adoption and drafting of enacting ordinance	This meeting	Board of Trustees
Town Attorney drafts enacting ordinance with Appendices A, B, and C	30 days	Town Attorney
Town Manager initiates IGA amendment discussions with Grand County	30 days	Town Manager
Town Planner reviews DFPC WUI parcel map for Grand Lake	45 days	Town Planner
Town Attorney adds CWRC indemnification language to IGA draft	45 days	Town Attorney + County Counsel
Grand County schedules inspector WUI training with DFPC	60 days	Grand County
Town Manager prepares updated permit fee schedule for Board approval	60 days	Town Manager
First reading of enacting ordinance	60 days	Board of Trustees
Property owner and contractor informational materials published	75 days	Town Manager
Second reading and adoption of enacting ordinance	90 days	Board of Trustees
IGA amendment signed with Grand County	90 days	Town Manager
CWRC effective date for new permit applications	Upon ordinance effective date	Grand County Building

10. DISCUSSION QUESTIONS FOR THE BOARD

- Does the Board wish to direct adoption of the CWRC, including Appendices A, B, and C, effective upon ordinance passage?
- Are there specific parcels or areas within Grand Lake where the Board believes the DFPC fire intensity classification may be incorrect and should be petitioned for reclassification?

- What is the Board's direction on permit fee surcharges to offset municipal CWRC administration costs?
- Does the Board want a community engagement session prior to second reading of the ordinance, or does the urgency of compliance warrant a condensed timeline?
- Are there specific provisions or appendices where the Board wants legal counsel to seek a code variation petition with DFPC?

11. KEY CONTACTS AND RESOURCES

Contact / Resource	Role	Information
Aaron Johnson, DFPC WUI Program Manager	CWRC technical assistance and code interpretation	aaron.johnson@state.co.us | (720) 852-6600
Kim McDonald, DFPC Inspector Training	WUI inspector training coordination	kim.mcdonald@state.co.us | (720) 852-6600
DFPC WUI Code Education Team	General code assistance	dfpc.colorado.gov | (720) 852-6600
Grand County Building and Sanitation	AHJ for Grand Lake building permits	970-725-3347 | grandcountybuilding.org
Grand County Wildfire Council	Local mitigation planning, community education, grant coordination	Contact via Grand County Emergency Management
DFPC Home Hardening Grant Program	Cost-share grants for fire-resistant construction in WUI	dfpc.colorado.gov/home-hardening

“This community survived East Troublesome. We have an obligation to build forward with that knowledge.”

Sources: SB23-166 (2023 Colorado Legislative Session); 8 CCR 1507-39 (Colorado Wildfire Resiliency Code, effective July 1, 2025); DFPC WUI Program materials; Colorado Division of Insurance WUI reports; FEMA Hazard Mitigation Program guidance; East Troublesome Fire After-Action Reports (Grand County OEM, 2021).

TOWN OF GRAND LAKE
BOARD OF TRUSTEES

ORDINANCE NO. XX-2026

AN ORDINANCE OF THE TOWN OF GRAND LAKE, COLORADO ADOPTING THE COLORADO WILDFIRE RESILIENCY CODE (CWRC); ADOPTING THE 2021 INTERNATIONAL WILDLAND-URBAN INTERFACE CODE; ESTABLISHING THE WILDLAND-URBAN INTERFACE (WUI) AREA; DESIGNATING THE AUTHORITY HAVING JURISDICTION; ESTABLISHING FEES; AND PROVIDING FOR RELATED MATTERS

WHEREAS, the Town of Grand Lake, Colorado (the "Town") is a statutory municipality duly organized and existing under the laws of the State of Colorado, with authority to adopt ordinances for the health, safety, and welfare of its citizens; and,

WHEREAS, the Town is situated within Grand County, Colorado, in a region characterized by dense coniferous forest, steep terrain, and extreme wildfire risk, as documented in multiple federal, state, and county wildfire risk assessments; and,

WHEREAS, the Colorado General Assembly has enacted C.R.S. Section 24-33.5-1220 et seq., establishing the Community Wildfire Risk Classification (CWRC) system administered by the Colorado Division of Fire Prevention and Control (DFPC), which provides a standardized framework for assessing and classifying wildfire risk within communities; and,

WHEREAS, the Town participated in the Grand County Community Wildfire Protection Plan (CWPP) process and has identified Wildland-Urban Interface (WUI) areas within and adjacent to Town boundaries where structures and vegetation intermingle, creating heightened wildfire risk; and,

WHEREAS, the 2021 International Wildland-Urban Interface Code (IWUIC), as amended and as adopted by reference herein with local amendments, provides comprehensive construction, vegetation management, and defensible space standards appropriate for high-risk WUI areas; and,

WHEREAS, the Board of Trustees finds that adopting the CWRC system and IWUIC will reduce loss of life and property, protect emergency responders, reduce suppression costs, and protect the natural environment and community character of Grand Lake; and,

WHEREAS, the Town desires to designate Grand County Building and Sanitation as the Authority Having Jurisdiction (AHJ) for purposes of CWRC inspections and IWUIC enforcement, and to formalize this arrangement through an Intergovernmental Agreement (IGA) with Grand County; and,

WHEREAS, the Board of Trustees held a duly noticed public hearing on this Ordinance, received public testimony, and finds that the adoption of this Ordinance is in the best interests of the public health, safety, and welfare of the Town and its residents;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO:

SECTION 1. ADOPTION OF COLORADO WILDFIRE RESILIENCY CODE

1.1 The Board of Trustees hereby adopts and incorporates by reference the Colorado Wildfire Resiliency Code (CWRC) established by the Colorado Division of Fire Prevention and Control (DFPC) pursuant to C.R.S. Section 24-33.5-1220 et seq., as the official wildfire risk classification framework for the Town of Grand Lake.

1.2 The Board of Trustees further adopts the 2021 International Wildland-Urban Interface Code (IWUIC), published by the International Code Council, with such local amendments as set forth herein, as the minimum construction and fire safety standard applicable within the designated WUI area.

1.3 One (1) copy of the CWRC documentation and the 2021 IWUIC, with all adopted amendments, shall be maintained on file in the office of the Town Clerk and shall be available for public inspection during regular business hours.

SECTION 2. APPLICABILITY AND SCOPE

2.1 This Ordinance shall apply to all real property located within the incorporated boundaries of the Town of Grand Lake that falls within the designated Wildland-Urban Interface (WUI) area, as depicted on the WUI Map adopted pursuant to Section 3 of this Ordinance.

2.2 The requirements of this Ordinance shall apply to: (a) all new construction of structures within the WUI area; (b) substantial improvements to existing structures within the WUI area, where the cost of improvement equals or exceeds fifty percent (50%) of the assessed market value of the structure; (c) all vegetation management and defensible space requirements applicable to existing and new structures within the WUI area; and (d) any other activity regulated by the 2021 IWUIC as adopted herein.

2.3 Nothing in this Ordinance shall be construed to limit the authority of the Town to impose more stringent requirements than those set forth in the CWRC system or the 2021 IWUIC, nor shall this Ordinance supersede any applicable state or federal law.

SECTION 3. WILDLAND-URBAN INTERFACE (WUI) MAP

3.1 The Board of Trustees hereby adopts the Wildland-Urban Interface Map for the Town of Grand Lake (the "WUI Map"), on file with the Town Clerk and incorporated herein by reference, which delineates the WUI area within the incorporated boundaries of the Town.

3.2 The WUI Map shall be reviewed and updated by the Board of Trustees no less frequently than every five (5) years, or more frequently upon a material change in conditions, including but not limited to the completion of a new Community Wildfire Protection Plan, a significant wildfire event, or an update to the DFPC CWRC mapping.

3.3 The Town Clerk shall maintain the current adopted WUI Map on file and shall make it available for public inspection. The WUI Map shall also be published on the Town website.

SECTION 4. AUTHORITY HAVING JURISDICTION AND INTERGOVERNMENTAL AGREEMENT

4.1 The Board of Trustees hereby designates Grand County Building and Sanitation as the Authority Having Jurisdiction (AHJ) for purposes of: (a) conducting CWRC inspections and assessments within the Town's WUI area; (b) issuing orders and notices of violation under the adopted IWUIC; and (c) reviewing and approving defensible space and vegetation management plans.

4.2 The Town Manager is hereby authorized and directed to negotiate and execute an Intergovernmental Agreement (IGA) with Grand County, consistent with C.R.S. Section 29-1-201 et seq., formalizing the designation of the AHJ, specifying the scope of services, inspection protocols, reporting requirements, and cost-sharing arrangements.

4.3 The IGA shall be brought before the Board of Trustees for ratification at the earliest practicable regular meeting following execution. The Town shall provide adequate funding for its obligations under the IGA in accordance with the annual budget process.

SECTION 5. FEE SCHEDULE

5.1 The Board of Trustees hereby authorizes the establishment of a fee schedule for CWRC inspections, IWUIC permits, and related services. The initial fee schedule shall be adopted by resolution of the Board of Trustees following the execution of the IGA with Grand County and prior to the effective date of mandatory compliance under this Ordinance.

5.2 Fees shall be established at a level reasonably calculated to recover the Town's costs associated with administering this Ordinance, including costs allocated under the IGA, and shall not exceed the actual cost of services provided.

5.3 The fee schedule shall be reviewed annually and may be amended by resolution of the Board of Trustees. All fees collected under this Ordinance shall be deposited in the Town's General Fund unless otherwise directed by the Board.

SECTION 6. PENALTY

6.1 Any person, firm, or corporation who violates any provision of this Ordinance or fails to comply with any order issued thereunder shall be guilty of a municipal infraction and, upon conviction, shall be subject to a fine of not less than One Hundred Dollars ($100.00) and not more than One Thousand Dollars ($1,000.00) per violation per day that the violation continues.

6.2 In addition to monetary fines, the Town may seek injunctive relief or such other equitable remedies as may be available under Colorado law to enforce the provisions of this Ordinance.

6.3 Each day that a violation continues after the issuance of a notice of violation shall constitute a separate offense. The remedies provided herein are cumulative and not exclusive of any other remedies available at law or equity.

SECTION 7. CODIFICATION

7.1 The Town Clerk is hereby directed to codify this Ordinance in the Grand Lake Municipal Code. This Ordinance shall be assigned a chapter and section designation consistent with the existing code structure, as determined by the Town Clerk in consultation with the Town Attorney.

7.2 The Town Clerk is further authorized to make such technical corrections to the code as may be necessary to ensure consistency and clarity, including correction of typographical errors and cross-references, without alteration of the substantive provisions hereof.

SECTION 8. SEVERABILITY

8.1 If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of this Ordinance.

SECTION 9. EFFECTIVE DATE

9.1 This Ordinance shall take effect thirty (30) days after final passage and publication, as required by Article XI, Section 2 of the Colorado Constitution and applicable provisions of Colorado statutes, unless declared an emergency measure pursuant to Section 10 hereof.

9.2 The mandatory compliance date for existing structures within the WUI area shall be no sooner than one hundred eighty (180) days following the effective date of this Ordinance, to allow property owners adequate time to achieve compliance with defensible space and vegetation management requirements. New construction and substantial improvements shall comply from the effective date.

SECTION 10. EMERGENCY PROVISION

10.1 The Board of Trustees hereby finds, determines, and declares that this Ordinance is necessary for the immediate preservation of the public health, safety, and welfare of the Town of Grand Lake and its residents due to the imminent and ongoing wildfire risk to life, property, and critical infrastructure within the Town's Wildland-Urban Interface area.

10.2 If this Ordinance is declared an emergency ordinance by an affirmative vote of three-fourths (3/4) of all members of the Board of Trustees, as authorized by C.R.S. Section 31-16-111, it shall take effect immediately upon passage and shall not be subject to referendum.

10.3 [NOTE TO BOARD: Emergency declaration requires separate motion and 3/4 supermajority vote. If not declared an emergency, delete this Section and Ordinance takes effect per Section 9.]

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS

(SEAL)

Votes Approving: ______
Votes Opposing: ______
Votes Abstaining: ______
Absent: ______

ATTEST:

Town of Grand Lake, Colorado

____

Alayna Carrell, Town Clerk
Town of Grand Lake, Colorado

____

Christina Bergquist, Mayor

Community Wildfire Risk Code

Adoption Decision Brief

Working Session — Town of Grand Lake Board of Trustees

Town of Grand Lake, Colorado

Presented by Steve Kudron, Town Manager

July 2026

Agenda

1. Bottom Line Up Front
2. East Troublesome Fire — Why This Matters
3. What Is the CWRC and Who Must Comply?
4. Legal Position — Can We Opt Out?
5. Cost Implications — New Construction
6. Cost Implications — Administrative Burden
7. Cultural & Community Dynamics
8. Grand County IGA Considerations
9. Recommendation & Next Steps

Bottom Line Up Front

1 **Adoption is legally required.**

Grand Lake is subject to the Colorado Wildfire Risk Code under state statute. Opting out is not a realistic legal option.

2 **The cost of non-compliance exceeds the cost of compliance.**

Insurance exposure, state infrastructure funding restrictions, and liability risk outweigh administrative burden.

3 **A phased implementation plan is achievable.**

Staff recommends adopting the CWRC with a 24-month implementation schedule and a Grand County IGA cost-sharing model.

East Troublesome Fire — Why This Matters

193,812

Acres burned
October 2020

2nd largest

In Colorado history
at time of fire

Grand Lake threatened

Entire town under
evacuation order

- Grand Lake sits in one of the highest wildfire risk zones in Colorado.
- The East Troublesome Fire demonstrated that rapid, wind-driven fire can overwhelm any community without mitigation.
- Post-fire analysis showed WUI (Wildland-Urban Interface) construction standards reduced structural loss significantly.
- Colorado's CWRC was developed directly in response to lessons from East Troublesome and Cameron Peak fires.
- Grand County has experienced three of Colorado's top-ten largest fires in the past decade.

CWRC Requirements — What Must Comply?

The Colorado Wildfire Risk Code establishes two compliance classes based on project type and scope.

Category	Class 1 — New Construction	Class 2 — Substantial Remodel (>50% value)
Ignition-resistant construction	Required — Class A roofing, ignition-resistant siding & decking	Required for affected assemblies being replaced
Defensible space	30-ft Zone 1, 100-ft Zone 2 landscaping standards	Required at permit application
Ember-resistant vents	All new vents must meet NFPA 2112 or equivalent	Required if vents replaced
Access & egress	Min. 20-ft road width, turnarounds per IFC	No change unless access modified
Addressing	Reflective address signs at driveway & structure	Required at final inspection
Sprinkler systems	Required for structures ≥5,000 sf or >2 stories	Not required unless scope triggers new sprinkler threshold

Legal Position — Can We Opt Out?

SHORT ANSWER: No. Colorado Revised Statutes §30-28-201 et seq. mandates CWRC adoption for all municipalities in designated WUI areas. Grand Lake is designated.

2021	2022	2023	2024	2025	2026
Colorado enacts CWRC via SB21-282	DOLA designates WUI municipalities including Grand Lake	Initial adoption deadline — 18 months from designation	Grand County adopts; IGA framework opens to municipalities	State compliance review period; municipalities risk funding loss	Current: Enforcement provisions active

Loss of DOLA Grants

Municipalities out of compliance risk disqualification from DOLA infrastructure and housing grants.

State Revolving Fund Restrictions

Non-adopting municipalities may be excluded from CWRPB loan programs for water/sewer infrastructure.

Insurance & Liability

Failure to adopt may expose the town to tort liability in the event of a wildfire loss attributable to substandard construction.

Building Permit Validity Risk

Permits issued under non-compliant code could be challenged; property sales may be impacted by title review.

Can Grand Lake Simply Opt Out?

NO

State Mandate

SB21-282 removes local opt-out authority for WUI-designated municipalities.

Preemption Doctrine

State code preempts local building codes in WUI areas on fire risk standards.

Grant Conditionality

DOLA and CWRPB funding is conditioned on CWRC compliance.

Insurance Market Signal

Colorado's admitted insurers have begun non-renewal in non-compliant jurisdictions.

Moral Obligation

The community has an ethical responsibility to reduce risk to life and property.

The question is not whether to adopt — it is how to implement efficiently and equitably.

Cost Implications — New Construction

2–5%

Typical cost increase for CWRC-compliant new construction vs. standard build

$8,000–$22,000

Estimated per-unit compliance cost on median Grand Lake new home ($650K)

Insurance Savings

IBHS data shows 15–30% premium reduction in compliant structures

Item	Standard Cost	CWRC-Compliant Cost	Δ Increase	Notes
Class A Roofing	$18,000	$21,500	+$3,500	Requires UL 2218 Class 4 shingles or metal
Ignition-Resistant Siding	$14,000	$17,200	+$3,200	Fiber cement replaces standard vinyl
Ember-Resistant Vents	$800	$1,400	+$600	NFPA 2112 or IntelloVent equivalent
Defensible Space Install	$2,500	$5,500	+$3,000	Includes initial landscaping to zone spec
Address Signage	$150	$350	+$200	Reflective 4" letters, NFPA 1 compliant
Sprinkler (if triggered)	$0	$18,000–$28,000	Conditional	Only homes ≥5,000 sf or >2 stories
TOTAL (typical home)	**~$35,450**	**~$45,950**	**+$10,500**	**~2.5% of $430K construction cost**

Cost Implications — Administrative Burden

IGA Cost-Sharing Opportunity:

Grand County's existing CWRC program staff can serve Grand Lake under an IGA, reducing Town staff time to approximately 0.25 FTE.

Cost Category	Without IGA	With Grand County IGA	Notes
CWRC Plan Review (staff time)	1.0 FTE Building Official	0.15 FTE (Grand County reviews)	County does technical review
Inspections	0.5 FTE Inspector	0.05 FTE Coordination	County inspector handles field
Code Updates & Training	$8,000–$15,000/year	$1,500–$3,000/year	County maintains code currency
Software & Tracking	$5,000–$12,000 setup	Included in IGA fee	County platform access
Legal/Ordinance Adoption	$3,000–$8,000 (one-time)	$1,500–$3,000 (one-time)	Simplified via model ordinance
Annual IGA Fee	N/A	$12,000–$18,000/year	Negotiated based on permit volume
NET ANNUAL COST ESTIMATE	**~$120,000–$180,000**	**~$25,000–$35,000**	**~80% cost reduction via IGA**

Cultural & Community Dynamics

Property Rights Concerns

Many Grand Lake residents value local control and may perceive CWRC as state overreach. Messaging should emphasize community protection over regulatory compliance.

Builder & Contractor Capacity

Grand Lake's small contractor community will require training and lead time. Recommend a 90-day builder education period prior to enforcement.

Second-Home Owner Dynamics

Approximately 60% of Grand Lake parcels are vacation/investment properties. Non-resident owners may be less engaged but significantly impacted by construction cost increases.

Insurance Market Pressure

Many residents have already received non-renewal notices from State Farm, Allstate, and others. CWRC adoption is increasingly seen as a property value protection measure.

Short-Term Rental Economy

STR operators face potential renovation triggers. Staff should coordinate with VRBO/Airbnb community to develop a compliance guidance packet specific to rental property owners.

Fire-Adapted Community Movement

Grand Lake Fire District supports adoption. Community wildfire protection planning already underway provides a natural communication channel.

Grand County IGA — Key Considerations

1 Existing Framework

Grand County adopted the CWRC in 2023 and has operational staff, software, and inspection protocols in place. An IGA can leverage this infrastructure immediately.

2 Scope of Services

The IGA would cover plan review, field inspections, code compliance tracking, and annual reporting to the state. Grand Lake retains final permit authority.

3 Fee Structure

Annual IGA fee estimated at $12,000–$18,000 based on permit volume. Grand Lake collects building permit fees; net cost after fee revenue may be neutral to positive.

4 Liability Allocation

IGA should clearly define liability for inspection errors. Grand County carries E&O insurance for building department functions. Legal review recommended.

5 Termination Provisions

Recommend 12-month termination notice clause to allow Grand Lake time to build independent capacity if IGA relationship deteriorates.

6 Next Step

Staff to request a draft IGA from Grand County Building Department. Propose joint work session with Grand County Commissioners within 60 days of Board direction.

Adoption vs. Non-Adoption — Comparison

Factor	CWRC Adoption	Non-Adoption / Delay
Legal Compliance	Fully compliant with state statute	Non-compliant; subject to enforcement
DOLA Grant Eligibility	Eligible for all programs	Risk of disqualification
Insurance Market	Favorable; may attract new carriers	Continued non-renewal pressure
Construction Cost	2–5% increase on new builds	No immediate impact; deferred risk
Staff/Admin Cost	~$25–35K/yr with IGA	~$0 now; enforcement costs later
Community Safety	Demonstrable risk reduction	Status quo; increased liability
Property Values	Insurable properties retain value	Uninsurable properties decline
Developer Relations	Predictable, codified standards	Uncertainty; possible state preemption

Staff Recommendation

STAFF RECOMMENDS: Adopt the Colorado Wildfire Risk Code with a 24-month phased implementation and authorize the Town Manager to negotiate a Grand County IGA.

Adopt CWRC via Ordinance

Direct staff to draft a CWRC adoption ordinance for first reading within 60 days. Model ordinance available from DOLA.

Negotiate IGA with Grand County

Authorize Town Manager to negotiate terms with Grand County. Return to Board with proposed IGA within 90 days.

24-Month Phase-In

Class 1 (new construction) effective at ordinance passage. Class 2 (remodels) effective 12 months later. Full enforcement 24 months.

Community Education Campaign

Staff to develop a builder/owner guide, FAQ, and public outreach plan prior to enforcement effective date.

Implementation Timeline

Month	Milestone	Responsible Party	Notes
1–2	Board Direction; Authorize IGA Negotiation	Board of Trustees	This presentation
2–3	Draft CWRC Adoption Ordinance	Town Attorney + Staff	Use DOLA model ordinance
3	IGA Term Sheet to Board for Review	Town Manager	Requires County concurrence
3–4	1st Reading of CWRC Ordinance	Board of Trustees	Public comment period opens
4	Public Outreach — Builder/Owner Briefings	Staff + Fire District	At least 2 community sessions
4–5	2nd Reading & Adoption	Board of Trustees	Ordinance effective upon passage
5–6	IGA Executed with Grand County	Town Manager + County	Board approval of final IGA
6	Class 1 Enforcement Begins (New Construction)	Building Dept / County	Per IGA scope
9	Mid-Year Compliance Review	Staff	Report to Board
12	Fee Schedule Review & Adjustment	Finance + Staff	Based on permit volume actuals
18	Class 2 Enforcement Begins (Remodels)	Building Dept / County	12-month phase-in complete
24	Full CWRC Enforcement; State Compliance Report	Town Manager	Annual state reporting due

Discussion Questions for the Board

1. Does the Board support CWRC adoption as legally required and staff-recommended?

2. Does the Board authorize the Town Manager to negotiate an IGA with Grand County and return with a proposed agreement within 90 days?

3. What concerns do Trustees have about community reception and builder capacity that should inform the public outreach plan?

4. Are there specific provisions in the CWRC the Board would like staff to examine for local amendment requests (where state law permits)?

5. Does the Board wish to schedule a joint meeting with the Grand Lake Fire District Board to coordinate the community education campaign?

Key Contacts & Resources

Role / Organization	Contact	Phone / Email	Notes
Town of Grand Lake — Town Manager	Steve Kudron	skudron@toglco.com	Primary staff lead for CWRC
Grand County Building Department	TBD — Building Official	(970) 725-3347	IGA partner contact
DOLA — Local Government Division	Regional Manager	dola.colorado.gov/lgd	State compliance guidance
Colorado WUI Coalition	Executive Director	coloradowui.org	Technical assistance & training
Grand Lake Fire District	Fire Chief	GLFD main station	Community outreach partner
Colorado Division of Insurance	Consumer Services	(303) 894-7490	Insurance market questions

"A community that plans for wildfire is a community that survives it. The East Troublesome Fire was not a warning shot — it was a preview. The question is whether Grand Lake will be ready for the next one."

— Colorado Division of Fire Prevention & Control, 2022 After-Action Report

Questions? Contact:

Steve Kudron, Town Manager — Town of Grand Lake

skudron@toglco.com | (970) 627-3435

TOWN OF GRAND LAKE, COLORADO

Grand County, Colorado

Financial Statements

December 31, 2025

TOWN OF GRAND LAKE COLORADO

TOWN OF GRAND LAKE COLORADO

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Supplementary Information

Dazzio & Associates, PC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Trustees
Town of Grand Lake, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Grand Lake, Colorado (the Town), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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• Member American Institute of Certified Public Accountants • Member Colorado Society of Certified Public Accountants •

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages IV–XVI be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Dazzio & Associates, P.C.

July 13, 2026

MANAGEMENT’S DISCUSSION AND ANALYSIS

TOWN OF GRAND LAKE, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town's management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the fiscal year ended December 31, 2025. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The Town's assets exceeded its liabilities by $20,064,051 (net position) for the fiscal year reported.

- Total net position is comprised of the following:

  Net investment in capital assets in the amount of $12,881,711 including property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.

  Net position of $1,275,181 is restricted to parks and open space, debt service, capital projects, and emergency reserves.

  Net position of $5,907,159 which includes committed funds for attainable housing and the cemetery represents the portion available to maintain the Town's continuing obligations to citizens.

- Sales tax collections increased $112,734 or 3.53% from 2024.

- The Town's governmental funds (the General and Capital Improvement Funds) report a total ending fund balance of $3,933,221. The General Fund ending fund balance of $3,040,158 compares to the prior year ending fund balance of $3,978,069, a decrease of $937,911 during the current year. In 2025, $100,541 of the remaining unassigned General Fund balance was assigned to the 2026 budget. The Capital Improvement Fund was created in 2017 by voter approval of the sale of bonds to fund streetscape improvements primarily along Grand Avenue. The ending fund balance for this fund was $893,063 for 2025 compared to $992,624 in 2024.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Town also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available. All applicable tables will present comparative data for fiscal year 2025 versus fiscal year 2024.

Government-wide Financial Statements

The Town's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall financial status. Financial reporting at this level uses a perspective like that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the ***Statement of Net Position***. This presents information that includes all the Town's assets and liabilities, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Evaluation of the overall fiscal health of the Town would extend to other non-financial factors such as diversification of the taxpayer base or the condition of Town infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the ***Statement of Activities***, which reports how the Town's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the Town's distinct activities or functions on revenues provided by the Town's taxpayers.

Both government-wide financial statements distinguish the governmental activities of the Town that are principally supported by sales and use taxes from the business-type activities that are intended to recover all, or a significant portion, of their costs through user fees and charges. Governmental activities include general government, public safety, public works, parks and recreation, community services, and economic development. Business-type activities, through established Enterprise Funds, include the Water Department, the Marina, and the Pay-As-You-Throw ("PAYT") trash system.

The government-wide financial statements are presented in a later section of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The Town has two types of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is vastly different, with fund financial statements providing a distinctive view of the Town's governmental funds. These statements report short-term fiscal accountability, focusing on the use of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental funds balance sheet and the governmental funds operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental funds financial statements are presented in a later section of this report.

Proprietary funds are reported in the fund financial statements and report on services for which the Town charges customers a fee. The three Town proprietary funds: Water Fund, Marina Fund, and PAYT Fund are classified as Enterprise Funds. The Enterprise Funds encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the governmental activities of the Town as described above.

The basic financial statements for the three enterprise funds are presented in a later section of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are included in a later section of this report.

Supplementary Information

Budget to actual comparisons for the Capital Improvement Fund and the Enterprise Funds are presented in the supplementary section of this report, as well as the Local Highway Finance Report.

Financial Analysis of the Town as a Whole

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Town as a whole.

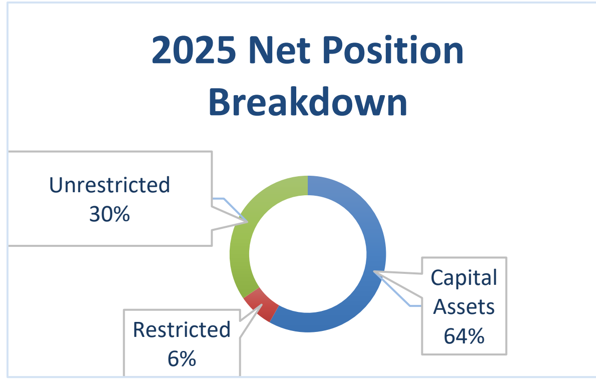
The Town's *combined* net position at fiscal year-end is $20,064,051. The following table provides a summary of the Town's net position for 2025, compared to 2024.

Net Position

	Governmental Activities		Business Type Activities		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Assets						
Current Assets	$ 7,206,384	$ 5,738,729	$ 3,392,095	$ 3,239,897	$ 10,598,479	$ 8,978,626
Capital Assets	16,679,642	14,317,112	1,755,585	1,886,866	18,435,227	16,203,978
Total Assets	23,886,026	20,055,841	5,147,680	5,126,763	29,033,706	25,182,604
Liabilities						
Current Liabilities	2,733,470	296,866	102,495	137,661	2,835,965	434,527
Long-Term	4,333,515	4,570,045	1,000,432	1,051,705	5,333,947	5,621,750
Total Liabilities	7,066,985	4,866,911	1,102,927	1,189,366	8,169,912	6,056,277
Deferred Inflows of Resources	799,743	739,645	-	-	799,743	739,645
Net Position						
Net Investment in Capital Assets	12,169,892	9,562,712	711,819	770,281	12,881,711	10,332,993
Restricted	1,121,719	1,159,637	156,462	191,598	1,278,181	1,351,235
Unrestricted	2,727,687	3,726,936	3,176,472	2,975,518	5,904,159	6,702,454
Total Net Position	$ 16,019,298	$ 14,449,285	$ 4,044,753	$ 3,937,397	$ 20,064,051	$ 18,386,682

Total assets were $29,033,706 in the current year, an increase of $3,851,102 from the prior year total of $25,182,604. Total liabilities of $8,169,912, an increase of $2,113,635 from the prior year total of $6,056,277. Total net position increased 9.12% in the current fiscal year.

Current assets totaled $10,598,479, an increase of $1,619,853 from the prior year. Current liabilities totaled $2,835,965, an increase of $2,401,438 when compared to 2024.



The largest portion of the Town's net position (64%) reflects its net investment of $12,881,711 in capital assets less the related outstanding debt used to acquire some of those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Grand Lake's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Town continues to maintain a high current ratio which compares current assets to current liabilities and is an indication of the ability to pay current obligations. The Town's current ratio of 4:1 is a sign of strong liquidity and financial stability.

The Town reported a net position of $16,019,298 for governmental activities. Tax revenue increased $109,311. Governmental activities expenses increased $1,319,829, mainly in administration and public works. The Water Enterprise Fund's net position increased $68,881 due to increased revenues from water sales and reductions in operating expenses. The net position for the Marina Enterprise Fund increased $77,444 due to decreased costs in operations. The Pay-As-You-Throw Enterprise Fund saw a net position decrease of $38,969 due to decreased revenues in bag sales.

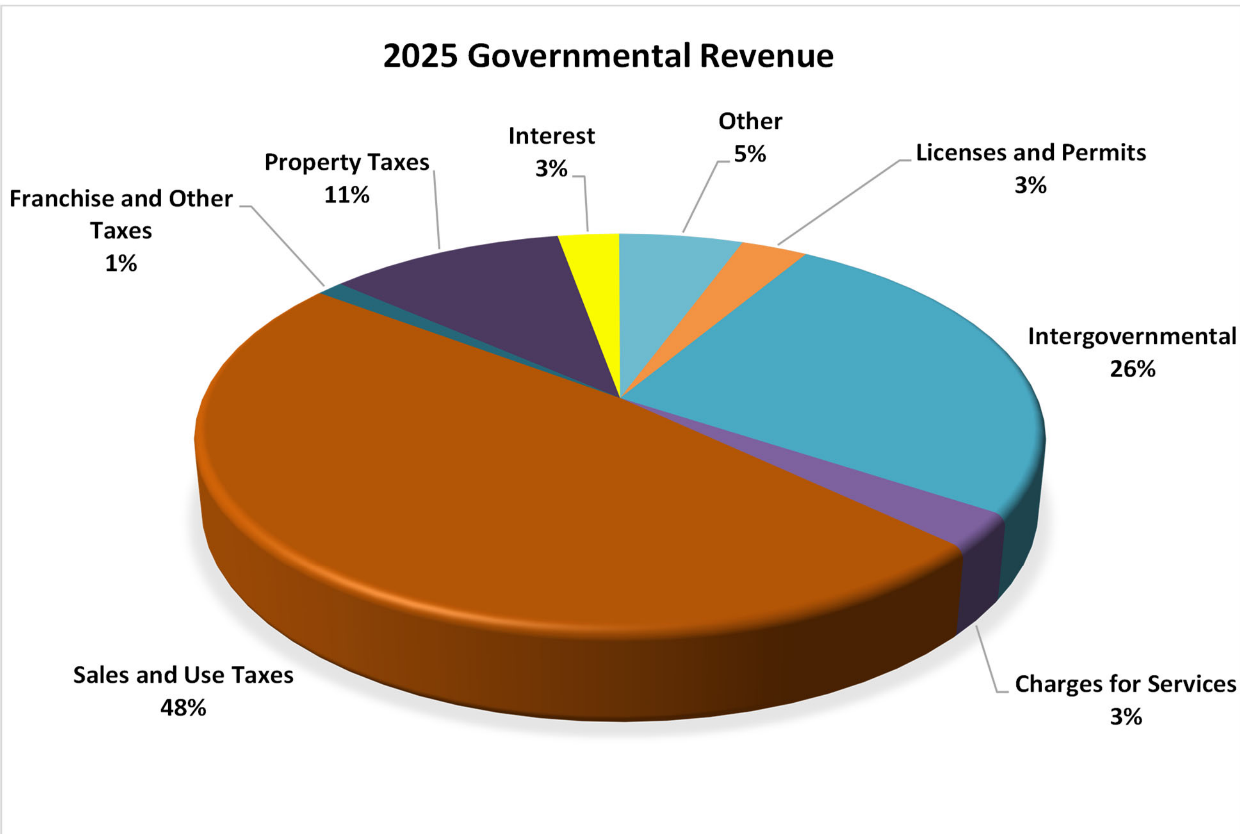
The following table provides a summary of the Town's changes in net position for 2025 with a comparison to 2024.

Changes in Net Position

	Governmental Activities		Business Type Activities		Total	
Revenues	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Program Revenues						
Permits, Fees, Fines and Charges For Services	$ 416,391	$ 344,003	$ 1,224,216	$ 1,218,682	$ 1,640,607	$ 1,562,685
Operating Grants and Contributions	81,135	81,057	-	-	81,135	81,057
Capital Grants and Contributions	2,153,444	79,399	12,500	29,449	2,165,944	108,848
General Revenues						
Taxes	4,374,691	4,265,380	-	-	4,374,691	4,265,380
Net Investment Income	200,969	216,263	100,092	116,752	301,061	333,015
Other	50,926	49,851	-	-	50,926	49,851
Gain (Loss) on Disposition of Assets	-	-	-	9,551	-	9,551
Transfers	-	(50,000)	-	50,000	-	-
Total Revenues	7,277,556	4,985,953	1,336,808	1,424,434	8,614,364	6,410,387
Expenses						
General Government	2,112,101	1,463,337	-	-	2,112,101	1,463,337
Public Safety	370,717	284,115	-	-	370,717	284,115
Public Works	2,510,859	1,881,877	-	-	2,510,859	1,881,877
Grand Lake Center	325,717	399,764	-	-	325,717	399,764
Parks	223,641	188,306	-	-	223,641	188,306
Interest/Related Costs on Long-term Debt	164,508	170,315	-	-	164,508	170,315
Water	-	-	770,359	917,531	770,359	917,531
Marina	-	-	379,066	518,633	379,066	518,633
PAYT	-	-	80,027	90,977	80,027	90,977
Total Expenses	5,707,543	4,387,714	1,229,452	1,527,141	6,936,995	5,914,855
Change In Net Position	1,570,013	598,239	107,356	(102,707)	1,677,369	495,532
Net Position - Beginning	14,449,285	13,851,046	3,937,397	4,040,104	18,386,682	17,891,150
Net Position - Ending	$ 16,019,298	$ 14,449,285	$ 4,044,753	$ 3,937,397	$ 20,064,051	$ 18,386,682

REVENUES – GOVERNMENTAL FUNDS

The Town relies heavily on sales and use taxes to support governmental operations. In 2025, sales and use taxes were 48% of total governmental funds revenues for the Town which decreased from the 2024 calculation of 71%. The decrease is mostly due to the increase in grant revenues received in 2025. Overall, governmental funds revenues increased by $2,178,082 or 43% when compared with 2024. Sales and use taxes decreased $102,712 or 3% in 2025.



EXPENSES – GOVERNMENTAL FUNDS

The expenses for governmental funds totaled $8,315,028, an increase of $3,784,658 from the prior year. The breakdown of expenses is:

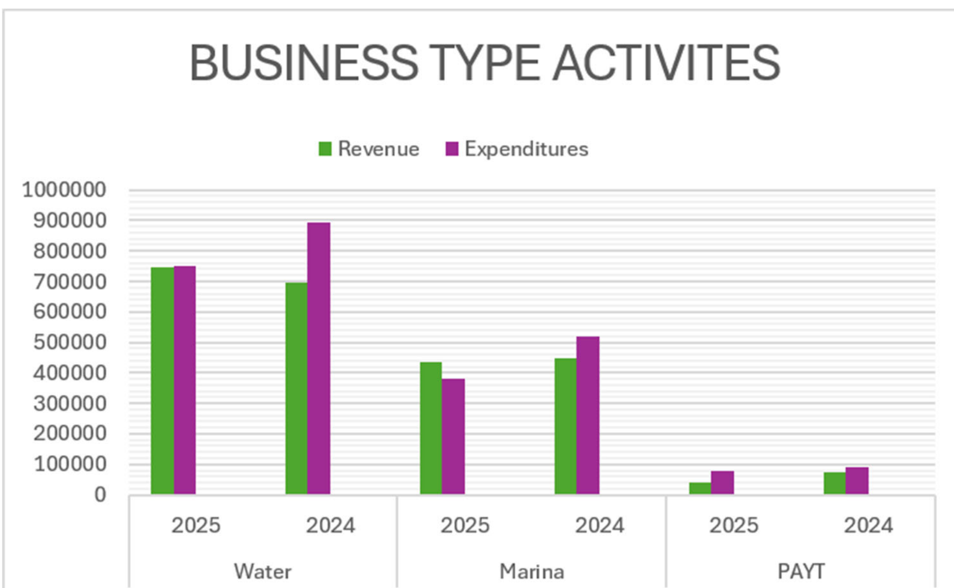
- Administration $1,724,040 (21%)
- Public Works $1,622,841 (20%)
- Capital Outlay $3,309,391 (40%)
- Grand Lake Center $319,754 (4%)
- Debt Service $409,483 (5%)
- Public Safety $370,717 (4%)
- Boards and Committees $376,050 (4%)
- Parks $182,752 (2%)

REVENUES AND EXPENSES - PROPRIETARY FUNDS

<u>Water Enterprise Fund</u>: Operating revenues increased $52,710 or 8% from the prior year. Operating expenses decreased $145,737 or 16%. This business-type activity reported an operating loss of $981 in the current year, compared to an operating loss of $199,428 in 2024. Increased revenue from water sales and decreased expenses in personnel and operations costs have contributed to the reduction in the operating loss.

<u>Marina Enterprise Fund</u>: The Marina Enterprise Fund was established in 2007. Pontoon Boats, lake tours, and pedal boat rentals generated operating revenue in the amount of $435,749, a decrease of 3% from the prior year. Operating expenses were $379,066, down $139,567 in the current year, resulting in an operating gain of $56,683 for 2025. Decreased operations costs contributed to the operating gain.

<u>PAYT Enterprise Fund</u>: The Pay-As-You-Throw (PAYT) Enterprise Fund was established in August 2010. PAYT is a self-service trash disposal system. Revenues are derived from trash bags sold wholesale to various vendors for resale and from bags purchased retail by individuals directly from the Town. PAYT Enterprise Fund reported operating revenue of $41,058, a decrease of $33,440 or 45% from 2024 and expenses decreased $10,950 or 12%, resulting in an operating loss of $38,969 for the current year.



FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental Funds

Currently, the Town has two governmental funds: the General Fund and the Capital Improvement Fund. These funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The General Fund reported a total ending fund balance of $3,040,158, of which $100,541 is intended for fiscal year 2026 expenditures. The Capital Improvement Fund reported an ending fund balance of $893,063, of which $612,563 is restricted for street improvements and $280,500 is restricted for the Surplus Fund set forth in the 2017 Sales Tax Revenue Bond Indenture.

The General Fund is the Town's primary operating fund and the largest source of day-to-day service delivery. The total ending fund balance of the General Fund decreased $937,911 in 2025, compared with a fiscal year 2024 fund balance increase of $470,972.

Total revenues in the General Fund are $6,215,343, an increase of $1,876,319 or 43% compared to 2024. General Fund expenditures are $7,153,254, an increase of $3,335,202 compared to the prior year. There was an increase in Capital Outlay of $2,089,437 in 2025 when compared to 2024.

The Capital Improvement Fund represents the Town's 2017 bond sales and 1% sales and use tax increase. The fund is exclusively for the collection, debt service, maintenance, and capital outlay expenditures relating to these funds. Total revenues in the Capital Improvement Fund amounted to $1,062,213, an increase of $301,763 or 40% from 2024. Expenditures from the Capital Improvement Fund totaled $1,161,774, an increase of $449,456 or 63% from the previous year. This increase is primarily attributed to expenses related to the following projects: boat ramp, Lucy Lane, and Portal Crossing.

Proprietary Funds

The Town's proprietary funds provide the same type of information in the government-wide financial statements, but in more detail.

Net position of the enterprise operations on December 31, 2025, are:

	Net Position	Change in Net Position
Water	$ 2,915,480	$ 68,881
Marina	999,344	77,444
PAYT	129,929	(38,969)

Factors concerning the finances of the enterprise funds have already been addressed in the discussion of the Town's business-type activities.

Budgetary Highlights

General Fund — General Fund revenue of $6,215,343, was $4,814,993 less than the budgeted amount of $11,030,336. The variance is mostly due to $5,356,328 in grants that were not received. Actual revenues in the following categories exceeded the budget by the following amounts: Sales Tax ($256,530); Specific Ownership Tax ($21,229); Building Use Tax ($19,242); Net Investment Income ($165,373); Motor Vehicle Use Tax ($22,572); Rental Licenses ($57,829); and Grand Lake Center Charges for Services ($36,799).

The total General Fund expenditures of $7,153,254 were under budget by $4,462,712, which is mostly attributable to the Capital Outlay expenditures that were $4,772,383 under budget. Additional decreases in actual versus budgeted expenditures were due to budget management in Grand Lake Center ($53,034) and Parks ($4,278).

Capital Improvement Fund – The Capital Improvement Fund was created in January 2017 to collect, account for and service debt in relation to a bond initiative (inception of this fund is discussed later in the Long-term Debt portion of this analysis). Sales and use tax revenues and contributions were $118,863 and $327,754, respectively, over the original budgeted amounts and expenditures exceeded the original budget by $351,799, which is mostly contributed to capital outlay. The Town amended the Capital Improvement Fund budget to eliminate the over-expenditures.

Water Enterprise Fund — The Water Enterprise Fund revenue of $839,240 was $4,840 more than budgeted. Actual revenues exceeded budgeted revenues in the following categories: Water Sales ($7,404) and Interest Income ($29,331). The Water Enterprise Fund actual expenses of $733,307 were 19% under the budgeted amount of $906,065.

Marina Enterprise Fund — The Marina Enterprise Fund had revenues of $456,510 which were under budget by $22,274 or 5%. Marina Fund expenses of $357,656 were under budget by $118,808 or 25% when compared to a budget of $476,464.

PAYT Enterprise Fund — The PAYT Enterprise Fund revenues fell short of the budget by $38,310, with sales reaching only $41,058 against a budget of $79,368. However, expenses totaled $80,027, which was $22,152 or 22% less than the budgeted amount of $102,179. This variance was primarily due to the Capital Outlay expenditures totaling $854 against a budget of $20,000.

Capital Assets and Debt Administration

Capital Assets

The Town's *net* investment in capital assets as of December 31, 2025, was $12,169,892 for governmental activities and $711,819 for business-type activities. The governmental activities capital assets include infrastructure that was first reported in 2004.

The following table provides a summary of capital asset activity.

	Governmental Activities		Business-Type Activities		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Non-depreciable assets:						
Land	$ 2,245,719	$ 2,245,719	$ 2,270	$ 2,270	$ 2,247,989	$ 2,247,989
CIP	2,959,301	891,471	-	-	2,959,301	891,471
Total non-depreciable	5,205,020	3,137,190	2,270	2,270	5,207,290	3,139,460
Depreciable assets:						
Buildings	1,524,044	1,524,044	26,935	26,935	1,550,979	1,550,979
Improvements	1,669,159	1,471,630	-	-	1,669,159	1,471,630
Equipment	2,169,428	2,059,154	319,912	319,912	2,489,340	2,379,066
Infrastructure	13,973,077	13,166,865	4,566,203	4,553,530	18,539,280	17,720,395
Marina Equipment	-	-	536,061	530,771	536,061	530,771
Total depreciable assets	19,335,708	18,221,693	5,449,111	5,431,148	24,784,819	23,652,841
Less accumulated depreciation	(7,861,086)	(7,041,771)	(3,695,796)	(3,546,552)	(11,556,882)	(10,588,323)
Book Value - Depreciable assets	11,474,622	11,179,922	1,753,315	1,884,596	13,227,937	13,064,518
Percentage depreciated	41%	39%	68%	65%	47%	45%
Total Book Value	$16,679,642	$14,317,112	$1,755,585	$1,886,866	$18,435,227	$16,203,978

On December 31, 2025, the depreciable capital assets for governmental activities were 41% depreciated. As for the Town's business-type activities, 68% of the asset values were depreciated on December 31, 2025. Governmental activities include a Side-by-side UTV with a Plow and a Polecat Snowmaking Machine for Public Works, park enhancements, marquee, street and boat ramp paving, boardwalk improvements, and the Space to Create project. In the business-type activities, there are additions such as a new boat for the Marina, along with a new pump for Well #2 for the Water Department.

A water rate study was conducted in 2008 to evaluate the implementation of the capital improvement plan that was completed in 2006. As a result of the study, the Board of Trustees adopted a 6% annual increase in water rate fees. Although the study recommended a 9% increase to fully implement the capital improvements recommended by the 2006 plan, the Board of Trustees approved annual increases of 6%. The increase schedule began in April 2009 and would have been effective through April 1, 2018; however, the Town opted out of the increase for 2015 and 2017, resulting in an extension of the schedule through April 1, 2020. In 2024, an increase of 9% was approved by the Board of Trustees which was effective January 1, 2025.

Long-term Debt

On November 8, 2016, the citizens of Grand Lake passed a ballot question to increase sales and use tax from 4% to 5%, effective January 1, 2017, and to incur debt for the purpose of financing improvements to streets, boardwalks, sidewalks, multi-use pathways, streetscapes, signage and drainage. These bonds were sold in May 2017 and generated an additional premium of $385,090. Debt service began in December 2017. These funds are used first to pay debt service on the bonds, then to fund the Surplus Fund requirement of $280,500 (as mentioned previously), and finally to operate and maintain the infrastructure installed. At the end of this year, the Town had total governmental activities bond debt outstanding of $3,195,000 which is being retired with the pledged revenues.

In 2021 the Town entered a certificate of participation (COP) for the purchase of the 21 acres named the Matthews property in the amount of $1,570,000. A portion of the proceeds of the COP paid the remaining amount due on the Thomasson property lease of $217,700. The balance as of December 31, 2025 is $1,114,937.

On April 9, 2018, the Town issued a note with the CWRPDA, Drinking Water Revolving Fund, in the original amount of $1,600,000. The proceeds of the loan were used to construct a new underground water storage tank and associated piping and appurtenances, including demolition of the current storage tank. During 2025, the Town made the required principal and interest payments on the note leaving a principal balance of $1,043,766 on December 31, 2025.

Economic Factors and Next Year's Budgets and Rates

Grand Lake's economy relies heavily on three key factors: tourism, the housing market, and local spending, with additional support from a sizable population of second homeowners. However, the past few years have presented challenges in accurately forecasting the impacts of global, national, state, and local economic events.

Despite the unprecedented challenges of the previous years, Grand Lake remains in a strong financial position. In 2025, the 4% sales tax revenues for the General Fund ended the year 3.5% higher, amounting to an increase of $89,711 compared to 2024 collections. The 4% sales tax generated $2,641,257 in revenue in 2025. The 1% Capital Improvement Fund sales tax generated $660,909, an increase of $23,023 from 2024.

The Town of Grand Lake has experienced a notable increase in tourism over the past few years, particularly as more people engage in outdoor activities. Anticipating the effects of inflation, rising interest rates, and labor shortages may be challenging, but the town is prepared to adapt quickly if necessary. Rocky Mountain National Park will continue to implement reservations and timed entry during peak hours. Interestingly, this measure did not seem to impact the local economy in previous years. However, the impact of the lack of affordable housing on businesses' ability to hire and retain employees is difficult to predict. This may result in changes to the operating hours of local businesses.

In 2026, several factors will influence the Town of Grand Lake's economic situation:

*The town will see an increase in assessed property values, which will positively impact property tax revenue.

*Sales tax revenue is expected to increase by 10% in 2026.

*The town will actively pursue grant opportunities to support economic development.

*The Grand Lake Center has updated fees and has experienced an increase in memberships which is anticipated to continue.

*The town has combined its Marketing and Communications with the Visitor Center operations as a result of the dissolution of the Grand Lake Chamber of Commerce. Business license fees are increased to cover additional expenses.

*Building in Grand Lake has been growing which will increase use tax revenues.

*A retail marijuana store is operating, which is expected to increase tax revenues.

*A Space to Create Enterprise Fund has been formed. The Town anticipates occupancy of the Space to Create Makers Space and the residences by midyear.

These factors contribute to the economic landscape of Grand Lake in 2026, shaping its fiscal outlook and growth potential.

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town's finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability. If you have questions about this report or would like to request additional information, please contact the Town Treasurer at P.O. Box 99, Grand Lake, CO 80447.

BASIC FINANCIAL STATEMENTS

TOWN OF GRAND LAKE, COLORADO

STATEMENT OF NET POSITION
December 31, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	$ 2,017,814	$ 3,320,690	$ 5,338,504
Cash and Investments - Restricted	3,054,543	-	3,054,543
Receivables:			
Property Taxes	799,743	-	799,743
Sales Taxes	314,873	-	314,873
Accounts	29,849	60,561	90,410
Intergovernmental	858,466	-	858,466
Other	-	467	467
Prepaid Items	125,600	-	125,600
Inventory	5,496	10,377	15,873
Capital Assets Not Being Depreciated	5,205,020	2,270	5,207,290
Capital Assets, Net of Accumulated Depreciation	11,474,622	1,753,315	13,227,937
Total Assets	23,886,026	5,147,680	29,033,706
Liabilities			
Accounts Payable	243,773	4,603	248,376
Retainage Payable	99,964	-	99,964
Accrued Interest Payable	12,150	-	12,150
Deposits and Prepaid Fees	25,175	13,310	38,485
Unearned Revenue	2,104,508	-	2,104,508
Noncurrent Liabilities:			
Due Within One Year	247,900	84,582	332,482
Due In More Than One Year	4,333,515	1,000,432	5,333,947
Total Liabilities	7,066,985	1,102,927	8,169,912
Deferred Inflows of Resources			
Unavailable Revenue - Property Tax	799,743	-	799,743
Total Deferred Inflows of Resources	799,743	-	799,743
Net Position			
Net Investment in Capital Assets	12,169,892	711,819	12,881,711
Restricted			
Parks and Open Space	54,806	-	54,806
Debt Service	268,350	156,462	424,812
Capital Projects	612,563	-	612,563
Emergency Reserves	186,000	-	186,000
Unrestricted	2,727,687	3,176,472	5,904,159
Total Net Position	$ 16,019,298	$ 4,044,753	$ 20,064,051

The notes to the financial statements are an integral part of this statement.

TOWN OF GRAND LAKE, COLORADO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Function/Program Activities	**Expenses**	**Permits, Fees, Fines, and Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Governmental Activities							
Administration	$ 2,112,101	$ 267,636	$ 20,601	$ 28,600	$ (1,795,264)	$ -	$ (1,795,264)
Public Safety	370,717	-	-	-	(370,717)	-	(370,717)
Public Works	2,510,859	-	52,090	2,124,844	(333,925)	-	(333,925)
Grand Lake Center	325,717	148,755	6,044	-	(170,918)	-	(170,918)
Parks	223,641	-	2,400	-	(221,241)	-	(221,241)
Interest and Related Costs on Long-term Debt	164,508	-	-	-	(164,508)	-	(164,508)
Total Governmental Activities	5,707,543	416,391	81,135	2,153,444	(3,056,573)	-	(3,056,573)
Business-type Activities							
Water	770,359	747,409	-	12,500	-	(10,450)	(10,450)
Marina	379,066	435,749	-	-	-	56,683	56,683
Pay As You Throw	80,027	41,058	-	-	-	(38,969)	(38,969)
Total Business-type Activities	1,229,452	1,224,216	-	12,500	-	7,264	7,264
Total	$ 6,936,995	$ 1,640,607	$ 81,135	$ 2,165,944	(3,056,573)	7,264	(3,049,309)

	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Property Taxes	741,457	-	741,457
Specific Ownership Taxes	36,229	-	36,229
Sales and Use Taxes	3,509,198	-	3,509,198
Franchise and Other Taxes	87,807	-	87,807
Net Investment Income	200,969	100,092	301,061
Miscellaneous	50,926	-	50,926
Total General Revenues	4,626,586	100,092	4,726,678
Changes In Net Position	1,570,013	107,356	1,677,369
Net Position - Beginning	14,449,285	3,937,397	18,386,682
Net Position - Ending	$ 16,019,298	$ 4,044,753	$ 20,064,051

The notes to the financial statements are an integral part of this statement.

TOWN OF GRAND LAKE, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	General Fund	Capital Improvement Fund	Total Governmental Funds
Assets			
Cash and Investments	$ 2,017,814	$ -	$ 2,017,814
Cash and Investments - Restricted	2,104,508	950,035	3,054,543
Receivables:			
Property Taxes	799,743	-	799,743
Sales Taxes	251,898	62,975	314,873
Accounts	29,849	-	29,849
Intergovernmental	858,466	-	858,466
Prepaid Items	125,600	-	125,600
Inventory	5,496	-	5,496
Total Assets	$ 6,193,374	$ 1,013,010	$ 7,206,384
Liabilities			
Accounts Payable	$ 161,168	$ 82,605	$ 243,773
Retainage Payable	62,622	37,342	99,964
Deposits and Prepaid Fees	25,175	-	25,175
Unearned Revenue	2,104,508	-	2,104,508
Total Liabilities	2,353,473	119,947	2,473,420
Deferred Inflows of Resources			
Unavailable Revenue - Property Tax	799,743	-	799,743
Total Deferred Inflows of Resources	799,743	-	799,743
Fund Balances			
Nonspendable	131,096	-	131,096
Restricted for:			
Emergency Reserves	186,000	-	186,000
Parks and Open Space	54,806	-	54,806
Capital Projects	-	612,563	612,563
Debt Service	-	280,500	280,500
Committed to:			
Affordable Housing	436,371	-	436,371
Cemetery Operations	135,788	-	135,788
Assigned to:			
Subsequent Year's Budget	100,541	-	100,541
Unassigned	1,995,556	-	1,995,556
Total Fund Balances	3,040,158	893,063	3,933,221
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 6,193,374	$ 1,013,010	$ 7,206,384

The notes to the financial statements are an integral part of this statement.

TOWN OF GRAND LAKE, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2025

Total Fund Balance - Governmental Funds		$ 3,933,221
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital Assets	$ 24,540,728	
Less Accumulated Depreciation	(7,861,086)	16,679,642
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. However, all liabilities - both current and long-term - are reported in the statement of net position.		
Balances at year-end are:		
Sales Tax Bonds	(3,195,000)	
Premium on Sales Tax Bonds	(199,813)	
Certificates of Participation	(1,114,937)	
Compensated Absences	(71,665)	(4,581,415)
Interest on long-term debt is not accrued in the funds, but rather is recognized as an expenditure when due		(12,150)
Net Position - Governmental Activities		$ 16,019,298

The notes to the financial statements are an integral part of this statement.

TOWN OF GRAND LAKE, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	General Fund	Capital Improvement Fund	Total Governmental Funds
Revenues			
Taxes	$ 3,675,828	$ 698,863	$ 4,374,691
Licenses and Permits	218,862	-	218,862
Intergovernmental	1,872,181	-	1,872,181
Charges for Services	203,348	-	203,348
Fines and Forfeitures	225	-	225
Net Investment Income	165,373	35,596	200,969
Contributions	28,600	-	28,600
Other Revenue	50,926	-	50,926
Capital Contributions	-	327,754	327,754
Total Revenues	6,215,343	1,062,213	7,277,556
Expenditures			
Current			
Boards and Committees	376,050	-	376,050
Administration	1,724,040	-	1,724,040
Public Safety	370,717	-	370,717
Public Works	1,622,841	-	1,622,841
Grand Lake Center	319,754	-	319,754
Parks	182,752	-	182,752
Capital Outlay	2,427,617	881,774	3,309,391
Debt service			
Principal	95,000	130,000	225,000
Interest	34,483	149,700	184,183
Paying Agent Fees	-	300	300
Total Expenditures	7,153,254	1,161,774	8,315,028
Net Change in Fund Balances	(937,911)	(99,561)	(1,037,472)
Fund Balances - Beginning	3,978,069	992,624	4,970,693
Fund Balances - Ending	$ 3,040,158	$ 893,063	$ 3,933,221

The notes to the financial statements are an integral part of this statement.

TOWN OF GRAND LAKE, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

Net Change in Fund Balances - Governmental Funds		$ (1,037,472)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.		
Capital Outlay	$ 2,854,091	
Depreciation	(819,315)	2,034,776
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, contributions and transfers) is to increase net position. In the statement of activities, only the gain on the disposition of capital assets is reported. However, in the governmental funds, the proceeds from the disposition, if any, increases financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the asset disposed.		
Contributed assets		327,754
Long-term debt (e.g., issuance of bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Principal Payment - Sales Tax Bonds	130,000	
Principal payment - Certificates of Participation	95,000	225,000
Interest expense in the statement of activities differs from the amount reported in governmental funds because of additional accrued and accreted interest, amortization of bond premiums, issue costs and refunding losses.		
Decrease in accrued interest on long-term debt	325	
Amortization of premium on bonds	19,650	19,975
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Adjustment to compensated absences liability		(20)
Change in Net Position - Governmental Activities		$ 1,570,013

The notes to the financial statements are an integral part of this statement.

TOWN OF GRAND LAKE, COLORADO

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

Revenues	**Original and Final Budget**	**Actual Amounts**	**Variance with Final Budget**	**2024 Actual**
Taxes				
Property Tax	$ 740,946	$ 741,457	$ 511	$ 559,723
Specific Ownership Tax	15,000	36,229	21,229	25,646
General Sales Tax	2,384,727	2,641,257	256,530	2,551,546
Building Use Tax	70,000	89,242	19,242	237,382
Motor Vehicle Use Tax	40,000	62,572	22,572	86,789
Cigarette Tax	3,000	3,462	462	4,214
Franchise Tax	80,000	84,345	4,345	81,151
Marijuana Tax	50,000	17,264	(32,736)	-
Subtotal Taxes	3,383,673	3,675,828	292,155	3,546,451
Licenses & Permits				
Business Licenses	31,000	31,887	887	31,544
Rental Licenses	117,000	174,829	57,829	94,780
Liquor License	4,500	6,855	2,355	5,812
Other Licenses	4,075	5,291	1,216	3,992
Subtotal Licenses & Permits	156,575	218,862	62,287	136,128
Intergovernmental				
County Road and Bridge	12,351	12,656	305	12,531
Grants	7,174,019	1,817,691	(5,356,328)	-
Highway Users Tax	30,716	38,273	7,557	37,575
Conservation Trust Fund	3,000	2,400	(600)	2,457
Other Intergovernmental	3,000	1,161	(1,839)	1,849
Subtotal Intergovernmental	7,223,086	1,872,181	(5,350,905)	54,412
Charges for Services				
Attainable Housing Fee	4,000	12,570	8,570	8,823
Zoning and Subdivision Review	3,000	4,638	1,638	2,494
Cemetery	11,000	9,100	(1,900)	12,484
Grand Lake Center	118,000	154,799	36,799	165,473
Other Charges for Services	16,000	22,241	6,241	22,145
Subtotal Charges for Services	152,000	203,348	51,348	211,419
Fines and Forfeitures	500	225	(275)	-
Fees and Leases	2,500	-	(2,500)	2,500
Net Investment Income	100,000	165,373	65,373	174,742
Contributions and Grants	-	28,600	28,600	100,000
Insurance Recovery	-	-	-	63,521
Other Revenue	12,002	50,926	38,924	43,351
Proceeds from Sale of Assets	-	-	-	6,500
Total Revenues	$ 11,030,336	$ 6,215,343	$ (4,814,993)	$ 4,339,024

(Continued)

TOWN OF GRAND LAKE, COLORADO

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

(Continued)

Expenditures	Original and Final Budget	Actual Amounts	Variance with Final Budget	2024 Actual
Current:				
Boards and Committees				
Board of Trustees	$ 141,150	$ 177,189	$ (36,039)	$ 147,285
Cemetery Committee	9,500	1,690	7,810	4,303
Planning Commission & Board of Adjustment	45,950	106,685	(60,735)	25,560
Greenways Committee	91,277	90,486	791	82,235
Subtotal Boards and Committees	287,877	376,050	(88,173)	259,383
Administration				
Personnel	827,727	810,994	16,733	565,852
Supplies	37,000	64,792	(27,792)	24,012
Repairs and Maintenance	8,200	12,497	(4,297)	6,362
Purchased Services	72,200	67,318	4,882	72,589
Utility Services	50,710	52,174	(1,464)	26,346
Professional Services	67,700	202,640	(134,940)	80,200
Marketing	255,219	325,710	(70,491)	215,586
Economic Development Grants	145,000	140,000	5,000	135,000
Other	35,650	47,915	(12,265)	48,414
Subtotal Administration	1,499,406	1,724,040	(224,634)	1,174,361
Public Safety				
Purchased Services	369,115	370,717	(1,602)	284,115
Subtotal Public Safety	369,115	370,717	(1,602)	284,115
Public Works				
Personnel	1,016,032	1,076,107	(60,075)	741,406
Supplies	25,500	58,840	(33,340)	31,304
Repairs and Maintenance	237,500	344,261	(106,761)	195,567
Purchased Services	32,850	47,202	(14,352)	34,488
Utility Services	40,110	32,929	7,181	33,615
Professional Services	10,000	4,418	5,582	4,255
Other	99,900	59,084	40,816	70,199
Subtotal Public Works	$ 1,461,892	$ 1,622,841	$ (160,949)	$ 1,110,834

(Continued)

TOWN OF GRAND LAKE, COLORADO

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

(Continued)

Expenditures (continued)	Original and Final Budget	Actual Amounts	Variance with Final Budget	2024 Actual
Grand Lake Center				
Personnel	$ 246,930	$ 179,839	$ 67,091	$ 239,859
Supplies	6,500	9,482	(2,982)	6,933
Repairs and Maintenance	20,400	28,943	(8,543)	16,265
Utility Services	29,568	29,828	(260)	27,706
Professional Services	11,490	17,724	(6,234)	14,727
Other	57,900	53,938	3,962	88,311
Subtotal Grand Lake Center	372,788	319,754	53,034	393,801
Parks				
Supplies	37,000	33,932	3,068	21,872
Repairs and Maintenance	82,000	26,473	55,527	67,363
Utility Services	30,030	47,076	(17,046)	36,343
Other	38,000	75,271	(37,271)	4,752
Subtotal Parks	187,030	182,752	4,278	130,330
Capital Outlay	7,200,000	2,427,617	4,772,383	338,180
Debt service				
Lease Principal	95,000	95,000	-	90,000
Lease Interest	34,485	34,483	2	37,048
Subtotal Debt Service	129,485	129,483	2	127,048
Reserves	108,373	-	108,373	-
Total Expenditures	11,615,966	7,153,254	4,462,712	3,818,052
Excess Revenues Over (Under) Expenditures	(585,630)	(937,911)	(352,281)	520,972
Other Financing Sources (Uses)				
Transfers Out	-	-	-	(50,000)
Net Change in Fund Balance	(585,630)	(937,911)	(352,281)	470,972
Fund Balance - Beginning	3,061,604	3,978,069	916,465	3,507,097
Fund Balance - Ending	$ 2,475,974	$ 3,040,158	$ 564,184	$ 3,978,069

The notes to the financial statements are an integral part of this statement.

TOWN OF GRAND LAKE, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2025

	Business-type Activities - Enterprise Funds			
	Water	Marina	Pay As You Throw	Total
Assets				
Current Assets				
Cash and Investments	$ 2,283,847	$ 917,291	$ 119,552	$ 3,320,690
Accounts Receivable	60,561	-	-	60,561
Other Receivables	467	-	-	467
Inventory	-	-	10,377	10,377
Total Current Assets	2,344,875	917,291	129,929	3,392,095
Noncurrent Assets				
Capital Assets Not Being Depreciated	2,270	-	-	2,270
Capital Assets, Net of Accumulated Depreciation	1,668,839	84,476	-	1,753,315
Total Noncurrent Assets	1,671,109	84,476	-	1,755,585
Total Assets	4,015,984	1,001,767	129,929	5,147,680
Liabilities				
Current Liabilities				
Accounts Payable	3,100	1,503	-	4,603
Compensated Absences	10,100	200	-	10,300
Prepaid Fees	13,310	-	-	13,310
Note Payable - Current	74,282	-	-	74,282
Total Current Liabilities	100,792	1,703	-	102,495
Noncurrent Liabilities				
Compensated Absences	30,228	720	-	30,948
Note Payable	969,484	-	-	969,484
Total Noncurrent Liabilities	999,712	720	-	1,000,432
Total Liabilities	1,100,504	2,423	-	1,102,927
Net Position				
Net Investment in Capital Assets	627,343	84,476	-	711,819
Restricted for Debt Service	156,462	-	-	156,462
Unrestricted	2,131,675	914,868	129,929	3,176,472
Total Net Position	$ 2,915,480	$ 999,344	$ 129,929	$ 4,044,753

The notes to the financial statements are an integral part of this statement.

TOWN OF GRAND LAKE, COLORADO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds			
Operating Revenues	**Water**	**Marina**	**Pay As You Throw**	**Total**
Charges for Sales and Services				
Water Sales	$ 747,004	$ -	$ -	$ 747,004
Marina Rentals	-	435,649	-	435,649
PAYT Bag Sales	-	-	41,058	41,058
Other	405	100	-	505
Total Operating Revenues	747,409	435,749	41,058	1,224,216
Operating Expenses				
Personnel	451,863	273,415	-	725,278
Operations	173,983	44,265	80,027	298,275
Depreciation	122,544	61,386	-	183,930
Total Operating Expenses	748,390	379,066	80,027	1,207,483
Operating Income (Loss)	(981)	56,683	(38,969)	16,733
Nonoperating Revenues (Expenses)				
Net Investment Income	79,331	20,761	-	100,092
Interest Expense	(21,969)	-	-	(21,969)
Total Nonoperating Revenues (Expenses)	57,362	20,761	-	78,123
Income (Loss) Before Capital Contributions and Transfers	56,381	77,444	(38,969)	94,856
Capital Contributions - Tap Fees	12,500	-	-	12,500
Change In Net Position	68,881	77,444	(38,969)	107,356
Net Position - Beginning	2,846,599	921,900	168,898	3,937,397
Net Position - Ending	$ 2,915,480	$ 999,344	$ 129,929	$ 4,044,753

The notes to the financial statements are an integral part of this statement.

TOWN OF GRAND LAKE, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds			
	Water	**Marina**	**Pay As You Throw**	**Total**
Cash Flows from Operating Activities				
Cash Received from Customers	$ 704,262	$ 440,349	$ 47,358	$ 1,191,969
Cash Payments to Suppliers for Goods and Services	(180,204)	(51,985)	(77,471)	(309,660)
Cash Payments to Employees for Services	(455,755)	(274,214)	-	(729,969)
Net Cash Provided (Used) by Operating Activities	68,303	114,150	(30,113)	152,340
Cash Flows from Capital and Related Financing Activities				
Capital Contributions	12,500	-	-	12,500
Acquisition and Construction of Capital Assets	(12,673)	(39,976)	-	(52,649)
Principal Paid on Long-Term Debt	(72,819)	-	-	(72,819)
Interest Paid on Long-Term Debt	(21,969)	-	-	(21,969)
Net Cash Provided (Used) by Capital and Related Financing Activities	(94,961)	(39,976)	-	(134,937)
Cash Flows from Investing Activities				
Net Investment Income	79,331	20,761	-	100,092
Net Increase (Decrease) In Cash and Cash Equivalents	52,673	94,935	(30,113)	117,495
Cash and Cash Equivalents - Beginning	2,231,174	822,356	149,665	3,203,195
Cash and Cash Equivalents - Ending	$ 2,283,847	$ 917,291	$ 119,552	$ 3,320,690
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	$ (981)	$ 56,683	$ (38,969)	$ 16,733
Adjustments to Reconcile Operating Income (loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation	122,544	61,386	-	183,930
Effect of Changes In Operating Assets and Liabilities				
Accounts Receivable	(48,627)	4,600	6,300	(37,727)
Inventory	-	-	2,556	2,556
Other Receivables	468	-	-	468
Accounts Payable	(6,221)	(7,720)	-	(13,941)
Compensated Absences	(3,892)	(799)	-	(4,691)
Deferred Revenue	5,012	-	-	5,012
Total Adjustments	69,284	57,467	8,856	135,607
Net Cash Provided by Operating Activities	$ 68,303	$ 114,150	$ (30,113)	$ 152,340

The notes to the financial statements are an integral part of this statement.

NOTE 1 REPORTING ENTITY

The Town of Grand Lake, Colorado (the Town) was incorporated on June 9, 1944 in Grand County, Colorado and is governed by a seven-member elected Board of Trustees. The Town provides public works (roads and streets), trash, parks and recreation, water, and general administrative services. The Town contracts with Grand County for police protection services. Fire protection is provided by the Grand Lake Fire Protection District. Sanitary sewer services are provided by the Three Lakes Water and Sanitation District.

The Town follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The reporting entity consists of (a) the primary government, i.e., the Town, and (b) organizations for which the Town is financially accountable. The Town is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town. Organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based upon the above criteria, the Town is not financially accountable for any other organization, nor is the Town a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the Town are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all the activities of the Town. Governmental activities, which normally are s`upported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial and capital resources of the Town. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days after year-end. The major sources of revenue susceptible to accrual are property, sales and franchise taxes. All other revenue items are considered to be measurable and available only when cash is received by the Town. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

The Town reports the following major governmental funds:

> The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The *Capital Improvement Fund* (a capital projects fund) accounts for the proceeds of the Town's 2017 Sales Tax Revenue Bonds and the additional 1% sales tax approved by the voters in November 2016 restricted to construction and maintenance of the Town's roads and repayment of the 2017 Bonds.

The Town reports the following major enterprise funds:

> The W*ater Fund* accounts for revenues and expenses associated with providing water services to Town residents.
>
> The *Marina Fund* accounts for revenues and expenses associated with providing recreational activities to Town residents and visitors at the Town's Headwaters Marina.
>
> The *Pay As You Throw Fund* was established in August 2010 and is used to account for revenues and expenses associated with providing trash service to the Town's residents.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's enterprise functions and various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish between operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The Town's water fund recognizes as capital contributions the entire portion of tap fees, as they are intended to recover the cost of the capital investment in the water distribution system.

Pooled Cash and Investments

The Town follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

Cash and investments are presented in the basic financial statements at fair value.

For purposes of the statement of cash flows, the Town considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

Property Taxes

Property taxes are levied by the Town's Board of Trustees. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the Town.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of fuel and expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town currently capitalizes expenditures that cost more than $5,000 and have a life of one year or more. Such capital assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capital assets because their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities. Generally accepted accounting principles require the Town to report general infrastructure assets obtained subsequent to January 1, 2004, but allows the Town to retroactively capitalize general infrastructure assets obtained prior to that date. The Town elected to not report general infrastructure assets retroactively.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and depreciated over their remaining useful lives.

Capital assets of the Town are depreciated, using the straight-line method over their estimated useful lives:

Infrastructure:	
Bridges	40 years
Roads	20 years
Parking Lots	20 years
Storm Drainage Systems	20 years
Buildings	40 – 75 years
Buildings Improvements	20 – 75 years
Water Distribution Systems	30 years
Water Storage Facilities	30 – 55 years
Vehicles, Machinery and Equipment	5 – 7 years

Deferred Outflows of Resources

In addition to liabilities, the statement of financial position/balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports unavailable revenue for property taxes to be collected in the subsequent period and therefore not yet available.

Compensated Absences

The Town utilizes a Paid Time Off (PTO) benefit program. Full-time non-exempt employees and exempt employees accrue PTO at the rate of 10 hours per pay period. Full-time employees may bank up to 328 hours of PTO. Certain part-time employees accrue PTO at the rate of 3 hours per pay period and may bank up to 100 hours of PTO. PTO may be used at the request of the employee and at the convenience of the Town. For employees hired prior to February 14, 2022, employees had the option to convert their sick leave balances to PTO hours on a 2-for-1 basis or leave their balances intact.

Upon termination, employees are paid for all accrued PTO. For separating employees hired before February 14, 2022, sick leave is paid at two hours for one.

Accumulated unpaid PTO and sick leave amounts are accrued as a liability as the benefits are earned, if the employees' rights to receive compensation are attributable to services already rendered, and it is probable that the employer will compensate employees for the benefits through paid time off or some other means. The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated liability at the fund reporting level only when due. Proprietary funds report the liability when incurred.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the term of the bonds. The balance of these deferrals is combined with the corresponding long-term debt in the financial statements.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual new proceeds received, are reported as debt service expenditures.

Net Position and Fund Equity

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position is subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation.

Unrestricted net position represents assets that do not have any third-party limitations on their use.

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balances

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

The Town reports the following Restricted Fund Balances:

<u>Restricted for TABOR Emergencies</u> – Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 11).

<u>Restricted for Parks and Open Space</u> – Represents the balance of funds remaining from the Conservation Trust (State Lottery) Fund proceeds.

<u>Restricted for Capital Projects</u> – Represents funds restricted for road improvements pursuant to the November 2016 election.

<u>Restricted for Debt Service</u> – Represents the portion of fund balance that is legally restricted to payment of principal and interest on long-term debt maturing in future years.

Committed fund balance – The portion of fund balance that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

The following fund balances are committed:

Affordable Housing – Represents the accumulation of funds collected by the Town from affordable housing fees. The funds are to be utilized for the purpose of providing affordable housing.

Cemetery Operations – committed to the operations of the Grand Lake Cemetery.

Assigned fund balance – The portion of fund balance that reflects the Town's intended use of resources as determined by the Board of Trustees. These amounts are constrained by the Town's intent to be used for specific purposes, but do not meet the criteria to be classified as committed. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The following fund balances are assigned:

Subsequent Year's Budget – Represents the gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the Town’s practice to use the most restrictive classification first.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. An example of such an estimate that has been made by management is depreciation expense.

NOTE 3 BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds. The enterprise funds adopt budgets on the Non-GAAP basis wherein tap fees are recognized as revenue, principal payments on debt and capital expenditures are recognized as expenditures, and depreciation expense is not budgeted. All annual appropriations lapse at fiscal year-end. Not later than the first regular meeting in September, the Town Manager submits a proposed operating budget for the fiscal year commencing the following January 1 to the Board of Trustees. The operating budget for all budgeted funds includes proposed expenditures and the means of financing. Public hearings are held at the regular Trustee meetings to obtain taxpayer input. Prior to December 15, the budget is legally enacted through passage of a budget resolution. The appropriation can only be modified upon completion of notification and publication requirements.

The Town amended its annual budget for the year ended December 31, 2025.

NOTE 4 CASH AND INVESTMENTS

Cash and investments as of December 31, 2025, are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-type Activities	Total
Cash and Investments	$ 2,017,814	$ 3,320,690	$ 5,338,504
Cash and Investments - Restricted	3,054,543	-	3,054,543
Total	$ 5,072,357	$ 3,320,690	$ 8,393,047

Cash and investments as of December 31, 2025, consist of the following:

	Governmental Activities	Business-type Activities	Total
On-hand	$ 150	$ 50	$ 200
Deposits with Financial Institutions	991,661	952,271	1,943,932
Investments	4,080,546	2,368,369	6,448,915
Total	$ 5,072,357	$ 3,320,690	$ 8,393,047

Cash Deposits

Custodial credit risk

Custodial risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party.

The Colorado Public Deposit Protection Act (PDPA) governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels ($250,000) must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are considered to be uninsured but collateralized.
The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2025, the Town's cash deposits had a bank balance of $2,126,902 and a carrying balance of $1,943,932. At December 31, 2025, the Town's deposits were both insured by federal depository insurance and collateralized with securities held by third parties not in the Town's name, and consequently were not exposed to custodial credit risk.

Investments

The Town has not adopted a formal investment policy; however, the Town follows state statutes regarding investments.

The Town generally limits its concentration of investments to obligations of the United States, certain U.S. government agency securities and Local Government Investment Pools, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the Town is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado Revised Statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees, such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado Revised Statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- General obligation and revenue bonds of US local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

At December 31, 2025, the Town had the following investments:

Investment	Maturity	Amount
Colorado Government Liquid Asset Trust (COLOTRUST PLUS+)	Weighted Average under 60 Days	$ 3,488,552
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average under 60 Days	2,960,363
		$ 6,448,915

COLOTRUST

The Town invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to $1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under Section 24-75-601, C.R.S.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601, C.R.S, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under Section 24-75-601, C.R.S.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAm by Standard & Poor's. COLOTRUST EDGE is rated AAAf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the Town records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

CSAFE

The Town invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at $1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under Section 24-75-601, C.R.S.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under Section 24-75-601, C.R.S.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAAmmf by Fitch Ratings and CSAFE CORE is rated AAAf/S1 by FitchRatings. CSAFE records its investments at amortized cost and the Town records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Restricted Cash and Investments

As of December 31, 2025, the Town reports restricted cash and investments in the amount of $2,104,508, which represents unspent grant proceeds restricted for capital improvements and $950,035 which are restricted for debt service on the Town's outstanding bonds.

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 for the Town's governmental activities was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 2,245,719	$ -	$ -	$ 2,245,719
Construction in Progress	891,471	3,051,571	983,741	2,959,301
Total Capital Assets Not Being Depreciated	3,137,190	3,051,571	983,741	5,205,020
Depreciable Capital Assets:				
Buildings	1,524,044	-	-	1,524,044
Improvements	1,471,630	197,529	-	1,669,159
Equipment	2,059,154	110,274	-	2,169,428
Infrastructure	13,166,865	806,212	-	13,973,077
Total Depreciable Capital Assets	18,221,693	1,114,015	-	19,335,708
Accumulated Depreciation:				
Buildings	(577,256)	(27,858)	-	(605,114)
Improvements	(673,239)	(59,861)	-	(733,100)
Equipment	(1,310,000)	(195,578)	-	(1,505,578)
Infrastructure	(4,481,276)	(536,018)	-	(5,017,294)
Total Accumulated Depreciation	(7,041,771)	(819,315)	-	(7,861,086)
Net Depreciable Capital Assets	11,179,922	294,700	-	11,474,622
Total Net Governmental Activities	$ 14,317,112	$ 3,346,271	$ 983,741	$ 16,679,642

Depreciation expense is allocated to specific departments as follows.

Administration	$	35,572
Grand Lake Center		5,963
Public Works		718,759
Parks		59,021
Total Depreciation Expense	$	819,315

Capital asset activity for the year ended December 31, 2025 for the Town's business-type activities was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	$ 2,270	$ -	$ -	$ 2,270
Depreciable Capital Assets:				
Water Utility System	4,553,530	12,673	-	4,566,203
Water Equipment	319,912	-	-	319,912
Water Buildings	26,935	-	-	26,935
Marina Equipment	530,771	39,976	34,686	536,061
Total Depreciable Capital Assets	5,431,148	52,649	34,686	5,449,111
Accumulated Depreciation:				
Water Utility System	(2,689,063)	(100,204)	-	(2,789,267)
Water Equipment	(405,669)	(22,340)	-	(428,009)
Water Buildings	(26,935)	-	-	(26,935)
Marina Equipment	(424,885)	(61,386)	(34,686)	(451,585)
Total Accumulated Depreciation	(3,546,552)	(183,930)	(34,686)	(3,695,796)
Net Depreciable Capital Assets	1,884,596	(131,281)	-	1,753,315
Total Business-Type Activities	$ 1,886,866	$ (131,281)	$ -	$ 1,755,585

Depreciation was charged to functions/programs as follows:

Water Fund	$	122,544
Marina Fund		61,386
Total Depreciation Expense	$	183,930

NOTE 6 LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term debt for the year ended December 31, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
2017 Sales Tax Bonds	$ 3,325,000	$ -	$ 130,000	$ 3,195,000	$ 130,000
2017 Sales Tax Bonds Premium	219,463	-	19,650	199,813	-
2021 Certificates of Participation	1,209,937	-	95,000	1,114,937	100,000
Compensated Absences	71,645	20	-	71,665	17,900
Total	$ 4,826,045	$ 20	$ 244,650	$ 4,581,415	$ 247,900
Business-type Activities					
Colorado Water Resources & Power Development Authority Water Fund, 2018	$ 1,116,585	$ -	$ 72,819	$ 1,043,766	$ 74,282
Compensated Absences	45,939	-	4,691	41,248	10,300
	$ 1,162,524	$ -	$ 77,510	$ 1,085,014	$ 84,582

Sales Tax Revenue Bonds

Sales Tax Revenue Bonds, Series 2017 (the Bonds), issued on May 9, 2017, in the original principal amount of $4,300,000. The Bonds consist of $1,105,000 of serial bonds due annually in varying amounts from 2017 through 2025 and term bonds due annually in varying amounts from 2026 through 2042 in the amount of $3,195,000. Interest on the serial and term bonds are payable semiannually at rates ranging from 3.0% to 5.0%, beginning December 1, 2017. The Bonds maturing on and after December 1, 2026 are subject to redemption prior to maturity, at the option of the Town, in whole or in part, and if in part in such order of maturities as the Town shall determine and by lot within a maturity, on December 1, 2025 and on any date thereafter, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date. The Bonds maturing on December 1, 2027, December 1, 2029, December 1, 2031, December 1, 2034, December 1, 2037 and December 1, 2042 (the “Term Bonds”) are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof, plus accrued interest to the redemption date.

The Bonds were issued to finance the construction, maintenance, repair, replacement, expansion, acquisition, rehabilitation and renovation of existing and planned streets, boardwalks, sidewalks, pathways, streetscapes, signage, drainage and other street-related capital improvements within the Town.

The Bonds are revenue obligations of the Town payable solely from the pledged revenue, consisting of an additional 1% sales tax approved at an election held on November 8, 2016, an additional 1% sales tax which was being imposed and collected prior to the 2016 election, if necessary, and amounts on deposit in a Surplus Account, if any. Pursuant to the Bond Ordinance, the Town is required to establish a Surplus Fund for the Bonds that will be built up over time from excess pledged revenues to a maximum of $280,500 in reserve. Monies in the Surplus Fund will be used solely for the purpose of paying the principal or interest on the Series 2017 bonds. Repayment of both principal and interest on the Certificates are insured by Municipal Assurance Corp. The bonds are rated “AA” by Standard & Poor’s.

The Bonds mature as follows:

	Principal	Interest	Total
2026	$ 130,000	$ 145,800	$ 275,800
2027	135,000	140,600	275,600
2028	145,000	135,200	280,200
2029	150,000	129,400	279,400
2030	155,000	123,400	278,400
2031-2035	870,000	519,400	1,389,400
2036-2040	1,095,000	298,250	1,393,250
2041-2042	515,000	39,000	554,000
	$ 3,195,000	$ 1,531,050	$ 4,726,050

Certificates of Participation

$1,570,000 Certificates of Participation, Series 2021, dated March 9, 2021, with interest of 2.85%, due annually through 2035. The certificates are subject to redemption prior to their respective maturity dates at the option of the Town, on June 1, 2026, and on any date thereafter, at a redemption price equal to the principal amount of the certificates. The Certificates have been issued in connection with a lease of the Grand Lake Center from the Town to NBH Bank, and a lease back to the Town from NBH Bank. Pursuant to the provisions of the Lease, the 2021 Certificates shall be called for redemption in the event that the 2021 Lease Term is terminated by reason of the occurrence of an Event of Nonappropriation or an Event of Default under the 2021 lease. If called for redemption, the Certificates shall be redeemed in whole on such date for a redemption price equal to 100% of the principal amount plus accrued interest to the redemption date. The certificates were issued to finance the acquisition of land to be used for Town purposes and pay the remaining principal due on the Thomasson Park lease.

The Certificates mature as follows:

	Principal	Interest	Total
2026	$ 100,000	$ 31,776	$ 131,776
2027	100,000	28,926	128,926
2028	105,000	26,076	131,076
2029	105,000	23,083	128,083
2030	110,000	20,091	130,091
2031-2035	594,937	51,576	646,513
	$ 1,114,937	$ 181,528	$ 1,296,465

Colorado Water Resources and Power Development Authority (CWR&PDA)

On April 9, 2018, the Town issued a note with the CWR&PDA, Drinking Water Revolving Fund, in the original amount of $1,600,000. The proceeds of the loan were used to construct a new underground water storage tank and associated piping and appurtenances, including demolition of the current storage tank. A total of $1,532,453 was advanced to the Town consisting of payments of $248,643 in 2019 and $1,283,810 in 2018. The remaining amount of unused loan funds amounting to $67,547 were used to reduce the original loan amount. The remaining payments on the note are payable in semi-annual installments of $47,394 beginning on May 1, 2020 through May 1, 2038, including interest at 2.00%. The loan matures as follows:

	Principal	Interest	Total
2026	$ 74,282	$ 20,506	$ 94,788
2027	75,775	19,013	94,788
2028	77,298	17,490	94,788
2029	78,852	15,936	94,788
2030	80,437	14,351	94,788
2031-2035	427,097	46,843	473,940
2036-2038	230,025	6,946	236,971
	$ 1,043,766	$ 141,085	$ 1,184,851

A provision of the note with the CWR&PDA requires the net revenues (total revenues less operating expenses) be at least 110% of the annual debt service due in any one year. During the year ended December 31, 2025, the Town complied with the rate covenant.

Additionally, the note requires the Town to maintain an operations and reserve fund in an amount equal to three months of operations and maintenance expenses, excluding depreciation. Accordingly, the Town has restricted $156,462 of the Water Fund's net position, calculated as follows:

Total Operating Expenses	$ 748,390
Less Depreciation	(122,544)
Operations and Maintenance Expenses	$ 625,846
3 Months of Operations and Maintenance	$ 156,462

The Town has pledged the revenue from the operation and use of the water system and other legally available revenue, after the payment of operation and maintenance expenses of the system, for the repayment of the loan.

NOTE 7 RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are financed and funded through participation in the Colorado Intergovernmental Risk Sharing Agency (CIRSA).

CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of Colorado Revised Statutes and the Colorado Constitution.

CIRSA is a joint self-insurance pool created by intergovernmental agreement to provide property, general and automobile liability and public official's coverage to its members. A seven-member Board elected by and from its members governs CIRSA.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and those amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

The Town has not been informed of any excess losses that may have been incurred by the pool; there have been no claims in excess of insurance coverage in any of the past three years. There have been no significant changes in insurance coverage from the prior year in any of the major categories of risk.

NOTE 8 COMMITMENTS AND CONTINGENCIES

Grant Programs

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the state and federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

Construction Commitment

At December 31, 2025, the Town had uncompleted construction contracts in the General Fund. The remaining commitment on these construction contracts was approximately $1,959,000.

NOTE 9 DEFERRED COMPENSATION PLAN

The Town has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the MissionSquare Retirement (formerly International City/County Management Association Retirement Corporation). Benefit terms, including contribution requirements, for the plan are established and may be amended by the Board of Trustees. Full-time employees are eligible to participate in the plan. The Town matches employee contributions up to 8%. All amounts contributed are vested immediately. The Town contributed $109,579 in matching contributions and participating employees contributed $112,978 for the year ending December 31, 2025.

NOTE 10 TAX SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

The Town's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, may require judicial interpretation.

On November 8, 1994, a majority of the Town's electors approved a ballot issue permitting the Town, without increasing or adding any taxes of any kind, to collect, retain, and expend the full proceeds of the Town's fees, revenues and non-federal grants and to spend such revenue for debt service, municipal operations, capital projects, and any other lawful municipal operations, notwithstanding any state restrictions on fiscal year spending, including, without limitation the restrictions of Article X, Section 20, of the Colorado Constitution from the date of January 1, 1994 and thereafter.

Part 17 of Article 1 of Title 29 of the Colorado Revised Statutes contains limitations on the amount of revenues that can be generated from property taxes that apply to certain local governments within the State of Colorado.

Subject to certain exclusions and exemptions, property tax revenue is limited to a 5.25% increase (or 10.50% over a two year assessment period).

The Town's management believes the Town is in compliance with the provisions of the statute; however, the statute is complex and subject to interpretation.

SUPPLEMENTARY INFORMATION

TOWN OF GRAND LAKE, COLORADO

CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

Revenues	**Original Budget**	**Final Budget**	**Actual Amounts**	**Variance with Final Budget**	**2024 Actual**
General Sales Tax	$ 518,000	$ 660,909	$ 660,909	$ -	$ 637,886
Building Use Tax	50,000	22,311	22,311	-	59,346
Motor Vehicle Use Tax	12,000	15,643	15,643	-	21,697
Net Investment Income	20,000	35,596	35,596	-	41,521
Contributions	-	327,754	327,754	-	-
Total Revenues	600,000	1,062,213	1,062,213	-	760,450
Expenditures					
Capital Outlay	530,000	881,774	881,774	-	433,593
Debt service					
Bond Principal	130,000	130,000	130,000	-	125,000
Bond Interest	149,700	149,700	149,700	-	153,450
Paying Agent Fees	275	300	300	-	275
Subtotal Debt Service	279,975	280,000	280,000	-	278,725
Total Expenditures	809,975	1,161,774	1,161,774	-	712,318
Net Change in Fund Balance	(209,975)	(99,561)	(99,561)	-	48,132
Fund Balance - Beginning	773,141	992,624	992,624	-	944,492
Fund Balance - Ending	$ 563,166	$ 893,063	$ 893,063	$ -	$ 992,624

See the Independent Auditor's Report

TOWN OF GRAND LAKE, COLORADO

WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

	Final Budget	Actual Amounts	Variance with Final Budget	2024 Actual
Revenues				
Water Sales	$ 739,600	$ 747,004	$ 7,404	$ 686,183
Tap Fees	39,000	12,500	(26,500)	39,000
Resale Meters	5,000	(467)	(5,467)	6,541
Bulk Water Permits	800	872	72	1,975
Interest Income	50,000	79,331	29,331	92,538
Transfers In	-	-	-	50,000
Total Revenues	834,400	839,240	4,840	876,237
Expenditures				
Personnel	610,877	451,863	159,014	579,590
Office Supplies	15,500	5,619	9,881	9,287
Operations Supplies	24,400	24,600	(200)	26,770
Repairs and Maintenance	49,650	38,727	10,923	47,971
Resale Supplies	10,150	1,673	8,477	134
Purchased Services	27,000	25,047	1,953	36,262
Utilities	39,200	40,473	(1,273)	40,314
Professional Services	9,400	19,844	(10,444)	8,550
Other Expenses	25,100	18,000	7,100	17,513
Capital Outlay	-	12,673	(12,673)	-
Debt Service-Principal	72,819	72,819	-	71,384
Debt Service-Interest	21,969	21,969	-	23,404
Total Expenditures	906,065	733,307	172,758	861,179
Excess Revenues Over (Under) Expenditures	(71,665)	105,933	177,598	15,058
Funds Available - Beginning	2,170,851	2,182,204	11,353	2,167,146
Funds Available - Ending	$ 2,099,186	$ 2,288,137	$ 188,951	$ 2,182,204

Funds Available is Computed as Follows:				
Current Assets		$ 2,344,875		$ 2,244,043
Liabilities		(131,020)		(134,658)
Add Current Portion of Long-Term Debt		74,282		72,819
		$ 2,288,137		$ 2,182,204

See the Independent Auditor's Report

TOWN OF GRAND LAKE, COLORADO

MARINA FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

	Original and Final Budget	Actual Amounts	Variance with Final Budget	2024 Actual
Revenues				
Marina Rentals	$ 365,000	$ 344,999	$ (20,001)	$ 364,332
Tours	73,000	87,449	14,449	72,862
Rentals	11,784	3,201	(8,583)	12,091
Miscellaneous	1,000	100	(900)	200
Interest Income	8,000	20,761	12,761	24,214
Sale of Assets	20,000	-	(20,000)	-
Total Revenues	478,784	456,510	(22,274)	473,699
Expenditures				
Personnel	316,075	273,415	42,660	288,382
Office Supplies	1,500	4,298	(2,798)	695
Operations Supplies	16,250	7,626	8,624	9,712
Repairs and Maintenance	35,000	9,710	25,290	45,240
Permits and Fees	11,000	879	10,121	-
Purchased Services	28,350	8,106	20,244	26,227
Utilities	4,088	7,522	(3,434)	5,398
Professional Services	7,700	2,032	5,668	2,852
Other Expenses	6,501	4,092	2,409	56,567
Capital Outlay	50,000	39,976	10,024	-
Total Expenditures	476,464	357,656	118,808	435,073
Excess Revenues Over (Under) Expenditures	2,320	98,854	96,534	38,626
Funds Available - Beginning	868,602	816,014	(52,588)	777,388
Funds Available - Ending	$ 870,922	$ 914,868	$ 43,946	$ 816,014

Funds Available is Computed as Follows:

		Actual Amounts		2024 Actual
Current Assets		$ 917,291		$ 826,956
Liabilities		(2,423)		(10,942)
		$ 914,868		$ 816,014

See the Independent Auditor's Report

TOWN OF GRAND LAKE, COLORADO

PAY AS YOU THROW FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended December 31, 2025
(With Comparative Totals for December 31, 2024)

	Original & Final Budget	Actual Amounts	Variance with Final Budget	2024 Actual
Revenues				
Bag Sales	$ 79,368	$ 41,058	$ (38,310)	$ 74,498
Total Revenues	79,368	41,058	(38,310)	74,498
Expenditures				
Operations Supplies	9,500	8,118	1,382	4,513
Repairs and Maintenance	35,000	36,595	(1,595)	35,872
Purchased Services	36,800	33,950	2,850	31,474
Professional Services	510	510	-	480
Other Expenses	369	-	369	195
Capital Outlay	20,000	854	19,146	18,443
Total Expenditures	102,179	80,027	22,152	90,977
Excess Revenues Over Expenditures	(22,811)	(38,969)	(16,158)	(16,479)
Funds Available - Beginning	157,943	168,898	10,955	185,377
Funds Available - Ending	$ 135,132	$ 129,929	$ (5,203)	$ 168,898
Funds Available is Computed as Follows:				
Current Assets		$ 129,929		$ 168,898
Liabilities		-		-
		$ 129,929		$ 168,898

See the Independent Auditor's Report

LOCAL HIGHWAY FINANCE REPORT

STATE: COLORADO		
THIS INFORMATION FROM THE RECORDS Town of Grand Lake	**PREPARED BY:** Nichole Kirkpatrick NicholeK@kirkpatrickcpa.com	**REPORT YEAR ENDING DATE(mm/yyyy):** 12/2025

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Total (1 - (2 through 4))				

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other Local Imposts:		**A.4. Miscellaneous Local Receipts:**	
a. Property Taxes and Assesments	698,863.00	a. Interest on investments	35,596.00
b. Non-property Taxes and Assessments Imposts	48,885.00	b. Other Misc. Local Receipts	23,070.00
c. Total (a + b)	$ 747,748.00	**c. Total (a + b)**	$ 58,666.00

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	38,273.00	1. FHWA (from Item I.D.5.)	0.00
2. State General Funds		2. Other Federal Agencies:	0.00
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	5,708.00		
c. Total (a + b)	$ 5,708.00		
4. Total (1 + 2 + 3c)	$ 43,981.00	**3. Total (1 + 2)**	$ -

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	0.00
b. Engineering Costs	4,418.00
c. Construction Costs	1,029,300.00
d. Total Capital Outlay (a+ b + c)	$ 1,033,718.00

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LOCAL HIGHWAY FINANCE REPORT

STATE: COLORADO

REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Amount used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from Local Sources:	
1. Local Highway-user Taxes	
a. Motor Fuel (from Item I.A.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	1,684,721.00
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 747,748.00
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ 58,666.00
5. Transfers from Toll Facilities	0.00
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	0.00
b. Bonds - Refunding Issues	0.00
c. Notes	0.00
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ 2,491,135.00
B. Private Contributions	327,754.00
C. Receipts from State government (from page 1, Item II.C.4)	$ 43,981.00
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 2,862,870.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ 1,033,718.00
2. Maintenance:	764,369.00
3. Road and Street Services:	
a. Snow and Ice Removal	557,738.00
b. Other & Traffic Control Operations	109,469.00
c. Total (a + b)	$ 667,207.00
4. General Administration & Miscellaneous	80,504.00
5. Highway Law Enforcement and Safety	37,072.00
6. Total (1 through 5)	$ 2,582,870.00
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	150,000.00
b. Redemption	130,000.00
c. Total (a + b)	$ 280,000.00
2. Notes:	
a. Interest	0.00
b. Redemption	0.00
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ 280,000.00
C. Payments to State for Highways	0.00
D. Payments to Toll Facilities	0.00
E. Total Expenditures (A6 + B3 + C + D)	$ 2,862,870.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	3,325,000	$ -	$ 130,000.00	$ 3,195,000.00
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)	0	$ -	$ -	$ -

TOWN OF GRAND LAKE

MANAGER REPORT

TO	FROM	DATE
Mayor & Trustees	Steve Kudron, Town Manager	July 13, 2026

Department Notes

Finance

- OpenGov is live. All systems are syncing.
- April and May financials are being presented this evening. These will be the Board's last Caselle reports hopefully
- Annual audit wrapped up successfully.
- Audit is being presented this evening.
- May revenue is up 22% over 2025. Year-over-year revenue is up 10%.
- Budget discussions begin 2nd week of August — stay tuned.

Code Enforcement

- Trash issues increasing — trash kills bears. Community cooperation essential.
- Permit enforcement active; STR license compliance is very good.
- The 4th of Julyth was very busy for trash, parking, and other visitor-related issues.
- Working on ROW parking issues.

Planning

- Next Planning meeting is July 15, 2026.
- 900 Grand submitted for final permitting — on the July 30, 2026 agenda.
- Ruger subdivision is on the agenda.

Public Works

- Striping is complete — Town looks great.
- Thank you to Public Works for keeping the Town clean before, during, and after the holiday.

Grand Lake Center

- Summer camps are in full swing.
- CDT hikers are camping and using facilities in Grand Lake.
- With many summer residents and visitors in Town, the GLC facilities are being used more than ever.

Marketing & Events

- CTO crew coming in July to film promo for social co-op.
- PIO training and updates.

Intergovernmental

- New recycling center open — Saturdays 9:00 AM–12:00 PM. Very successful early opening.
- Towns working with the Lift on special July 4th service to Grand Lake.
- Grand Lake received Energy Impact Award
- https://energyoffice.colorado.gov/press-releases/governor-polis-awards-30.1-million-to-help-local-and-tribal-governments-achieve
- Town actively working with Grand Lake Fire on the wildfire plan. Staff has submitted a draft policy to the Chief for review.

Marina

- Summer season is in full swing. Record numbers of visitors and revenues for the first part of July.
- All boats in the fleet are operational.

Admin

- Grant year-end is in full swing.
- Training directives issued for all staff.
- Completed the Town's Business license renewal cycle

Water

- No changes to operations.
-

Space to Create

- State inspections complete. Awaiting completion of medallions in units.
- 2nd round interviews July 10. Currently 5 qualified applicants.

Updates & Upcoming

Upcoming Events

- Board retreat to be scheduled in August.

For events and Rocky Mountain Folk School classes, visit the Town's website.

Next Board Meeting

July 27, 2026

TOWN OF GRAND LAKE
STAFF REPORT

TO: Mayor Bergquist & Town Trustees **FROM:** Stephanie Rhone, Town Treasurer **DATE:** July 13, 2026

ACTION TYPE: ☑ Action Requested ☐ Information Only

RE: Approval of the Town of Grand Lake, Colorado 2025 Audited Financial Statements

STAFF RECOMMENDATION

Staff recommends that the Board of Trustees approve the Town of Grand Lake, Colorado 2025 Audited Financial Statements for the fiscal year ended December 31, 2025, as prepared by the Town's independent auditor, Dazzio & Associates, PC. The auditor issued an unmodified (clean) opinion, finding that the financial statements present fairly, in all material respects, the Town's financial position and results of operations in accordance with generally accepted accounting principles. No material weaknesses, significant deficiencies, or going concern issues were identified.

BACKGROUND

Colorado municipalities are required to have their financial statements audited annually by an independent certified public accounting firm and to file the completed audit with the Colorado Office of the State Auditor. Dazzio & Associates, PC conducted the audit of the Town's government-wide financial statements and each major fund — the General Fund, the Capital Improvement Fund, and the Water, Marina, and PAYT Enterprise Funds — for the year ended December 31, 2025.

The audit included the Statement of Net Position, Statement of Activities, governmental and proprietary fund statements, the General Fund budget-to-actual comparison, and accompanying notes. Board approval formalizes the Town's acceptance of the audited financial statements for filing and public record.

FINANCIAL OVERVIEW

Overall Financial Position

The Town's total net position was $20,064,051 at December 31, 2025, an increase of $1,677,369 (9.12%) from $18,386,682 in 2024. Total assets grew to $29,033,706 (up $3,851,102), while total liabilities grew to $8,169,912 (up $2,113,635), reflecting continued investment in capital projects. The Town's current ratio of 4:1 indicates strong liquidity.

Net Position	Governmental	Business-Type	Total
Net Investment in Capital Assets	$12,169,892	$711,819	$12,881,711
Restricted	$1,121,719	$156,462	$1,278,181
Unrestricted	$2,727,687	$3,176,472	$5,904,159
Total Net Position	**$16,019,298**	**$4,044,753**	**$20,064,051**

Of the total net position, 64% represents net investment in capital assets, 6% is restricted, and 30% is unrestricted and available for ongoing operations.

Governmental Funds

The General Fund and Capital Improvement Fund together reported a combined ending fund balance of $3,933,221. The General Fund ending balance was $3,040,158, a decrease of $937,911 from 2024, driven primarily by increased capital outlay spending; $100,541 has been assigned to the 2026 budget. The Capital Improvement Fund ended the year with a balance of $893,063, of which $612,563 is restricted for street improvements and $280,500 for the bond indenture Surplus Fund.

General Fund actual revenues of $6,215,343 came in $4,814,993 under budget, almost entirely because $5,356,328 in budgeted grant funding was not received. General Fund expenditures of $7,153,254 were $4,462,712 under budget, primarily because $4,772,383 in budgeted capital outlay was not spent as projects were delayed or completed under budget.

Enterprise Funds

Fund	Net Position	Change from 2024
Water	$2,915,480	+$68,881
Marina	$999,344	+$77,444
Pay-As-You-Throw (PAYT)	$129,929	−$38,969

The Water Fund's gain reflects increased water sales revenue and lower operating costs. The Marina Fund's gain reflects reduced operating expenses. The PAYT Fund's decline reflects a 45% drop in trash bag sales revenue, only partially offset by lower expenses.

Capital Assets and Long-Term Debt

Total capital assets, net of depreciation, were $18,435,227 at year-end (up from $16,203,978 in 2024). Outstanding long-term debt consisted of: $3,195,000 in Sales Tax Revenue Bonds (2017, street and drainage improvements); $1,114,937 in Certificates of Participation (2021, Matthews property); and $1,043,766 in a CWRPDA Drinking Water Revolving Fund loan (2018, water storage tank). All scheduled debt service payments were made during 2025.

AUDIT RESULTS

Dazzio & Associates, PC issued an unmodified opinion — the highest level of assurance an auditor can provide — concluding that the financial statements present fairly the Town's financial position and results of operations in accordance with generally accepted accounting principles. The audit identified no material weaknesses or significant deficiencies in internal control and no going concern issues.

CONSIDERATIONS

- Approval is a formal acceptance step and does not commit the Town to any new expenditure.
- Filing with the Colorado Office of the State Auditor is a statutory requirement for the Town's continued good standing.
- The General Fund balance decline and Enterprise Fund variances are explained in detail in the Management's Discussion and Analysis included with the attached statements and do not reflect any underlying financial concern.

SUGGESTED MOTIONS

Staff offers the following motion options. Only one motion should be adopted.

"I move to approve the Town of Grand Lake, Colorado 2025 Audited Financial Statements as presented."

— or —

"I move to approve the Town of Grand Lake, Colorado 2025 Audited Financial Statements as presented, subject to any technical corrections identified by the Town Treasurer or auditor that do not change the reported opinion or financial results."

— or —

"I move to table consideration of the 2025 Audited Financial Statements to [date certain] to allow the Board additional time to review the report."

TOWN OF GRAND LAKE
STAFF REPORT

TO: Mayor Bergquist & Town Trustees **FROM:** Stephanie Rhone, Town Treasurer **DATE:** July 13, 2026

ACTION TYPE: ☑ Action Requested ☐ Information Only

RE: Resolution No. 62-2026 — Authorizing Cash Account and Safe Deposit Box Signers

BACKGROUND

Town policy requires two signers on all checks and two approvals for transfers. Resolution No. 62-2026 updates the Town's authorized account signers, safe deposit box designees, and online banking access as follows:

Bank Account Signers

Stephan J. Kudron, Town Manager; Christina Bergquist, Mayor; and Mike Arntson, Mayor Pro-Tem remain authorized signers. Robert Miller, Financial Trustee, is added as an authorized signer.

Safe Deposit Box Designees

Stephan J. Kudron, Town Manager; Christina Bergquist, Mayor; and Alayna Carrell, Town Clerk.

Online Banking Access

Stephan J. Kudron, Town Manager, continues as an authorized online banking user. Stephanie Rhone, Treasurer, is added as a full-access user. Melissa Jackson, former Bookkeeper, and Nichole Kirkpatrick, former Contract Treasurer, are removed from all account access, information requests, and ACH authorization.

ACH Authorization

Stephanie Rhone, Treasurer, is authorized to set up and initiate ACH transactions for payroll, water customer payments, accounts payable, and loan payments.

Any previously authorized users not listed above will be removed from the accounts.

SUGGESTED MOTION

I move to approve Resolution No. 62-2026, authorizing cash account and safe deposit box signers.

— or —

I move to approve Resolution No. 62-2026, authorizing cash account and safe deposit box signers, with the following changes:

TOWN OF GRAND LAKE RESOLUTION NO. 62-2026

A RESOLUTION AUTHORIZING CASH ACCOUNT AND SAFE DEPOSIT BOX SIGNERS

WHEREAS, the Town of Grand Lake Board of Trustees (the "Board) policy is to require two signers on all checks and two approvals for transfers, and

WHEREAS, the Town currently has cash accounts at the following entities:

United Business Bank:	l Money Market Account
United Business Bank:	1 Checking Account
U.S. Bank:	1 Checking Accounts
CSAFE:	3 Money Market Funds
ColoTrust:	1 Money Market Fund
Midwest:	1 Checking Account

WHEREAS, cash account current authorized signers are Stephan J. Kudron, Town Manager, Christina Berquist, Mayor, Michael Sobon, Mayor Pro-Tem; Michael Arntson, Financial Trustee

WHEREAS, the Town currently has a safe deposit box at United Business Bank

WHEREAS, United Business Bank suggests and the Board of Trustees desire two designees at a time be authorized to access the box

NOW THEREFORE BE IT RESOLVED BY THE GRAND LAKE BOARD OF TRUSTEES AS FOLLOWS:

THAT, Stephan J. Kudron, Town Manager; Christina Bergquist, Mayor; and Mike Arntson, Mayor Pro-Tem; will remain signers: and Robert Miller, Financial Trustee, will be added; and

THAT, Stephan J. Kudron, Town Manager; Christina Berquist, Mayor; and Alayna Carrell, Town Clerk will continue to be authorized designees for the safe deposit box; and

THAT, Stephan J. Kudron, Town Manager, will continue as authorized online banking full access user; and that Stephanie Rhone, Treasurer, will be added as authorized full user access; and that Melissa Jackson, former Bookkeeper and Nichole Kirkpatrick, former contract Treasurer, will no longer have access to all accounts: and

THAT, Stephanie Rhone, Treasurer is authorized to request information on cash accounts; and, Melissa Jackson, former Bookkeeper and Nichole Kirkpatrick, former contract Treasurer will no longer be authorized to request information on cash accounts; and

THAT, Stephanie Rhone, Treasurer will be authorized to setup and initiate ACH transactions for the purpose of payroll, water customer payments, accounts payable and loan payments; and Melissa Jackson, former Bookkeeper and Nichole Kirkpatrick, former contract Treasurer former will no longer be authorized to set up and initiate ACH transactions for the purpose of payroll, water customer payments, accounts payable and loan payments; and

THAT, any previously authorized users not listed above will be removed from the accounts.

DULY MOVED, SECONDED, AND ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE THIS 13th DAY OF July 2026.

(SEAL)

Votes Approving:
Votes Opposing:
Votes Abstaining:
Absent:

ATTEST:

BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO

____

Alayna Carrell, Town Clerk

____

Christina Berquist, Mayor

TOWN OF GRAND LAKE
STAFF REPORT

TO: Mayor Bergquist & Town Trustees **FROM:** Alayna Carrell, CMC, Town Clerk **DATE:** July 13, 2026

ACTION TYPE: ☑ Action Requested ☐ Information Only

QUASI-JUDICIAL NOTICE
This is a quasi-judicial matter. Public notice of the Special Event Liquor Permit application was posted at the event location (1026 Park Avenue) on June 22, 2026, at least ten (10) days prior to this hearing, as required by C.R.S. 44-5-106.

RE: Approval of Special Event Liquor Permit Application and Resolution No. 55-2026 — Grand Arts Council "Bluegrass Concert"

BACKGROUND

The Grand Arts Council is requesting approval of a Special Event Liquor Permit for its Bluegrass Concert event. The event is scheduled to take place on Sunday, August 1, 2026, from 5:00 p.m. to 10:00 p.m. at the Grand Lake Community House, located at 1026 Park Avenue.

The Grand Arts Council has submitted a Special Event Liquor Permit application requesting authorization to sell malt, vinous, and spirituous liquors during the event. As a nonprofit organization, the applicant has also requested that the $100.00 Special Event Liquor Permit fee be waived.

LEGAL CONSIDERATIONS

Pursuant to C.R.S. 44-5-102, a Special Event Permit may be issued to:

- Organizations that are nonprofit in nature and incorporated for social, fraternal, patriotic, political, educational, or athletic purposes;
- Regularly chartered branches, lodges, or chapters of national nonprofit organizations;
- Established religious or philanthropic institutions; or
- State institutions of higher education.

Under C.R.S. 44-5-106, a permit may be denied if issuance would be injurious to the public welfare due to the nature or location of the event, or based on the applicant's history of noncompliance. Public notice of the application must be posted at the event location at least ten (10) days prior to approval.

FISCAL NOTE

In 2025, the Board of Trustees waived a total of $500.00 in Special Event Liquor Permit fees for events hosted by the Grand Arts Council. For 2026, $300.00 in fees have been waived to date. Approval of this application with a fee waiver would bring the 2026 total to $400.00.

SUGGESTED MOTION

I move to approve (or deny) the Special Event Liquor Permit application and Resolution No. 55-2026, setting certain fees for the Grand Arts Council's special event, "Bluegrass Concert," to be held on August 1, 2026, from 5:00 p.m. to 10:00 p.m. at the Grand Lake Community House, 1026 Park Avenue.

TOWN OF GRAND LAKE
BOARD OF TRUSTEES

RESOLUTION NO. 55-2026

A RESOLUTION SETTING CERTAIN FEES FOR THE GRAND ARTS COUNCIL'S SPECIAL EVENT, "BLUEGRASS CONCERT"

WHEREAS, the Grand Arts Council has scheduled a special event entitled "Bluegrass Concert," to be held August 1, 2026; and,

WHEREAS, the fee for a Special Event Liquor Permit is set at $100.00; and,

WHEREAS, the Board of Trustees has the authority pursuant to Colorado State Statute § 31-15-901(1)(c) and Section 2-3-2 of the Municipal Code to adopt a resolution waiving the Town fee; and,

WHEREAS, upon consideration of staff comments and discussion amongst the Board members, the Board concluded that waiving the Special Event Liquor Permit fee is in the best interests of the Town and its citizens;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO:

THAT, the Board hereby waives the $100.00 Special Event Liquor Permit fee for the Grand Arts Council's special event, "Bluegrass Concert," to be held on August 1, 2026, at the Grand Lake Community House, located at 1026 Park Avenue, Grand Lake, Colorado.

DULY MOVED, SECONDED, AND ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE THIS 13TH DAY OF JULY 2026.

Votes Approving: ______
Votes Opposing: ______
Votes Abstaining: ______
Absent: ______

(SEAL)

ATTEST:

______________________________ ______________________________
Alayna Carrell, Town Clerk Christina Bergquist, Mayor

TOWN OF GRAND LAKE
STAFF REPORT

TO: Mayor Bergquist & Town Trustees **FROM:** Sarah Weekes, Event Manager **DATE:** July 13, 2026

ACTION TYPE: ☑ Action Requested ☐ Information Only

RE: Approval of Special Event Permit Application and Resolution No. 56-2026 — Colorado AeroLab "Viking Armada" Event, July 17, 2026

BACKGROUND

Colorado AeroLab is a nonprofit educational organization based in Denver that designs and delivers experiential, out-of-school-time learning opportunities for K–12 students, families, and educators across Colorado. As a statewide network of blended education centers in partnership with local school districts, each AeroLab site serves as a hands-on learning lab focused on multidisciplinary engineering design and collaborative problem-solving. Programs prepare students for success in college, career, and community life — particularly within Colorado's growing aeronautics industry.

The Viking Armada is a community event in which Grand Lake summer camp participants will launch handmade cardboard boats at the Headwaters Marina. Community members are welcome to attend and participate. Residents and visitors will also have the opportunity to decorate their own jumbo rubber ducks as part of the festivities.

Colorado AeroLab has submitted a Special Event Permit application for the Viking Armada and is requesting the Board of Trustees waive the following fee due to its nonprofit status:

- Special Event Permit fee in the amount of $250.00.

REVIEW CONSIDERATIONS

Pursuant to Municipal Code Section 11-6-3(C), the Board of Trustees shall consider the following factors prior to approval of a Special Event Permit:

(a) The predominant use of the primary facility being used;
(b) The proposed event and the event hours;
(c) Neighborhood compatibility;
(d) Effect of the proposed event on the community;
(e) The Town's anticipated cost in staff time and equipment use;
(f) The benefit to the nonprofit from the event;
(g) The benefit to local businesses from the event;
(h) Duplication of services or sale items; and
(i) Nature of past event issues or similar past event issues.

FISCAL NOTE

In 2026, the Board of Trustees approved fee waivers for Colorado AeroLab totaling $1,000.00 in Special Event Permit fees and $19,820.00 in facility rental, AV equipment rental, and kitchen fees across four prior events: "Radium Girls" (January 2026), "Hadestown" (April 2026), "Upstage Youth Theatre Fundraising Cabaret" (May 2026), and "Ducks Outta Water" (June 2026). Approval of this application with a fee waiver would bring the 2026 Special Event Permit fee waiver total to $1,250.00.

SUGGESTED MOTION

I move to approve (or deny) the Special Event Permit application and Resolution No. 56-2026 for Colorado AeroLab's "Viking Armada" event to be held July 17, 2026.

TOWN OF GRAND LAKE
BOARD OF TRUSTEES
RESOLUTION NO. 56-2026

A RESOLUTION SETTING CERTAIN FEES FOR COLORADO AEROLAB'S "VIKING ARMADA" EVENT TO BE HELD ON JULY 17, 2026

WHEREAS, Colorado Aerolab has scheduled a special event, Viking Armada, July 17, 2026; and,

WHEREAS, the fee for a special event application is set at $250; and,

WHEREAS, the Board of Trustees has the authority pursuant to Colorado State Statute § 31-15-901 (1) (c) and Section 2-3-2 of the Municipal Code to adopt a resolution waiving the Town fee; and,

WHEREAS, upon consideration of staff comments and discussion amongst the Board members themselves, the Board concluded that waiving the special event application fee is in the best interests of the Town and its citizens;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO THAT:

1. The Board of Trustees hereby waives the special event permit application fee for Colorado Aerolab's *Viking Armada* event to be held July 17, 2026.

DULY MOVED, SECONDED, AND ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE THIS 13TH DAY OF JULY, 2026.

Votes Approving:
Votes Opposing:
Votes Abstaining:
Absent:

(SEAL)

ATTEST:

______________________________ ______________________________

Alayna Carrell, Town Clerk | Christina Bergquist, Mayor

TOWN OF GRAND LAKE
STAFF REPORT

TO: Mayor Bergquist & Town Trustees **FROM:** Sarah Weekes, Event Manager **DATE:** July 13, 2026

ACTION TYPE: ☑ Action Requested ☐ Information Only

RE: Approval of Special Event Permit Application and Resolution No. 57-2026 — Colorado AeroLab "Main Street Game Night" Event, July 18, August 1, and August 8, 2026

BACKGROUND

Colorado AeroLab is a nonprofit educational organization based in Denver that designs and delivers experiential, out-of-school-time learning opportunities for K–12 students, families, and educators across Colorado. As a statewide network of blended education centers in partnership with local school districts, each AeroLab site serves as a hands-on learning lab focused on multidisciplinary engineering design and collaborative problem-solving. Programs prepare students for success in college, career, and community life — particularly within Colorado's growing aeronautics industry.

Main Street Game Night is a community event featuring board games and lawn games at the Heckert Pavilion and Town Park.

Colorado AeroLab has submitted a Special Event Permit application for Main Street Game Night and is requesting the Board of Trustees waive the following fees due to its nonprofit status:

- Special Event Permit fee in the amount of $250.00.
- Heckert Pavilion rental fees for the requested dates in the amount of $180.00.

REVIEW CONSIDERATIONS

Pursuant to Municipal Code Section 11-6-3(C), the Board of Trustees shall consider the following factors prior to approval of a Special Event Permit:

(a) The predominant use of the primary facility being used;
(b) The proposed event and the event hours;
(c) Neighborhood compatibility;
(d) Effect of the proposed event on the community;
(e) The Town's anticipated cost in staff time and equipment use;
(f) The benefit to the nonprofit from the event;
(g) The benefit to local businesses from the event;
(h) Duplication of services or sale items; and
(i) Nature of past event issues or similar past event issues.

FISCAL NOTE

In 2026, the Board of Trustees approved fee waivers for Colorado AeroLab totaling $1,000.00 in Special Event Permit fees and $19,820.00 in facility rental, AV equipment rental, and kitchen fees across four prior events: "Radium Girls" (January 2026), "Hadestown" (April 2026), "Upstage Youth Theatre Fundraising Cabaret" (May 2026), and "Ducks Outta Water" (June 2026). Approval of this application with a fee waiver would bring the 2026 Special Event Permit fee waiver total to $1,250.00 and facility fee waivers to $20,000.00.

SUGGESTED MOTION

I move to approve (or deny) the Special Event Permit application and Resolution No. 57-2026 for Colorado AeroLab's "Main Street Game Night" event to be held July 18, August 1, and August 8, 2026.

TOWN OF GRAND LAKE
BOARD OF TRUSTEES
RESOLUTION NO. 57-2026

A RESOLUTION SETTING CERTAIN FEES FOR COLORADO AEROLAB'S "MAIN STREET GAME NIGHT" EVENT TO BE HELD ON JULY 18, 2026, AUGUST 1, 2026

WHEREAS, Colorado Aerolab has scheduled a special event, Main Street Game Night, July 18, 2026, August 1, 2026 and August 8, 2026; and,

WHEREAS, the fee for a special event application is set at $250, the rental fee for the Heckert Pavilion for the scheduled time is set at $180; and,

WHEREAS, the Board of Trustees has the authority pursuant to Colorado State Statute § 31-15-901 (1) (c) and Section 2-3-2 of the Municipal Code to adopt a resolution waiving the Town fee; and,

WHEREAS, upon consideration of staff comments and discussion amongst the Board members themselves, the Board concluded that waiving the facility rental fees and the special event application fee is in the best interests of the Town and its citizens;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO THAT:

1. The Board of Trustees hereby waives the special event permit application fee for Colorado Aerolab's *Main Street Game Night* event to be held July 18, 2026, August 1, 2026, and August 8, 2026.

2. The Board of Trustees further waives the Heckert Pavilion rental fee associated with the event for the scheduled date.

DULY MOVED, SECONDED, AND ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE THIS 13TH DAY OF JULY, 2026.

Votes Approving:
Votes Opposing:
Votes Abstaining:
Absent:

(SEAL)

ATTEST:

Alayna Carrell, Town Clerk

Christina Bergquist, Mayor

TOWN OF GRAND LAKE
STAFF REPORT

TO: Mayor Bergquist & Town Trustees **FROM:** Sarah Weekes, Event Manager **DATE:** July 13, 2026

ACTION TYPE: ☑ Action Requested ☐ Information Only

RE: Approval of Special Event Permit Application and Resolution No. 58-2026 — Grand Arts Council "Bluegrass Concert" Event, August 1, 2026

BACKGROUND

The Grand Arts Council is a nonprofit organization located in Grand Lake, Colorado, at the entrance to Rocky Mountain National Park. The Grand Arts Council encourages painters, sculptors, poets, dancers, and crafters to express themselves artistically and share their passion for the surrounding community. Activities include concerts, exhibits, craft fairs, theatrical performances, and other events that integrate cultural arts into the community. The organization also offers scholarships to high school seniors pursuing further education in an arts-related field.

The Grand Arts Council has submitted a Special Event Permit application for the Bluegrass Concert and is requesting the Board of Trustees waive the following fees associated with the event:

- Special Event Permit fee in the amount of $250.00.
- Community House rental fees for the requested date in the amount of $300.00.

REVIEW CONSIDERATIONS

Pursuant to Municipal Code Section 11-6-3(C), the Board of Trustees shall consider the following factors prior to approval of a Special Event Permit:

(a) The predominant use of the primary facility being used;
(b) The proposed event and the event hours;
(c) Neighborhood compatibility;
(d) Effect of the proposed event on the community;
(e) The Town's anticipated cost in staff time and equipment use;
(f) The benefit to the nonprofit from the event;
(g) The benefit to local businesses from the event;
(h) Duplication of services or sale items; and
(i) Nature of past event issues or similar past event issues.

FISCAL NOTE

In 2026, the Board of Trustees approved fee waivers for the Grand Arts Council totaling $1,000.00 in Special Event Permit fees and $1,400.00 in facility rental and AV equipment rental fees across four prior events: "Hypnotist Night" (February 2026), "Moors & McCumber Concert" (March 2026), "Comedy Night" (May 2026), and "Summer Concerts" (July–September 2026). Approval of this application with a fee waiver would bring the 2026 Special Event Permit fee waiver total to $1,250.00 and facility fee waivers to $1,700.00.

SUGGESTED MOTION

I move to approve (or deny) the Special Event Permit application and Resolution No. 58-2026 for the Grand Arts Council's "Bluegrass Concert" event to be held on August 1, 2026.

TOWN OF GRAND LAKE
BOARD OF TRUSTEES
RESOLUTION NO. 58-2026

A RESOLUTION SETTING CERTAIN FEES FOR GRAND ARTS COUNCIL "BLUEGRASS CONCERT" EVENT TO BE HELD ON AUGUST 1, 2026

WHEREAS, Grand Arts Council has scheduled a special event, Bluegrass Concert, August 1, 2026, and,

WHEREAS, the Special Event Permit application fee is set at $250, the rental fee for the Community House for the scheduled time is set at $300; and,

WHEREAS, the Board of Trustees has the authority pursuant to Colorado State Statute § 31-15-901 (1) (c) and Section 2-3-2 of the Municipal Code to adopt a resolution waiving the Town fee; and,

WHEREAS, upon consideration of staff comments and discussion amongst the Board members themselves, the Board concluded that waiving the facility rental fees, the av equipment rental fee and the special event application fee is in the best interests of the Town and its citizens;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO:

1. The Board of Trustees hereby waives the special event permit application fee for Grand Arts Council *Bluegrass Concert* event to be held August 1, 2026.

2. The Board of Trustees further waives the Community House rental fee associated with the event for the scheduled date.

DULY MOVED, SECONDED, AND ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE THIS 13TH DAY OF JULY 2026.

Votes Approving:
Votes Opposing:
Votes Abstaining:
Absent:

(SEAL)

ATTEST:

______________________________ ______________________________

Alayna Carrell, Town Clerk Christina Bergquist, Mayor Pro-Tem

TOWN OF GRAND LAKE
STAFF REPORT

TO: Mayor Bergquist & Town Trustees **FROM:** Sarah Weekes, Event Manager **DATE:** July 13, 2026

ACTION TYPE: ☑ Action Requested ☐ Information Only

RE: Approval of Special Event Permit Application and Resolution No. 59-2026 — Peaks 'n Pines Quilt Guild "Quilt Show" Event, July 30 – August 2, 2026

BACKGROUND

Peaks 'n Pines Quilt Guild is a Grand County-based nonprofit organization dedicated to promoting and preserving the art of quilting for all age groups, with education as its primary purpose and charitable work as a secondary focus. The guild was founded in Granby in 2010, originating from a conversation among local quilters who recognized a need for an organized quilting community in the county. Its first meeting, held June 10, 2010, drew over 20 attendees.

The Peaks 'n Pines Quilt Guild will host its 2026 Quilt Show at the Grand Lake Center from July 30 through August 2, 2026. The event will feature over 70 quilts on display, along with demonstration stations where attendees can watch quilting techniques in action. The community is invited to attend and view the craftsmanship of local quilters.

Peaks 'n Pines Quilt Guild has submitted a Special Event Permit application for the Quilt Show and is requesting the Board of Trustees waive the following fees due to its nonprofit status:

- Special Event Permit fee in the amount of $250.00.
- Grand Lake Center rental fees for the requested dates in the amount of $2,400.00.

REVIEW CONSIDERATIONS

Pursuant to Municipal Code Section 11-6-3(C), the Board of Trustees shall consider the following factors prior to approval of a Special Event Permit:

(a) The predominant use of the primary facility being used;
(b) The proposed event and the event hours;
(c) Neighborhood compatibility;
(d) Effect of the proposed event on the community;
(e) The Town's anticipated cost in staff time and equipment use;
(f) The benefit to the nonprofit from the event;
(g) The benefit to local businesses from the event;
(h) Duplication of services or sale items; and
(i) Nature of past event issues or similar past event issues.

FISCAL NOTE

The Board of Trustees has not previously waived fees for Peaks 'n Pines Quilt Guild in 2026. Approval of this application with a fee waiver would result in $250.00 in Special Event Permit fee waivers and $2,400.00 in facility rental fee waivers for the year.

SUGGESTED MOTION

I move to approve (or deny) the Special Event Permit application and Resolution No. 59-2026 for Peaks 'n Pines Quilt Guild's "Quilt Show" event to be held July 30 through August 2, 2026.

TOWN OF GRAND LAKE
BOARD OF TRUSTEES
RESOLUTION NO. 59-2026

A RESOLUTION SETTING CERTAIN FEES FOR PEAKS 'N PINES QUILT GUILD "QUILT SHOW" EVENT TO BE HELD ON JULY 30, 2026, THROUGH AUGUST 2, 2026

WHEREAS, Peaks 'n Pines Quilt Guild has scheduled a special event, Quilt Show, July 30, 2026, through August 2, 2026; and,

WHEREAS, the fee for a special event application is set at $250, the rental fee for the Grand Lake Center for the scheduled time is set at $2400; and,

WHEREAS, the Board of Trustees has the authority pursuant to Colorado State Statute § 31-15-901 (1) (c) and Section 2-3-2 of the Municipal Code to adopt a resolution waiving the Town fee; and,

WHEREAS, upon consideration of staff comments and discussion amongst the Board members themselves, the Board concluded that waiving the facility rental fees and the special event application fee is in the best interests of the Town and its citizens;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO THAT:

1. The Board of Trustees hereby waives the special event permit application fee for Peaks 'n Pines Quilt Guild *Quilt Show* event to be held July 30, 2026 through August 2, 2026.

2. The Board of Trustees further waives the Grand Lake Center rental fee associated with the event for the scheduled date.

DULY MOVED, SECONDED, AND ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE THIS 13TH DAY OF JULY 2026.

Votes Approving:
Votes Opposing:
Votes Abstaining:
Absent:

(SEAL)

ATTEST:

______________________________ ______________________________

Alayna Carrell, Town Clerk Christina Bergquist, Mayor

TOWN OF GRAND LAKE
STAFF REPORT

TO: Mayor Bergquist & Town Trustees **FROM:** Sarah Weekes, Event Manager **DATE:** July 13, 2026

ACTION TYPE: ☑ Action Requested ☐ Information Only

RE: Approval of Special Event Permit Application and Resolution No. 60-2026 — Friends of Grand County Library "Friends Book Sale" Event, August 14–16, 2026

BACKGROUND

The Friends of the Grand County Library, Inc. is an all-volunteer nonprofit organization that has supported Grand County's public libraries in Grand Lake, Granby, Fraser, Hot Sulphur Springs, and Kremmling since 1984. Governed by a Board of Directors, the organization raises funds through book sales and other events, with 100% of proceeds going directly to the libraries. The Friends also provide volunteer support and seek grants for library projects and programs.

The Friends of the Grand County Library will host its 2026 Friends Book Sale at the Community House from August 14 through August 16, 2026, selling used books to raise funds in support of Grand County's public libraries.

Friends of the Grand County Library has submitted a Special Event Permit application for the Friends Book Sale and is requesting the Board of Trustees waive the following fees due to its nonprofit status:

- Special Event Permit fee in the amount of $250.00.
- Community House rental fees for the requested dates in the amount of $900.00.

REVIEW CONSIDERATIONS

Pursuant to Municipal Code Section 11-6-3(C), the Board of Trustees shall consider the following factors prior to approval of a Special Event Permit:

(a) The predominant use of the primary facility being used;
(b) The proposed event and the event hours;
(c) Neighborhood compatibility;
(d) Effect of the proposed event on the community;
(e) The Town's anticipated cost in staff time and equipment use;
(f) The benefit to the nonprofit from the event;
(g) The benefit to local businesses from the event;
(h) Duplication of services or sale items; and
(i) Nature of past event issues or similar past event issues.

FISCAL NOTE

The Board of Trustees has not previously waived fees for Friends of the Grand County Library in 2026. Approval of this application with a fee waiver would result in $250.00 in Special Event Permit fee waivers and $900.00 in facility rental fee waivers for the year.

SUGGESTED MOTION

I move to approve (or deny) the Special Event Permit application and Resolution No. 60-2026 for the Friends of the Grand County Library's "Friends Book Sale" event to be held August 14 through August 16, 2026.

TOWN OF GRAND LAKE
BOARD OF TRUSTEES
RESOLUTION NO. 60-2026

A RESOLUTION SETTING CERTAIN FEES FOR FRIENDS OF GRAND COUNTY LIBRARY "FRIENDS BOOK SALE" EVENT TO BE HELD ON AUGUST 14, 2026 – AUGUST 16, 2026

WHEREAS, Friends of Grand County Library has scheduled a special event, Friends Book Sale, August 14, 2026, through August 16, 2026; and,

WHEREAS, the fee for a special event application is set at $250, the rental fee for the Community House for the scheduled time is set at $900; and,

WHEREAS, the Board of Trustees has the authority pursuant to Colorado State Statute § 31-15-901 (1) (c) and Section 2-3-2 of the Municipal Code to adopt a resolution waiving the Town fee; and,

WHEREAS, upon consideration of staff comments and discussion amongst the Board members themselves, the Board concluded that waiving the facility rental fees and the special event application fee is in the best interests of the Town and its citizens;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO THAT:

1. The Board of Trustees hereby waives the special event permit application fee for Friends of Grand County Library *Friends Book Sale* event to be held August 14, 2026, through August 16, 2026.

2. The Board of Trustees further waives the Commnity House rental fee associated with the event for the scheduled date.

DULY MOVED, SECONDED, AND ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE THIS 13TH DAY OF JULY 2026.

Votes Approving:
Votes Opposing:
Votes Abstaining:
Absent:

(SEAL)

ATTEST:

Alayna Carrell, Town Clerk

Christina Bergquist, Mayor

TOWN OF GRAND LAKE
STAFF REPORT

TO: Mayor Bergquist & Town Trustees **FROM:** Brian Kracke, Code Enforcement Officer / Permit Technician **DATE:** July 13, 2026

ACTION TYPE: ☑ Action Requested ☐ Information Only

RE: Proposed Code Amendment Package — Ordinances Nos. 04–23-2026, Series 2026 (Chapters 4, 7, and 12)

BACKGROUND

Staff has prepared twenty (20) draft ordinances amending Chapter 4 (Finance), Chapter 7 (Police Regulations), and Chapter 12 (Zoning) of the Town Code for the Board's consideration. These amendments were discussed during the June 2026 Board meeting. A summary of each amendment is provided below, organized by chapter, along with the policy rationale and any points requiring Board direction before the ordinances are finalized. The complete draft ordinance text is provided as a separate attachment for reference.

CHAPTER 4 — FINANCE (ORDINANCES 04–06-2026)

04. Timing of Use Tax Payment (§ 4-3-33)
Clarifies that the estimated building and construction use tax must be paid before a building permit is issued.

05. Taxable Base of the Use Tax (§ 4-3-32)
Confirms that the 5% use tax is calculated on fifty percent (50%) of the retail purchase price of building and construction materials, consistent with the estimate methodology already used in § 4-3-33.

06. Use Tax on Landscaping Materials (§ 4-3-28)
Expands the stated purpose of the use tax article to expressly include landscaping materials purchased outside the Town, alongside existing building and construction materials.

CHAPTER 7 — POLICE REGULATIONS (ORDINANCE 07-2026)

07. Open Fires (§ 7-1-28)
Strengthens the Town's regulation of open fires. Exemptions apply only when no Red Flag Warning or fire ban is in effect, and include: campfires limited to one per property in a permanent metal fire ring not exceeding nine (9) square feet; barbeque and gas/liquid-fueled grills meeting fire-safety specifications; and approved wood-pellet grills and stoves. Loose-rock fire rings are expressly prohibited.

08. Refuse Container Storage (§ 7-6-12)
Requires refuse containers to be stored out of public view (e.g., behind a structure, in a garage, or behind a fence) except during the permitted collection window of 6:00 a.m. to 7:00 p.m. on the day of trash pick-up.

CHAPTER 12 — ZONING (ORDINANCES 09–23-2026)

09. Artificial Turf Prohibition (New § 12-2-6)
Prohibits the installation or maintenance of artificial turf or synthetic ground cover on any property in Town.

10. Shipping Container Prohibition (New § 12-2-6)
Prohibits the placement, storage, or use of shipping or cargo containers on any property in Town, whether for storage, habitation, or other purposes, as inconsistent with the Town's architectural character.

11. Annual Fire Inspection for Long-Term Rentals (New § 12-2-6)
Requires an annual fire and life-safety inspection for every long-term rental dwelling unit (leases of 30 or more consecutive days), with owners responsible for scheduling inspections and correcting cited deficiencies.

> **Decision Point:** Confirm the Town Fee Schedule addresses this new inspection category.

12. Business License Required for Long-Term Rentals (New § 12-2-6)
Requires owners who offer long-term rentals to obtain and maintain a Town business license for each rental operation.

> **Decision Point:** Confirm the chapter placement (business licensing vs. zoning) with the Town Attorney.

13. Late Fees for Delinquent Nightly Rental Licenses (§ 12-2-31 / Fee Schedule)
Establishes a monthly late fee for Nightly Rental Licenses not renewed on time: the prorated monthly license fee plus a flat $50.00 per month fine, compounding for each month of delinquency. Dollar amounts are set by the Town Fee Schedule and may be adjusted by Resolution.

> **Decision Point:** Confirm whether the $50/month charge should be characterized as a fine or an administrative late fee, as the distinction may carry due-process implications.

14. Complaint Definition — Electronic Submission (§ 12-2-31(B)4(a)1.(ii)1.)
Allows complaints relevant to Nightly Rental License renewals to be submitted electronically through the Town's online portal, in addition to a police citation or signed letter.

15. **Occupancy and Advertising Compliance** (§ 12-2-31(B)4(b)(iv))
    Ties allowable advertised occupancy for nightly rental units to the most recent fire and life-safety inspection, replacing the prior reference to the STR rental license application.
16. **Remove County-Notification Requirements** (§ 12-2-31(B)4(a)1.(i))
    Repeals county-notification and adjoining-owner-notice subparts within the nightly rental approval process that Grand County does not require, with remaining subparts renumbered accordingly.

> **Decision Point:** Removing subpart 3 also eliminates the neighbor 24-hour management contact number requirement. Confirm the Board intends to remove neighbor notification entirely.

17. **Repeal Conditional-Use Trigger for Complaints** (§ 12-2-31(B)4(a)1.(ii))
    Repeals the provision treating a nightly rental renewal as a conditional use upon the filing of one or more complaints.

> **Decision Point:** This is the only mechanism in the renewal process that escalates review when complaints exist. Confirm the Board's intent, as this may need to be paired with a separate enforcement pathway.

18. **Nightly Rental Site-Plan Submittal** (§ 12-2-31(B)1.1.)
    Removes the prior requirement to submit two copies of a site plan with a nightly rental application, while preserving all other operative licensing language.
19. **Nightly Rental License Transferability** (§ 12-2-31(B)1.3.)
    Clarifies that a Nightly Rental License is transferable to a new owner of the licensed unit upon completion of a complete and approved application.

> **Decision Point:** Confirm this reflects the Board's intended policy — the prior Code stated licenses were non-transferable.

20. **Define "Accent Exterior Material"** (New § 12-2-6)
    Adds a Chapter 12 definition limiting accent exterior materials to no more than thirty percent (30%) of any individual exterior wall elevation.
21. **Define "Commercial Storage Yard"** (New § 12-2-6)
    Adds a Chapter 12 definition for "Commercial Storage Yard" covering commercial, long-term storage of items for more than seventy-two (72) consecutive hours, including watercraft, RVs, trailers, cargo containers, and bulk materials.
22. **Define "Parking Lot"** (New § 12-2-6)
    Adds a Chapter 12 definition for "Parking Lot" as a developed area used for short-term placement (up to 72 hours) of operational, currently registered motor vehicles.
23. **U.S. Forest Service Authorization — Shadow Mountain Lake** (§ 12-2-29(v))
    Clarifies that development located on Shadow Mountain Lake requires a U.S. Forest Service permit rather than a more general authorization.

SUGGESTED MOTION

I move to approve on first reading Ordinances Nos. 04 through 23-2026, Series 2026, amending Chapters 4, 7, and 12 of the Grand Lake Municipal Code as summarized in this Staff Report, and to direct staff and the Town Attorney to finalize any bracketed provisions and publish the ordinances as required by law.

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 04-2026

AN ORDINANCE AMENDING GRAND LAKE MUNICIPAL CODE SECTION 4-3-33 REGARDING THE TIMING OF PAYMENT OF THE BUILDING AND CONSTRUCTION USE TAX

WHEREAS, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the "Town"); and,

WHEREAS, the Town of Grand Lake imposes a use tax on building and construction materials pursuant to Article 3 of Chapter 4 of the Town Code; and,

WHEREAS, the Board finds it in the best interest of the Town to clarify that the estimated use tax must be paid prior to issuance of a building permit, ensuring collection of the tax at the proper point in the permitting process.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby amends Section 4-3-33 of the Municipal Code of the Town of Grand Lake, "Payment Required and Refunding Procedures for Building and Construction Use Tax," subsection (A), with the removal of the strikethrough language and the addition of the bold underlined language to read in its entirety as follows:

4-3-33(A) The use tax imposed by Section 4-3-32 of this Article shall be paid by estimate through payment to the Town of any amount equal to five percent (5%) of fifty percent (50%) of the total cost of the project in which the taxable personal property is used as indicated on the building permit application and shall be paid **<u>before</u>** such building permit issuance.

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST:	TOWN OF GRAND LAKE
______________________________	______________________________
Alayna Carrell, Town Clerk	Christina Bergquist, Mayor

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 05-2026

AN ORDINANCE AMENDING GRAND LAKE MUNICIPAL CODE SECTION 4-3-32 REGARDING THE TAXABLE BASE OF THE BUILDING AND CONSTRUCTION USE TAX

WHEREAS, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the "Town"); and,

WHEREAS, the Town imposes a use tax on construction and building materials purchased outside the Town for use, storage, or consumption within the Town; and,

WHEREAS, the Board finds it appropriate to apply the use tax to fifty percent (50%) of the retail purchase price of such materials, consistent with the estimate methodology set forth in Section 4-3-33.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby amends Section 4-3-32 of the Municipal Code of the Town of Grand Lake, "Building and Construction Use Tax Imposition—Amount," with the addition of the bold underlined language to read in its entirety as follows:

4-3-32 There is imposed on the privilege of storing, using or consuming any construction and building materials of every kind and form purchased outside this Town for use, storage or consumption within this Town a use tax of five percent (5%) of **<u>fifty percent (50%) of</u>** the retail purchase price of the said building and construction materials.

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST:	TOWN OF GRAND LAKE
______________________________	______________________________
Alayna Carrell, Town Clerk	Christina Bergquist, Mayor

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 06-2026

AN ORDINANCE AMENDING GRAND LAKE MUNICIPAL CODE SECTION 4-3-28 REGARDING THE PURPOSE OF THE USE TAX TO INCLUDE LANDSCAPING MATERIALS

WHEREAS, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the "Town"); and,

WHEREAS, the Board finds that landscaping materials purchased outside the Town for use, storage, or consumption within the Town are appropriately subject to the Town's use tax.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby amends Section 4-3-28 of the Municipal Code of the Town of Grand Lake, "Purpose of Use Tax," with the addition of the bold underlined language to read in its entirety as follows:

4-3-28 The purpose of this Article is to raise revenue to pay for and operate municipal services, and provide a complimentary tax to the Town sales tax. The taxes imposed in this Article are a use tax on building, **<u>landscaping,</u>** and construction materials which are purchased outside the Town of Grand Lake for use, storage or consumption within the Town; and a similar use tax imposed on motor vehicles, on which registration is required, purchased outside the Town by Town residents for use, storage or consumption within the Town.

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST: TOWN OF GRAND LAKE

______________________________ ______________________________
Alayna Carrell, Town Clerk Christina Bergquist, Mayor

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 07-2026

AN ORDINANCE AMENDING GRAND LAKE MUNICIPAL CODE SECTION 7-1-28 REGARDING OPEN FIRES

WHEREAS, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the "Town"); and,

WHEREAS, the Town of Grand Lake is situated within a wildland-urban interface subject to significant wildfire risk; and,

WHEREAS, the Board finds it necessary to strengthen the Town's regulation of open fires to protect life, property, and natural resources.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby amends Section 7-1-28 of the Municipal Code of the Town of Grand Lake, "Open Fires Prohibited," to read in its entirety as follows:

7-1-28 Open Fires Prohibited.
Open Fires (any outdoor fire) of any kind are prohibited, unless the prior written consent of the Board of Trustees is obtained. The following are exempted from the provisions of this Section, provided that no Red Flag Warning, fire ban, or other fire restriction is then in effect:

> (a) Campfires, limited to one (1) per property, contained within a permanent metal fire ring or metal fire pit not exceeding nine (9) square feet (three feet by three feet) in area;
> (b) Barbeque grills and liquid- or gas-fueled stoves, grills, and similar devices, whether permanently constructed or purchased for the purpose of outdoor cooking, that meet applicable fire-safety specifications; and
> (c) Approved wood-pellet grills and stoves.

It shall be unlawful to maintain any otherwise-permitted fire during any period in which a Red Flag Warning, fire ban, or fire restriction issued by Grand County or the Town is in effect. Fire rings constructed of loose rock shall not satisfy the requirements of this Section.

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the

provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST:	TOWN OF GRAND LAKE
______________________________	______________________________
Alayna Carrell, Town Clerk	Christina Bergquist, Mayor

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 08-2026

AN ORDINANCE AMENDING GRAND LAKE MUNICIPAL CODE SECTION 7-6-12 REGARDING THE STORAGE OF REFUSE CONTAINERS

WHEREAS, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the "Town"); and,

WHEREAS, the Board finds that the storage of refuse containers out of public view, except on the day of collection, protects the aesthetic character of the Town and reduces the attraction of wildlife.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby amends Section 7-6-12 of the Municipal Code of the Town of Grand Lake, "Waste Disposal," subsection (E), with the removal of the strikethrough language and the addition of the bold underlined language to read in its entirety as follows:

7-6-12(E) Refuse containers may only be placed adjacent to the street in front of the residence for pick-up from 6:00 a.m. until 7:00 p.m. on the day of trash pick-up service. At all other times the containers shall **<u>be stored out of public view (for example, behind a structure, in a garage, in a backyard or side yard, or behind a fence)</u>**.

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST:	TOWN OF GRAND LAKE
______________________________	______________________________
Alayna Carrell, Town Clerk	Christina Bergquist, Mayor

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 09-2026

AN ORDINANCE AMENDING GRAND LAKE MUNICIPAL CODE CHAPTER 12 TO PROHIBIT ARTIFICIAL TURF

WHEREAS, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the "Town"); and,

WHEREAS, the Board finds that natural vegetation is important to the character, drainage, and environmental quality of the Town, and that artificial turf is inconsistent with these objectives.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby amends Chapter 12 of the Municipal Code of the Town of Grand Lake by the addition of a new Section, to read as follows:

§ 12-__-__. Artificial Turf Prohibited.
The installation, placement, or maintenance of artificial turf, synthetic grass, or similar synthetic ground-cover materials is prohibited on all property within the Town, whether as a landscaping material, ground cover, or recreational surface.

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST: TOWN OF GRAND LAKE

______________________________ ______________________________

Alayna Carrell, Town Clerk Christina Bergquist, Mayor

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 10-2026

AN ORDINANCE AMENDING GRAND LAKE MUNICIPAL CODE CHAPTER 12 TO PROHIBIT SHIPPING CONTAINERS

WHEREAS, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the "Town"); and,

WHEREAS, the Board finds that shipping and cargo containers are inconsistent with the architectural and aesthetic character of the Town.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby amends Chapter 12 of the Municipal Code of the Town of Grand Lake by the addition of a new Section, to read as follows:

§ 12-__-__. Shipping Containers Prohibited.
The placement, storage, or use of shipping containers, cargo containers, conex boxes, intermodal containers, or similar prefabricated metal containers is prohibited on all property within the Town, whether used for storage, habitation, or any other purpose.

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST: TOWN OF GRAND LAKE

______________________________ ______________________________
Alayna Carrell, Town Clerk Christina Bergquist, Mayor

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 11-2026

AN ORDINANCE AMENDING GRAND LAKE MUNICIPAL CODE CHAPTER 12 TO REQUIRE ANNUAL FIRE INSPECTIONS FOR LONG-TERM RENTAL UNITS

WHEREAS, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the "Town"); and,

WHEREAS, the Board finds that periodic fire and life-safety inspection of long-term rental dwellings protects the health and safety of tenants and the public.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby amends Chapter 12 of the Municipal Code of the Town of Grand Lake by the addition of a new Section, to read as follows:

§ 12-__-__. Long-Term Rental — Annual Fire Inspection Required.
An annual fire and life-safety inspection shall be required for every long-term rental dwelling unit within the Town, including units within multi-unit buildings and single-family homes offered or used as long-term rentals. For purposes of this Section, a "long-term rental" means a dwelling unit leased or rented for a term of thirty (30) consecutive days or more. The owner shall schedule the inspection with the Town and shall correct any cited deficiencies within the time specified by the inspector. Fees for such inspection shall be as set forth in the Town Fee Schedule.

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST:	TOWN OF GRAND LAKE
______________________________	______________________________
Alayna Carrell, Town Clerk	Christina Bergquist, Mayor

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 12-2026

AN ORDINANCE AMENDING GRAND LAKE MUNICIPAL CODE TO REQUIRE A BUSINESS LICENSE FOR LONG-TERM RENTAL UNITS

WHEREAS, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the "Town"); and,

WHEREAS, the Board finds that owners offering dwelling units as long-term rentals are engaged in a business activity within the Town and should be licensed accordingly.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby amends the Municipal Code of the Town of Grand Lake by the addition of a new Section, to read as follows:

§ __-__-__. Long-Term Rental — Business License Required.
Every owner who offers, leases, or rents a dwelling unit as a long-term rental within the Town shall obtain and maintain, at a minimum, a Town business license for each such rental operation. A long-term rental shall not be offered or operated without a current and valid business license.

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST: TOWN OF GRAND LAKE

______________________________ ______________________________

Alayna Carrell, Town Clerk Christina Bergquist, Mayor

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 13-2026

AN ORDINANCE AMENDING GRAND LAKE MUNICIPAL CODE TO ESTABLISH LATE FEES FOR DELINQUENT NIGHTLY RENTAL LICENSES

WHEREAS, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the "Town"); and,

WHEREAS, the Board finds it appropriate to establish a late-fee structure for the delinquent renewal of Nightly Rental Licenses to encourage timely compliance.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby amends the Municipal Code of the Town of Grand Lake by the addition of a new Section, to read as follows:

§ __-__-__. Nightly Rental License — Late Fees.
Any Nightly Rental License that is not renewed on or before its expiration date shall be subject to a monthly late fee calculated as follows: the prorated annual Nightly Rental License fee per month (the annual license fee divided by twelve (12)), multiplied by the number of months the license is delinquent, plus a fine of fifty dollars ($50.00) per month of delinquency. The specific dollar amounts referenced in this Section shall be as set forth in, and may be adjusted by, the Town Fee Schedule adopted by Resolution of the Board of Trustees.

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST:	TOWN OF GRAND LAKE
______________________________	______________________________
Alayna Carrell, Town Clerk	Christina Bergquist, Mayor

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 14-2026

AN ORDINANCE AMENDING GRAND LAKE MUNICIPAL CODE SECTION 12-2-31(B)4 REGARDING THE DEFINITION OF A COMPLAINT FOR NIGHTLY RENTAL LICENSE RENEWALS

WHEREAS, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the "Town"); and,

WHEREAS, the Board finds it appropriate to allow complaints relating to nightly rental units to be submitted electronically through the Town's online portal.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby amends Section 12-2-31(B)4(a)1.(ii)1. of the Municipal Code of the Town of Grand Lake with the addition of the bold underlined language to read in its entirety as follows:

12-2-31(B)4(a)1.(ii)1. If zero complaints have been filed in the previous twelve (12) months, and the applicant is current on all taxes, fees and other charges owed the Town, the applicant must only repurchase their Nightly Rental License. For purposes of Section 12-2-31(B)4, a complaint must be either an official police citation, or a letter signed by the complaining party, **<u>or a complaint submitted electronically through the Town of Grand Lake online portal</u>**.

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST:	TOWN OF GRAND LAKE
______________________________	______________________________
Alayna Carrell, Town Clerk	Christina Bergquist, Mayor

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 15-2026

AN ORDINANCE AMENDING GRAND LAKE MUNICIPAL CODE SECTION 12-2-31(B)4(b)(iv) REGARDING NIGHTLY RENTAL OCCUPANCY AND ADVERTISING

WHEREAS, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the "Town"); and,

WHEREAS, the Board finds it necessary to ensure that nightly rental units are advertised and rented in conformance with the occupancy established by the unit's fire and life-safety inspection.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby amends Section 12-2-31(B)4(b)(iv) of the Municipal Code of the Town of Grand Lake with the removal of the strikethrough language and the addition of the bold underlined language to read in its entirety as follows:

12-2-31(B)4(b)(iv) All advertisements for the nightly rental unit must list the allowable occupancy of the unit in the description of the unit. Any person advertising a nightly rental unit at a higher occupancy than that identified in the most recent ~~"current STR rental license application"~~ **<u>fire and life safety inspection,</u>** or knowingly renting at a higher occupancy than that identified in the most recent ~~"current STR rental license application"~~ **<u>fire and life safety inspection,</u>** shall be in violation of this Section 12-2-31(B)4.

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST:	TOWN OF GRAND LAKE
______________________________	______________________________
Alayna Carrell, Town Clerk	Christina Bergquist, Mayor

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 16-2026

AN ORDINANCE AMENDING GRAND LAKE MUNICIPAL CODE SECTION 12-2-31(B)4(a)1.(i) TO REMOVE COUNTY-NOTIFICATION AND ADJOINING-OWNER-NOTICE REQUIREMENTS FOR NIGHTLY RENTAL RENEWALS

WHEREAS, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the "Town"); and,

WHEREAS, the Board finds that certain notice and county-notification requirements within the nightly rental approval process are not required by Grand County and may be removed.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby amends Section 12-2-31(B)4(a)1.(i) of the Municipal Code of the Town of Grand Lake by repealing subparts 2. and 3. in their entirety. The remaining subparts shall be renumbered as necessary to maintain consecutive numbering.

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST:	TOWN OF GRAND LAKE
______________________________	______________________________
Alayna Carrell, Town Clerk	Christina Bergquist, Mayor

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 17-2026

AN ORDINANCE REPEALING GRAND LAKE MUNICIPAL CODE SECTION 12-2-31(B)4(a)1.(ii) CONCERNING CONDITIONAL-USE TREATMENT OF NIGHTLY RENTAL RENEWALS WITH COMPLAINTS

WHEREAS, the Board of Trustees (the “Board”) of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the “Town”); and,

WHEREAS, the Board finds that the requirement to treat a nightly rental renewal as a conditional use upon the filing of one or more complaints should be repealed.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby repeals Section 12-2-31(B)4(a)1.(ii) of the Municipal Code of the Town of Grand Lake in its entirety. The remaining provisions shall be renumbered as necessary.

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST: TOWN OF GRAND LAKE

_____________________________ _____________________________

Alayna Carrell, Town Clerk Christina Bergquist, Mayor

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 18-2026

AN ORDINANCE AMENDING GRAND LAKE MUNICIPAL CODE SECTION 12-2-31(B)1.1. REGARDING NIGHTLY RENTAL SITE-PLAN SUBMITTAL REQUIREMENTS

WHEREAS, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the "Town"); and,

WHEREAS, the Board finds that the requirement to submit two copies of a site plan as part of a nightly rental application should be revised.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby amends Section 12-2-31(B)1.1. of the Municipal Code of the Town of Grand Lake with the removal of the strikethrough language to read in its entirety as follows:

12-2-31(B)1.1. The applicant must provide ~~two (2) copies of a site plan of the property noting the location of the structure(s), area of parking and area of snow removal as well as~~ the appropriate Nightly Rental License fee. No person shall rent or advertise for rent their structure, dwelling or dwelling unit unless a Nightly Rental License has been granted by Town Staff. A Nightly Rental License must be obtained for each structure, dwelling, or dwelling unit. If an application is subsequently denied, the applicant shall be refunded the Nightly Rental License fee.

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST:	TOWN OF GRAND LAKE
______________________________	______________________________
Alayna Carrell, Town Clerk	Christina Bergquist, Mayor

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 19-2026

AN ORDINANCE AMENDING GRAND LAKE MUNICIPAL CODE SECTION 12-2-31(B)1.3. REGARDING THE TRANSFERABILITY OF NIGHTLY RENTAL LICENSES

WHEREAS, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the "Town"); and,

WHEREAS, the Board finds it appropriate to allow a Nightly Rental License to transfer to a new owner of the licensed unit upon completion of a complete and approved application.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby amends Section 12-2-31(B)1.3. of the Municipal Code of the Town of Grand Lake with the addition of the bold underlined language to read in its entirety as follows:

12-2-31(B)1.3. The fee for a Nightly Rental License is set by Resolution and shall be based upon occupancy categories. All Nightly Rentals shall be issued for twelve (12) months, from the date that the application is approved. **<u>The Nightly Rental License for a unit is transferable to a new owner of that unit upon completion of a complete and approved application.</u>**

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST:	TOWN OF GRAND LAKE
______________________________	______________________________
Alayna Carrell, Town Clerk	Christina Bergquist, Mayor

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 20-2026

AN ORDINANCE AMENDING GRAND LAKE MUNICIPAL CODE CHAPTER 12 TO ADD A DEFINITION OF "ACCENT EXTERIOR MATERIAL"

WHEREAS, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the "Town"); and,

WHEREAS, the Board finds it appropriate to define and limit the use of accent exterior materials to maintain the architectural character of the Town.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby amends the definitions section of Chapter 12 of the Municipal Code of the Town of Grand Lake by the addition of the following definition, to be inserted in alphabetical order:

Accent Exterior Material — Classification of building material that may be used in limited capacity at no more than thirty percent (30%) of the total of each exterior wall of the building, not including the roof. Any individual exterior elevation can contain up to thirty percent (30%) of an accent material. By way of example and not limitation, a building may not be constructed of three (3) walls of approved material with a fourth wall consisting solely of Accent Exterior Material.

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST:	TOWN OF GRAND LAKE
______________________________	______________________________
Alayna Carrell, Town Clerk	Christina Bergquist, Mayor

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 21-2026

AN ORDINANCE AMENDING GRAND LAKE MUNICIPAL CODE CHAPTER 12 TO ADD A DEFINITION OF "COMMERCIAL STORAGE YARD"

WHEREAS, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the "Town"); and,

WHEREAS, the Board finds it appropriate to define "Commercial Storage Yard" for purposes of land use regulation.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby amends the definitions section of Chapter 12 of the Municipal Code of the Town of Grand Lake by the addition of the following definition, to be inserted in alphabetical order:

Commercial Storage Yard — Any parcel, lot, or tract of land used as a commercial enterprise for the long-term, passive keeping, seasonal winterization, or holding of items for more than seventy-two (72) consecutive hours. Stored items include, but are not limited to: watercraft, boat/utility trailers, cargo containers, recreational vehicles (RVs), camper shells, construction machinery, and bulk materials.

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST:	TOWN OF GRAND LAKE
______________________________	______________________________
Alayna Carrell, Town Clerk	Christina Bergquist, Mayor

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 22-2026

AN ORDINANCE AMENDING GRAND LAKE MUNICIPAL CODE CHAPTER 12 TO ADD A DEFINITION OF "PARKING LOT"

WHEREAS, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the "Town"); and,

WHEREAS, the Board finds it appropriate to define "Parking Lot" for purposes of land use regulation.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby amends the definitions section of Chapter 12 of the Municipal Code of the Town of Grand Lake by the addition of the following definition, to be inserted in alphabetical order:

Parking Lot — A cleared, developed, and improved land area or parcel used primarily for the temporary, short-term placement of operational, currently registered motorized vehicles for no more than seventy-two (72) consecutive hours.

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST: TOWN OF GRAND LAKE

______________________________ ______________________________

Alayna Carrell, Town Clerk Christina Bergquist, Mayor

TOWN OF GRAND LAKE BOARD OF TRUSTEES ORDINANCE

NO. 23-2026

AN ORDINANCE AMENDING GRAND LAKE MUNICIPAL CODE SECTION 12-2-29 REGARDING U.S. FOREST SERVICE AUTHORIZATION FOR DEVELOPMENT ON SHADOW MOUNTAIN LAKE

WHEREAS, the Board of Trustees (the "Board") of the Town of Grand Lake, Colorado, pursuant to Colorado Statute is vested with the authority of administering the affairs of the Town of Grand Lake, Colorado (the "Town"); and,

WHEREAS, the Board finds it appropriate to clarify that development on Shadow Mountain Lake requires a U.S. Forest Service permit.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO AS FOLLOWS:

The Board of Trustees hereby amends Section 12-2-29 of the Municipal Code of the Town of Grand Lake, "Shoreline and Surface Water Regulations," subsection (v), with the addition of the bold underlined language to read in its entirety as follows:

12-2-29(v) U.S. Forest Service **<u>permit</u>** if the proposed development is located on Shadow Mountain Lake.

Severability.
If any Article, Section, paragraph, sentence, clause, or phrase of this Ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Trustees declares that it would have passed this Ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Repeal.
Existing Ordinances or parts of Ordinances covering the same matters as embraced in this Ordinance are hereby repealed and all Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed, except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any Ordinance hereby repealed prior to the taking effect of this Ordinance.

Effective Date.
This Ordinance shall take effect thirty (30) days after publication following final adoption, as required by C.R.S. § 31-11-105.

INTRODUCED, PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, THIS 13TH DAY OF JULY, 2026.

Votes Approving: _______ Votes Opposed: _______ Absent: _______ Abstained: _______

ATTEST: TOWN OF GRAND LAKE

_______________________________ _______________________________
Alayna Carrell, Town Clerk Christina Bergquist, Mayor

TOWN OF GRAND LAKE
STAFF REPORT

TO: Mayor Bergquist & Town Trustees **FROM:** Steve Kudron, Town Manager **DATE:** July 13, 2026

ACTION TYPE: ☑ Action Requested ☐ Information Only

RE: Appointment of Town Representative to the Grand County Historic Preservation Board

BACKGROUND

Grand County recently reinstated the Grand County Historic Preservation Board, which was originally established in 1996 to protect and preserve the historic and cultural heritage of Grand County through the designation of historic buildings, landmarks, sites, and districts. The Board's membership includes a designated representative from each incorporated town in the County, along with additional members representing unincorporated Grand County. The County has asked each municipality, including the Town of Grand Lake, to name its representative.

ABOUT DENNIS HUMPHRIES

Mr. Humphries is exceptionally well qualified for this role. He is a long-time Grand Lake resident and active community leader, currently serving on the Board of Directors of the Grand Lake Creative District. He is also a licensed architect (AIA) with more than 40 years of practice, and a co-founding partner of Humphries Poli Architects, which merged with RATIO Design in 2019. His professional preservation experience includes:

- Chair of the Design Review Committee for historic downtown Grand Lake;
- Former Chair of the Denver Landmark Preservation Commission;
- Current member of Colorado's State Historical Fund Advisory Board;
- Former board member of Historic Denver and former Vice President of the Civic Center Conservancy; and
- Principal architect on numerous Colorado historic and civic landmarks, including the restoration of the Colorado State Capitol Dome and the McNichols Civic Center in Denver.

Given his preservation credentials and deep familiarity with Grand Lake's historic downtown, staff believes Mr. Humphries will represent the Town's interests effectively on the Grand County Historic Preservation Board.

STAFF RECOMMENDATION

Staff recommends that the Board of Trustees adopt the attached resolution appointing Dennis Humphries as the Town of Grand Lake's representative to the Grand County Historic Preservation Board, effective upon adoption at the Board's meeting on July 13, 2026.

SUGGESTED MOTION

I move to approve Resolution No. 63-2026, appointing Dennis Humphries as the Town of Grand Lake's representative to the Grand County Historic Preservation Board.

TOWN OF GRAND LAKE
BOARD OF TRUSTEES

RESOLUTION NO. 63-2026

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, APPOINTING DENNIS HUMPHRIES AS THE TOWN'S REPRESENTATIVE TO THE GRAND COUNTY HISTORIC PRESERVATION BOARD

WHEREAS, Grand County has recently reinstated the Grand County Historic Preservation Board (the "GCHPB"), which was originally established in 1996 to protect and preserve the historic and cultural heritage of Grand County by providing for the designation of historic buildings, landmarks, sites, and districts; and,

WHEREAS, the membership of the GCHPB includes a designated representative from each incorporated town within Grand County, together with additional members representing unincorporated Grand County; and,

WHEREAS, Grand County has requested that the Town of Grand Lake (the "Town") designate an individual to serve as the Town's representative on the GCHPB; and,

WHEREAS, Dennis Humphries is a long-time resident of the Town of Grand Lake and an active community leader who currently serves on the Board of Directors of the Grand Lake Creative District; and,

WHEREAS, Mr. Humphries is a licensed architect (AIA) with more than 40 years of professional experience, a co-founding partner of Humphries Poli Architects, and brings substantial historic preservation credentials to this role, including service as Chair of the Design Review Committee for historic downtown Grand Lake, former Chair of the Denver Landmark Preservation Commission, and current membership on Colorado's State Historical Fund Advisory Board; and,

WHEREAS, Town staff has recommended, and the Board of Trustees concurs, that Dennis Humphries is well qualified and willing to serve as the Town's representative on the Grand County Historic Preservation Board;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO:

Section 1. ***Appointment.*** Dennis Humphries is hereby appointed to serve as the Town of Grand Lake's representative to the Grand County Historic Preservation Board.

Section 2. ***Term.*** This appointment shall be effective immediately upon adoption of this Resolution and shall continue until a successor is appointed by the Board of Trustees, or as otherwise provided by the governing bylaws of the Grand County Historic Preservation Board.

Section 3. ***Authorization.*** The Town Manager and Town Clerk are hereby authorized to take any action and execute any documents necessary or appropriate to give effect to this appointment, including providing notice of this appointment to Grand County.

Section 4. ***Effective Date.*** This Resolution shall take effect immediately upon its adoption.

DULY MOVED, SECONDED, AND ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE THIS 13TH DAY OF JULY 2026.

Votes Approving: _______
Votes Opposing: ______
Votes Abstaining: _______
Absent: _______

(SEAL)

ATTEST:

______________________________ ______________________________
Alayna Carrell, Town Clerk Christina Bergquist, Mayor

TOWN OF GRAND LAKE
STAFF REPORT

TO: Mayor Bergquist & Town Trustees **FROM:** Steve Kudron, Town Manager **DATE:** July 13, 2026

ACTION TYPE: ☑ Action Requested ☐ Information Only

RE: Resolution No. 64-2026 — Establishing an Expedited Review Process for Qualifying Affordable Housing Development Applications Pursuant to Proposition 123

BACKGROUND

Colorado voters approved Proposition 123 in 2022, creating the State Affordable Housing Fund and making funding available to local governments that opt in and meet certain statutory commitments. Among those commitments, C.R.S. § 29-32-105(2) requires participating municipalities to adopt a Fast Track Review Process that renders a final decision on qualifying affordable housing development applications within 90 calendar days of a complete application.

To complete the technical and legal work necessary to bring the Town into compliance, Grand Lake received a Proposition 123 planning grant from the Colorado Department of Local Affairs (DOLA). That grant funded preparation of a draft policy and supported the Town's engagement of Antero Group as project manager to shepherd it through DOLA's courtesy review process. Adoption of this policy is the culminating deliverable under that grant.

On July 7, 2026, DOLA's Community Development Office and Prop 123 Community Support Team completed a courtesy technical review of the policy. DOLA found that the draft policy largely addresses Proposition 123's fast-track requirements, identified no required revisions, and flagged two items for clarification, summarized below. Staff and the Town Attorney have determined that a resolution — rather than an ordinance — is the more efficient legally sufficient vehicle for adoption, allowing the Board to act in a single reading without the two-reading and publication-delay requirements that apply to ordinances under C.R.S. § 31-16-105.

KEY TERMS OF THE RESOLUTION

Applicability

The Fast Track Review Process applies to any development application in which 50% or more of the residential units constitute Affordable Housing, as defined in the Resolution. Use of the process is voluntary. Eligible application types include site plan approval, development plan approval, building permits, variances or waivers, conditional or special use permits, permitted use approvals, PUD approval or amendment (where not limited to zoning or subdivision), and administrative modifications following initial approval. Annexation, subdivision, Comprehensive Plan amendments, concept or pre-application review, initial zoning or rezoning, appeals, and PUD actions involving zoning or subdivision are excluded, consistent with statutory limits on the fast-track requirement.

90-Day Review Requirement and Extensions

Once a complete application is received, the Town must issue a final decision — approval, approval with conditions, or denial — within 90 calendar days. The 90-day period may be extended: once, by up to 90 additional days at the applicant's written request; as needed to comply with state law or a court order; to accommodate a required review by another agency with approval authority; or by up to 30 additional days at the Town's initiative to address outstanding comments or information requests.

Applicant Opt-Out, Administration, and Compliance Reporting

An applicant may opt out of the Fast Track Review Process at any time by written notice. The Town Manager or designee is authorized to adopt implementing procedures and forms. The Town must submit compliance documentation to DOLA through the Proposition 123 Expedited Review Reporting Portal following adoption.

DOLA COURTESY REVIEW FINDINGS

DOLA's July 7, 2026 memorandum organized its feedback into three tiers. The findings, and how the final Resolution addresses each, are summarized below.

Required Revisions for Compliance

None. DOLA identified no changes that must be made for the policy to be eligible for compliance verification.

Clarification Needed — Mixed-Use Developments

The draft's definition of "Affordable Housing" had referred to a "housing development project," which could have been read to exclude mixed-use projects that otherwise meet the 50%-affordable threshold. DOLA recommended removing the word "housing" from the definition so that qualifying mixed-use projects remain eligible for the 90-day Fast Track process.

Resolved: Section 2(a) of the final Resolution now defines Affordable Housing as "a development project," removing the word "housing" as recommended.

Strongly Recommended — Homeownership Affordability Threshold

The draft had set the for-sale affordability threshold at 100% AMI, reflecting the original Proposition 123 statutory language. SB26-040, signed May 6, 2026 and effective July 1, 2026, raised that threshold to 120% AMI. DOLA recommended the Town update its definition accordingly, cite C.R.S. § 29-32-101 et seq., and add an incorporation-by-reference clause to keep the policy aligned with future statutory changes.

Resolved: Section 2(a) of the final Resolution now sets the for-sale threshold at 120% AMI, cites C.R.S. § 29-32-101, and states that the affordability thresholds include future amendments and revisions to that statute.

BENEFITS TO THE TOWN

- Preserves and formalizes the Town's eligibility for Proposition 123 state funding and programming, which depends on maintaining a compliant Fast Track Review Process.
- Codifies review timelines the Town's current process already generally meets, so adoption imposes minimal new operational burden.
- Supports affordable housing production for local workers and year-round residents by removing process uncertainty for qualifying projects.
- Completes the deliverable funded by the Town's Proposition 123 planning grant, satisfying the grant's conditions.

CONSIDERATIONS

- DOLA's courtesy review is technical guidance, not a legal determination or a guarantee of compliance approval. Staff recommends the Town Attorney give the final language a routine review before or shortly after adoption.
- After adoption, the Town must submit the final Resolution through the Fast Track submission portal for formal compliance verification; DOLA has not yet confirmed compliance.
- Committing to the 90-day (and possible 120-day extended) review timeline creates an ongoing administrative obligation for Town review staff, including compliance reporting to DOLA.
- A resolution is generally easier to amend than an ordinance and does not become part of the Town's codified municipal code. Staff and the Town Attorney do not believe this affects Proposition 123 compliance, but the Board may wish to confirm its comfort with using a resolution for a policy the Town intends to maintain on an ongoing basis.

FINANCIAL SUMMARY

The work culminating in this Resolution — including policy drafting and the DOLA courtesy review process — was funded by the Town's Proposition 123 planning grant. Adoption of the Resolution itself does not require a new Town appropriation. Ongoing costs are limited to staff time to administer Fast Track applications and submit compliance reporting to DOLA, which is expected to be absorbed within existing development review operations.

SUGGESTED MOTIONS

Staff offers the following motion options. Only one motion should be adopted. Staff recommends Option A.

Option A — Recommended: *I move that the Board of Trustees adopt Resolution No. 64-2026, establishing an expedited review process for qualifying affordable housing development applications pursuant to Proposition 123, in the form presented, incorporating DOLA's July 7, 2026 courtesy review recommendations.*

Option B — Adopt with Additional Direction: *I move that the Board of Trustees adopt Resolution No. 64-2026, and further direct staff to [insert specific direction].*

Option C — Table for Further Review: *I move to table consideration of Resolution No. 64-2026 to the ____ meeting to allow additional review of [insert issue], and direct staff to consult further with the Town Attorney and DOLA in the interim.*

TOWN OF GRAND LAKE
BOARD OF TRUSTEES

RESOLUTION NO. 64-2026

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO, ESTABLISHING AN EXPEDITED REVIEW PROCESS FOR QUALIFYING AFFORDABLE HOUSING DEVELOPMENT APPLICATIONS PURSUANT TO PROPOSITION 123 AND C.R.S. § 29-32-105(2)

WHEREAS, Colorado voters approved Proposition 123 in 2022, creating the State Affordable Housing Fund and making funding available to local governments that opt in and meet certain statutory commitments; and,

WHEREAS, C.R.S. § 29-32-105(2) requires participating municipalities to adopt a Fast Track Review Process that renders a final decision on qualifying affordable housing development applications within 90 calendar days of a complete application; and,

WHEREAS, the Town of Grand Lake received a Proposition 123 planning grant from the Colorado Department of Local Affairs (DOLA) to fund preparation of a compliant Fast Track Review policy; and,

WHEREAS, DOLA's Community Development Office completed a courtesy technical review of the proposed policy on July 7, 2026, found that the policy largely addresses Proposition 123's fast-track requirements, identified no required revisions, and made two recommendations that have been incorporated into this Resolution; and,

WHEREAS, staff and the Town Attorney have confirmed that a resolution is a legally sufficient vehicle for adopting a Fast Track Review Process under Proposition 123 and C.R.S. § 29-32-105(2); and,

WHEREAS, the Board of Trustees finds that adoption of an expedited review process for qualifying affordable housing development applications is in the best interests of the Town and supports the production of affordable housing for local workers and year-round residents;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE, COLORADO:

SECTION 1. PURPOSE

1.1 The purpose of this Resolution is to establish an expedited ("Fast Track") review process for qualifying affordable housing development applications within the Town of Grand Lake, as required by Proposition 123 and C.R.S. § 29-32-105(2).

SECTION 2. DEFINITIONS

2.1 "Affordable Housing" means a development project in which fifty percent (50%) or more of the residential units are affordable to households at or below eighty percent (80%) of Area

Median Income (AMI) for rental units, or at or below one hundred twenty percent (120%) AMI for for-sale (homeownership) units, as those thresholds are defined in C.R.S. § 29-32-101, including future amendments and revisions to that statute.

2.2 "Complete Application" means a development application that includes all information and materials required by the Town's applicable submission requirements, as determined by the Town Manager or designee.

2.3 "Fast Track Review Process" means the expedited development application review process established by this Resolution.

2.4 "Final Decision" means an approval, approval with conditions, or denial of a development application by the appropriate Town decision-making body.

SECTION 3. APPLICABILITY

3.1 The Fast Track Review Process established by this Resolution shall apply to any development application in which fifty percent (50%) or more of the residential units constitute Affordable Housing, as defined herein.

3.2 Use of the Fast Track Review Process is voluntary. No applicant is required to use this process.

3.3 Eligible application types include: site plan approval; development plan approval; building permits; variances or waivers; conditional or special use permits; permitted use approvals; PUD approval or amendment (where not limited to zoning or subdivision); and administrative modifications following initial approval.

3.4 The following are excluded from the Fast Track Review Process, consistent with statutory limits: annexation; subdivision; Comprehensive Plan amendments; concept or pre-application review; initial zoning or rezoning; appeals; and PUD actions involving zoning or subdivision.

SECTION 4. NINETY-DAY REVIEW REQUIREMENT

4.1 Upon receipt of a Complete Application for which the applicant elects the Fast Track Review Process, the Town shall issue a Final Decision within ninety (90) calendar days.

4.2 A recommendation by the Planning Commission does not itself constitute a Final Decision for purposes of this Section.

4.3 The ninety (90)-day period may be extended as follows:

(a) Once, by up to ninety (90) additional days, upon the applicant's written request;
(b) As needed to comply with state law or a court order;
(c) To accommodate a required review by another governmental agency with approval authority over the application; or
(d) By up to thirty (30) additional days at the Town's initiative, to address outstanding comments or information requests.

SECTION 5. APPLICANT OPT-OUT

5.1 An applicant may opt out of the Fast Track Review Process at any time by providing written notice to the Town. An applicant may opt out on an application-by-application basis if a project requires more than one Fast Track review.

SECTION 6. ADMINISTRATION

6.1 The Town Manager or designee is authorized to adopt implementing procedures, checklists, and forms necessary to carry out this Resolution.

6.2 Following adoption of this Resolution, the Town shall submit compliance documentation to DOLA through the Proposition 123 Expedited Review Reporting Portal, as required by DOLA.

SECTION 7. EFFECTIVE DATE

7.1 This Resolution shall take effect immediately upon adoption by the Board of Trustees.

SECTION 8. SEVERABILITY

8.1 If any provision of this Resolution or its application to any person or circumstance is held invalid, the remainder of this Resolution and the application of its provisions to other persons or circumstances shall not be affected.

DULY MOVED, SECONDED, AND ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF GRAND LAKE THIS 13TH DAY OF JULY 2026.

Votes Approving:	______
Votes Opposing:	______
Votes Abstaining:	______
Absent:	______

(SEAL)

ATTEST:

______________________________	______________________________
Alayna Carrell, Town Clerk	Christina Bergquist, Mayor

TOWN OF GRAND LAKE
STAFF REPORT

TO: Mayor Bergquist & Town Trustees **FROM:** Steve Kudron, Town Manager **DATE:** July 13, 2026

ACTION TYPE: ☑ Action Requested ☐ Information Only

RE: 2026 Grand Lake Clarity Stakeholders' Memorandum of Understanding — Request for Authorization to Execute

BACKGROUND

The Town has always had a direct and immediate stake in the clarity of Grand Lake. The lake is the Town's namesake, its principal scenic and recreational asset, and the foundation of its tourism-based economy. Since the Colorado-Big Thompson (C-BT) Project began diverting water from the Colorado River watershed through Grand Lake, Shadow Mountain Reservoir, and Granby Reservoir (the "Three Lakes System"), Project pumping operations have introduced nutrients, particulates, and algae into the lake, reducing average water clarity from a historic Secchi-disk reading of roughly 9.2 meters before the Project to substantially lower levels today.

For decades, the Three Lakes Watershed Association has served as a key steward of the Town's interests in the lake. The Town was not a signatory to the original 2016 Grand Lake Clarity Stakeholders' MOU ("2016 MOU"), which was executed by Reclamation, Northern Water, the Municipal Subdistrict, Grand County, NWCCOG, and the River District to establish an adaptive management process for C-BT operations. The 2016 MOU expires on December 31, 2026.

The proposed 2026 MOU continues the 2016 MOU's operational framework on a long-term basis and, notably, adds the Town of Grand Lake as a named Party for the first time. It also layers on a new, funded watershed stewardship program. NWCCOG has already approved the 2026 MOU (June 4, 2026); Northern Water, the River District, and the Bureau of Reclamation are expected to act on their own approvals through the summer.

KEY TERMS OF THE PROPOSED MOU

Parties and Term

The Parties are Reclamation, Northern Water, the Municipal Subdistrict, the Windy Gap Firming Project Water Activity Enterprise, Grand County, NWCCOG, the River District, and the Town of Grand Lake. The MOU takes effect January 1, 2027 and runs through January 1, 2058 (a 30-year term), automatically renewing for successive 30-year terms unless a Party gives notice to the contrary. It may be terminated only by unanimous consent of all Parties.

Operational Adaptive Management (Continued from 2016)

The MOU continues the existing Adaptive Management Committee ("AMC") process, on which the Town will now sit as a full member. Each year, Reclamation develops and refines an operational plan for C-BT deliveries with AMC input, targeting a clarity goal of an average Secchi depth of 3.8 meters and a minimum of 2.5 meters (July 1–September 11). Weekly calls occur during the critical summer clarity period. Importantly, C-BT Project water deliveries and yield are explicitly protected under Section V.C.2 — clarity management operates only within the bounds of existing delivery obligations.

New: Three Lakes Watershed Stewardship Initiatives

Beyond operations, the 2026 MOU adds a formal stewardship program (Section VII and Appendices A–B). Eligible initiatives of direct local relevance include: converting septic systems to sewer within the Three Lakes Sanitation District, sediment and aquatic-plant management in Shadow Mountain Reservoir, stormwater infrastructure improvements, wastewater treatment upgrades, forest and watershed health projects, Mysis shrimp management, and support for local land-use code revisions to reduce nonpoint-source pollution.

New: The Three Lakes CLEAR Fund

Northern Water, the Subdistrict, and the Enterprise commit to contribute $1,000,000 per year for 30 years — $30 million total — into a fund called Three Lakes CLEAR (Clarity, Legacy, Ecosystem, Adaptation, and Resilience). Of that total, $20 million is structured as spendable Cash Contributions over the life of the MOU, while $10 million builds a long-term Reserve Fund that remains locked until 2047, after which only its investment earnings (not principal) become distributable. A Governance Committee composed of all MOU Parties, each with one vote, decides which stewardship initiatives receive funding, though any decision to allocate CLEAR dollars additionally requires the affirmative votes of Northern Water, the Subdistrict, and the Enterprise.

Funding Is Not a Town Debt Obligation

The MOU expressly states that no Party's commitments create a general obligation, multi-year debt, or other financial obligation under the Colorado Constitution, and that all public funding is subject to annual appropriation. The Town's own initial contribution is limited to staff time to participate in the AMC and Governance Committee.

BENEFITS TO THE TOWN

- Voice in operations for the first time. The Town becomes a full Party and AMC member with standing to review operational scenarios, provide input on C-BT pumping decisions that affect the lake, and receive the same information as Reclamation, Northern Water, and Grand County — a seat the Town has never held before.
- Direct access to a dedicated funding source. Three Lakes CLEAR provides a realistic path to help finance projects the Town has long wanted addressed — septic-to-sewer conversions, stormwater work, wastewater treatment upgrades, and sediment/aquatic-plant management — without relying solely on the Town's own capital budget.
- A vote on fund allocation. As a Governance Committee member, the Town has an equal, formal vote on which stewardship initiatives get funded each year.
- Continuity of a program that is working. Clarity has improved on average since the 2016 MOU took effect; the 2026 MOU locks in that operational process on a long-term basis rather than leaving it to lapse at the end of 2026.
- Stronger collective negotiating position. Section XXII directs Grand County, NWCCOG, the River District, and the Town to coordinate a unified "West Slope" position.
- Protects the Town's underlying legal position. Section XII (No Waiver) preserves the Town's right to assert its legal and factual positions regarding Senate Document No. 80, the Clarity Supplement, and the Colorado Clarity Standard process — signing the MOU does not concede those unresolved legal questions.

CONSIDERATIONS AND POTENTIAL UNINTENDED CONSEQUENCES

- Northern Water effectively holds a veto over fund spending. Any decision to spend Three Lakes CLEAR money requires the affirmative votes of Northern Water, the Subdistrict, and the Enterprise, regardless of how the Town, County, NWCCOG, and River District vote.
- Much of the $30 million will not be spendable for decades. The $10 million Reserve Fund is inaccessible until 2047, and even then only investment earnings — not principal — may be distributed.
- Funding can be clawed back. Northern Water, the Subdistrict, or the Enterprise may unilaterally revert unspent CLEAR funds and/or withdraw from adaptive management if any Party independently proposes a different clarity standard to the Water Quality Control Commission, if litigation relating to Grand Lake clarity is initiated, or if the MOU is terminated. This constrains the Town's independent ability to push for a stronger clarity standard or pursue legal remedies without risking funding and regional cooperation.
- Clarity remains subordinate to water delivery. Section V.C.2 protects C-BT deliveries and yield ahead of clarity goals. Adaptive management cannot compel Reclamation or Northern Water to sacrifice delivery obligations for clarity.
- Long-term lock-in. The term runs through 2058 and renews automatically in 30-year increments; termination requires unanimous consent of all Parties.
- Limited enforcement rights. The MOU creates no third-party beneficiary rights and all Parties retain sovereign immunity. If clarity outcomes disappoint, the Town's recourse runs through the cooperative AMC/Governance Committee process rather than direct legal enforcement.
- New administrative burden. AMC participation includes an in-person meeting each spring and weekly calls from July through mid-September — a recurring staff-time commitment that should be budgeted for.
- Coordinating with the Three Lakes Watershed Association. The Town will want to clarify how the Association's long-standing stewardship role fits alongside the new formal Governance Committee so that institutional knowledge is carried forward.
- Unified "West Slope" position is aspirational, not binding. Section XXII asks Grand County, NWCCOG, the River District, and the Town to seek a common position, but expressly states this is never treated as a single vote.

FINANCIAL SUMMARY

The Town assumes no binding multi-year financial obligation by joining the MOU. Costs to the Town are limited to staff and elected-official time for AMC and Governance Committee participation, and any Town-initiated match funding the Board separately chooses to commit toward a specific Appendix A project. The $30 million Three Lakes CLEAR commitment is funded entirely by Northern Water, the Subdistrict, and the Enterprise, not the Town, and all funding remains subject to annual appropriation by the contributing Parties.

SUGGESTED MOTIONS

Staff offers the following motion options. Only one motion should be adopted. Staff recommends Option A.

Option A — Recommended: *I move that the Board of Trustees adopt Resolution No. ___-2026, authorizing the Mayor to execute the 2026 Grand Lake Clarity Stakeholders' Memorandum of Understanding on behalf of the Town of Grand Lake, substantially in the form presented, and to take all actions necessary to carry out its terms.*

Option B — Authorize with Direction: *I move that the Board of Trustees adopt Resolution No. ___-2026, authorizing the Mayor to execute the 2026 Grand Lake Clarity Stakeholders' Memorandum of Understanding on behalf of the Town of Grand Lake, and further direct staff to [insert specific direction].*

Option C — Table for Further Review: *I move to table consideration of the 2026 Grand Lake Clarity Stakeholders' MOU to the ____ meeting to allow additional review of [insert issue], and direct staff to request written clarification from Northern Water in the interim.*

Option D — Decline: *I move that the Board of Trustees decline to authorize execution of the 2026 Grand Lake Clarity Stakeholders' MOU at this time.*

ADDITIONAL RESOURCES

For additional context on the collaborative effort behind this MOU, see Northern Water's short video, "A Holistic Approach for Improving Three Lakes Water Quality":

https://www.youtube.com/watch?v=_ktk6kPB5Yc

A staff-prepared briefing presentation accompanies this memo and is provided separately for the Board packet.

GRAND LAKE CLARITY STAKEHOLDERS' MEMORANDUM OF UNDERSTANDING

The Parties to this Memorandum of Understanding ("MOU") are the U.S. Department of the Interior Bureau of Reclamation ("Reclamation"), Northern Colorado Water Conservancy District ("Northern Water"), Municipal Subdistrict ("Subdistrict"), Windy Gap Firming Project Water Activity Enterprise ("Enterprise"), Grand County Board of County Commissioners ("Grand County"), Northwest Colorado Council of Governments ("NWCCOG"), Colorado River Water Conservation District ("River District"), and Town of Grand Lake ("Town").

I. RECITALS

A. WHEREAS, in 2016 the Parties, except for the Town, Subdistrict, and Enterprise, entered into the Grand Lake Clarity Stakeholders' Memorandum of Understanding, Memorandum of Understanding No. 16-LM-60-2578 ("2016 MOU"), for the purpose of establishing an adaptive management process for Colorado-Big Thompson ("C-BT") Project operations to address water clarity in Grand Lake;

B. WHEREAS, since 2016 the parties to the 2016 MOU have cooperated to implement its provisions, and in 2021 extended the effective date of the 2016 MOU to December 31, 2026; and

C. WHEREAS, with the 2016 MOU expiring on December 31, 2026, the Parties now desire to enter into this MOU to continue on a long-term basis the 2016 MOU's operational adaptive management framework, and to incorporate into that framework additional collaborative initiatives to provide watershed health benefits within and upstream of Grand Lake, Shadow Mountain Reservoir, Granby Reservoir, and the Colorado River between Shadow Mountain Reservoir and Granby Reservoir (the "Three Lakes System") with the goal of enhancing clarity and overall water quality.

II. PURPOSE

The purpose of this MOU is to continue on a long-term basis an adaptive management process to improve clarity in Grand Lake, seeking, consistent with the Colorado Water Quality Control Commission's ("Commission") clarity standard (5 CCR 1002-33, p. 197, Upper Colorado River Segment 12), "the highest level of clarity attainable, consistent with the exercise of established water rights, the protection of aquatic life, and protection of water quality throughout the Three Lakes system," and pursuant to the commitments relating to clarity as described herein. "Adaptive Management" under this long-term MOU (1) continues the 2016 Grand Lake Adaptive Management framework for managing C-BT Project operations ("Operational Adaptive Management"); and (2) incorporates additional collaborative initiatives to enhance clarity and provide watershed health benefits within and upstream of the Three Lakes System, as set forth in Section VII below ("Stewardship Initiatives"). This MOU replaces the 2016 MOU in its entirety as of January 1, 2027.

III. TERM

This MOU is effective from January 1, 2027 until January 1, 2058. This MOU will automatically renew for a successive 30-year term unless any Party notifies the other Parties before January 1, 2057 of its intention to no longer continue participating in the MOU at the end of the term or its desire to modify provisions of the MOU before any renewal or extension of the term. If the MOU is not renewed at the end of the term, any funding dedicated by any Party for the Stewardship Initiatives and Operational Adaptive Management process described in this MOU and its appendices will revert to the contributing Party.

IV. OPERATIONAL ADAPTIVE MANAGEMENT COMMITTEE

A. **Representation**. Each Party shall be a member of the Adaptive Management Committee ("AMC"), except that the Subdistrict and the Enterprise will be represented by Northern Water for purposes of participation in the AMC.

B. **Participation in AMC meetings**. Multiple representatives of each Party may attend and participate in the AMC meetings, as it is expected that the Operational Adaptive Management process will rely on multiple areas of expertise. However, each Party shall reconcile internal differences and present its unified position to the AMC. The Parties' positions may differ.

C. **Stakeholders**. The Parties may choose to invite additional stakeholders to attend AMC meetings, and stakeholders may provide the Parties with information that may be relevant to the Operational Adaptive Management process.

V. OPERATIONAL ADAPTIVE MANAGEMENT

A. **Narrative Standard**. This MOU is to implement the Commission's narrative water quality standard:

> "The highest level of clarity attainable, consistent with the exercise of established water rights, the protection of aquatic life, and protection of water quality throughout the Three Lakes system."
>
> 5 CCR 1002-33, Numeric Standards Table, at p. 13 (June 30, 2015).

B. **Clarity Goals**. The annual Clarity Goals for Grand Lake from July 1 through September 11 are the Commission's adopted goal qualifiers, which are currently an average Secchi depth of 3.8 meters and a minimum Secchi depth of 2.5 meters.

C. **Grand Lake Clarity Operational Planning**

1. **Preparation of Grand Lake Clarity Operational Plan**. On or before June 1 of each year, subject to hydrology, meteorology, and current demands, Reclamation will identify operational scenarios to be modeled and evaluated and will meet with members of the AMC to seek input from individual members on these scenarios.

    a. Reclamation shall present operational scenarios to the members of the AMC along with the results from the corresponding water quality model runs.

    b. The members of the AMC shall review the scenarios and provide individual input and feedback on the operational scenarios at the meeting scheduled on or before June 1.

    c. Reclamation shall consider input provided by members of the AMC, and shall present a Draft Operational Plan and water quality model runs on or before June 15.

    d. The members of the AMC shall review the Draft Operational Plan and members shall individually provide input to Reclamation.

    e. Reclamation shall announce to the members of the AMC its Proposed Final Operational Plan on or before June 21.

    f. In developing its Draft Operational Plan and Proposed Final Operational Plan, Reclamation may consider and implement, in consultation with the AMC members, adjustments to meeting dates and water quality modeling, as well as the use of other modeling, forecasting, and decision support system tools to better reflect existing or anticipated conditions in the Three Lakes System without requiring amendment of this MOU.

2. **Deliveries and yield**. C-BT Project deliveries and yield shall be protected.

3. **Water Quality Conditions**

    a. **Consideration of Water Quality Indicators**. When individual members of the AMC determine on the basis of monitoring, modeling or other analysis that any of the Water Quality Indicators relevant to Grand Lake clarity reach or are expected to reach certain thresholds (as described in i, ii and iii below), such members may provide input to Reclamation. The status of Water Quality Indicators shall be included in the Weekly Summary Forms (as described in Exhibit B), which may be updated from time to time as mutually agreed by the Parties, without requiring amendment of this MOU.

        i. **Grand Lake Secchi depth**. The moving average Secchi depth of index sites (July 1 to date) in Grand Lake is 3.8 meters or less (Exhibit A).

ii. **Dissolved Oxygen (DO)**. DO levels in Shadow Mountain Reservoir are 3 mg/L or less at the bottom or DO saturation near the surface exceeds 100% (Exhibit A).

iii. **pH**. pH in Shadow Mountain Reservoir is greater than 8 S.U. near the surface (Exhibit A).

b. **Consideration of Water Quality Standards**. The AMC members recognize that C-BT Project operations to meet the Clarity Goals may impact water quality in other parts of the Three Lakes System and may recommend efforts to minimize exceedances of the water quality standards of the Three Lakes System from July 1 through September 11.

c. **Shadow Mountain Monitoring**. Monitoring will be carried out as explained in Exhibit A. Northern Water will make every effort to maintain the monitoring buoys in Shadow Mountain Reservoir but adjustments may be necessary in the event of an equipment failure. In such event, the AMC members shall recommend monitoring protocols to collect necessary data in support of the AMC process. Northern Water shall be responsible for maintaining the monitoring buoys or similar equipment to provide water quality data that supports the Operational Adaptive Management process, including the costs associated with replacing the buoys if the Parties agree that replacing the buoys is necessary to provide sufficient data. The monitoring methods and equipment, and Exhibit A, may be updated from time to time as mutually agreed by the Parties, without requiring amendment of this MOU.

The AMC members may adjust the thresholds and selected water quality indicators as mutually agreed by the Parties, without requiring amendment of this MOU.

4. **Operational Adaptive Management Meetings**. At a minimum, AMC members shall meet in person each year on or before June 1 to discuss the anticipated stream flow and hydrologic forecasts, C-BT Project Operations, and Northern Water and Subdistrict delivery obligations. AMC members will provide input to Reclamation for consideration in the operational scenarios (see **V.C.1**). The AMC will schedule weekly conference calls during the period of concern for Grand Lake clarity (July 1 through September 11) and meet as needed to discuss current and foreseeable operational deviations and water quality. During these calls, members may discuss and recommend potential operational changes that could help in meeting Clarity Goals.

Members of the AMC may provide input to Reclamation to modify the Operational Plan as needed during the weekly conference calls. Adaptive Management may include Reclamation making changes in the C-BT Project operations or other appropriate measures. Reclamation will evaluate any input provided.

5. **Adaptive Management Record**. A Record of the discussions held during the meetings, input, decisions and objections made shall be maintained and compiled by the AMC. The purposes of the Record include, but are not limited to, (1) assisting in the evaluation of C-BT Project operational approaches to meet the Clarity Goals, as well as effects on Water Quality Indicators (see V.C.3.a), and (2) providing feedback for Adaptive Management.

    a. **Meeting Minutes**. The AMC shall record minutes of AMC meetings.

    b. **Weekly Summary Form**. A Weekly Summary Form shall be prepared and distributed by Northern Water to the AMC at the weekly meetings. The Weekly Summary Form should include a summary of water quality data, operational parameters of interest, and brief notes on action items and discussion topics from the previous meeting. The information will be presented using the Weekly Summary Form template as presented in Exhibit B.

    c. **Comments**. Written comments submitted by any Party shall be attached to the Weekly Summary Form for that meeting.

    d. **Annual Summary**. The AMC shall annually prepare a summary of what it learned about C-BT Project operational approaches to meet the Clarity Goals, as well as effects on water quality, which it shall provide to the Commission.

VI. FUNDING FOR OPERATIONAL ADAPTIVE MANAGEMENT

A. The Parties' initial contribution to Operational Adaptive Management shall be the services of their staff members.

B. If the AMC intends to incur any costs associated with the implementation of Operational Adaptive Management, the Parties shall agree in advance to a funding mechanism for such cost(s), consistent with each Party's applicable legal requirements.

C. This MOU does not assign or allocate responsibility for funding implementation of any measures related to the Operational Adaptive Management process. Without acknowledging or admitting such responsibility, the Parties agree to work together to address implementation of measures in support of the Operational Adaptive Management process, such as monitoring and reporting costs and securing adequate sources of funding therefor.

1. Any agreement with consultants shall expressly recognize and implement such limitation.
2. Any obligations of Grand County, the River District, NWCCOG, Northern Water, the Subdistrict, the Enterprise, and the Town shall not constitute a general obligation, indebtedness, or multiple fiscal year direct or indirect debt or other financial

obligation whatsoever, within the meaning of the Constitution or laws of the State of Colorado.

3. All public funding shall be subject to annual appropriation.

D. Northern Water has a contractual relationship with the United States as defined by its 1938 Repayment Contract and related documents. Nothing herein changes Northern Water's obligations as defined by that contract and related documents except as identified in Section X below, and Northern Water's commitments under this MOU are otherwise separate from Northern Water's obligations under that contract and related documents.

VII. THREE LAKES WATERSHED STEWARDSHIP INITIATIVES

In addition to the Operational Adaptive Management process set forth in Section V above, the Parties agree to work cooperatively to incorporate into this MOU the Stewardship Initiatives, which are additional collaborative initiatives to provide watershed health benefits within and upstream of the Three Lakes System with the goal of enhancing clarity and overall water quality.

A. An initial list of potential initiatives is attached as **Appendix A**, which may be updated from time to time upon mutual agreement of the Parties without requiring any modification of this MOU.

B. The funding process for the Stewardship Initiatives is described in the attached **Appendix B**. As described in more detail in Appendix B, Northern Water, the Subdistrict, and the Enterprise together agree to contribute a total of $1 million per year, for a total of $30 million over the term of this MOU, to assist in implementing the Stewardship Initiatives described in Appendix A. This fund is referred to as the Three Lakes CLEAR (Clarity, Legacy, Ecosystem, Adaptation, and Resilience) Fund, or "Three Lakes CLEAR."

C. As explained in Appendix B, the use of Three Lakes CLEAR shall be governed by a Governance Committee comprised of the MOU Parties, with each Party having one vote. The Governance Committee shall identify which of the initiatives identified in Appendix A will receive funding from Three Lakes CLEAR and decide what portion of Three Lakes CLEAR will be provided for each initiative. The Governance Committee may prioritize funding for those initiatives that can be funded with financial contributions from more than one Party, or through grants or other cost-sharing mechanisms.

D. A majority vote of the Parties that includes the affirmative votes of Northern Water, the Subdistrict, and the Enterprise shall be required to approve any decision to fund an initiative using any portion of Three Lakes CLEAR. Such affirmative votes by Northern Water, the Subdistrict, and the Enterprise shall only be required for funding decisions that allocate funds provided by Three Lakes CLEAR.

E. All funding is subject to the provisions of this MOU and may revert to the contributing Parties as described herein. The initiatives described in Appendix A and funding process described in Appendix B may be the subject of additional agreements among the Parties, separate from the funding for the Operational Adaptive Management process described in Section V above. Any future payments are subject to the appropriations limitations described in Section VI above.

VIII. COMMISSION'S NARRATIVE STANDARD

This MOU continues the interim process described in the 2016 MOU as the mechanism for implementing the narrative standard and goal qualifiers. During the term of this MOU, no Party will independently propose, or cause others to propose, that the Commission adopt a different clarity standard or goal qualifiers without first providing notice and attempting to work with the Parties, provided that the provisions of this MOU are being implemented. The Parties agree to cooperate in proposing any changes to the clarity standard or goal qualifiers for Grand Lake.

A. If any Party proposes to the Commission the adoption of a different clarity standard or goal qualifiers, Northern Water, the Subdistrict, or the Enterprise may elect, in its sole discretion and in addition to pursuing any other legal or equitable remedies that may be available, (1) to revert to Northern Water, the Subdistrict, or the Enterprise any portion of the then-current balance of Three Lakes CLEAR and any future contributions to Three Lakes CLEAR that have not yet been allocated by the Governance Committee to a specific initiative; and/or (2) to withdraw from participating in the Operational Adaptive Management process described in Section V of this MOU.

B. If any other person or entity that is not a Party proposes to the Commission the adoption of a different clarity standard or goal qualifiers, then the Parties shall first evaluate and collectively discuss the proposal. If the Parties do not unanimously agree to collectively oppose or support the proposal, Northern Water, the Subdistrict, or the Enterprise may elect, in its sole discretion and in addition to pursuing any other legal or equitable remedies that may be available, (1) to revert to Northern Water, the Subdistrict, or the Enterprise any portion of the then-current balance of Three Lakes CLEAR and any future contributions to Three Lakes CLEAR that have not yet been allocated by the Governance Committee to a specific initiative; and/or (2) to withdraw from participating in the Operational Adaptive Management process described in Section V of this MOU.

IX. SUPPORT FOR MOU

The Parties agree to support implementation of this MOU as a reasonable approach to address Grand Lake clarity, and no Party shall encourage or support non-Parties in challenging this MOU or its provisions.

X. SATISFACTION OF LEGAL REQUIREMENTS

A. Grand County hereby acknowledges and confirms that the portion of Condition 7 of the 2012 Windy Gap Firming Project – 1041 Permit ("1041 Permit") that requires execution of the Clarity MOU prior to the effective date of the 1041 Permit is satisfied by:

1. The execution of the Clarity MOU dated January 28, 2016; and

2. This Clarity MOU, so long as Northern Water, the Municipal Subdistrict and/or the Enterprise are participating as Parties to this MOU.

This MOU also replaces the Umbrella Agreement referred to on the list of documents attached to the 1041 Permit.

B. In addition, the Parties acknowledge and confirm that performance of the commitments under this MOU satisfies the following obligations toward clarity over the duration of this MOU:

1. Sections 2(b) and 4(a) of Supplement No. 10 to the 1938 Repayment Contract between Reclamation and Northern Water; and

2. Paragraph 10 of the December 31, 2012 Intergovernmental Agreement between Northern Water, Grand County, Middle Park Water Conservancy District, and the River District.

XI. MODIFICATION

No modification or waiver of this MOU or any covenant condition or provision contained herein shall be valid unless approved in writing by the Parties.

XII. NO WAIVER

The Parties acknowledge that there are differences of opinion regarding the scope of obligations to protect water clarity in Grand Lake created by Senate Document 80, the Clarity Supplement, and the Colorado Clarity Standard Process. These issues have not been litigated. The Parties agree that in entering into this MOU and not litigating or otherwise objecting in any form to the legal issues specified above, that this MOU shall never give rise to any claim, defense or theory of acquiescence, bar, merger, issue or claim preclusion, promissory estoppel, acquittal estoppel, waiver, laches, unclean hands or any other similar position or defense concerning any factual and legal position regarding the Parties' respective positions regarding Grand Lake clarity and the Parties' respective interpretations of Senate Document No. 80, the 1938 Repayment Contract, Reclamation Law, or Colorado law, except as recognized in Section X above. The Parties further agree that they do not intend this MOU to have the effect of precedent or preclusion on any factual or legal issue in any other matter. The Parties expressly reserve their rights to assert any legal or factual position or challenge the legal or factual position taken by any other Party on any other matter.

XIII. BINDING AGREEMENT

This MOU shall be binding upon the Parties, and their respective successors or assigns, except as provided in Section XVI below. The Parties' rights and obligations under this MOU may not be assigned without the express written consent of all Parties.

XIV. ENTIRE UNDERSTANDING

This MOU is the complete integration of all understandings between the Parties. No prior or contemporaneous addition, deletion, or other amendment hereto shall have any force or effect whatsoever, unless embodied herein in writing.

XV. THIRD PARTIES

A. This MOU does not create, and the Parties do not intend to create, in any other individual or entity the status of third-party beneficiary, and this MOU shall not be construed to create such status. The rights, duties and obligations documented in the MOU shall operate only between the Parties to this MOU, and shall inure solely to the benefit of the Parties to this MOU.

B. The provisions of this MOU are intended only to assist the Parties in determining or performing their obligations under this MOU.

C. This MOU does not and shall not be deemed to confer upon or grant to any third-party any right enforceable at law or equity arising out of any term, covenant, or condition herein or the breach thereof.

XVI. NO RIGHTS AGAINST THE UNITED STATES

This MOU is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any Party against the United States, its departments, agencies, or entities its officers, employees, or agents, or any other person.

XVII. SEVERABILITY

In case one or more of the provisions contained in this MOU, or any application hereof, shall be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained in this MOU and the application thereof shall not be in any way affected or impaired thereby.

XVIII. COMPLIANCE WITH LAWS

At all times during the performance of this MOU, the Parties shall strictly adhere to all applicable federal, state and local laws, rules, regulations that have been or may hereafter be established.

XIX. SOVEREIGN IMMUNITY

The Parties do not waive their sovereign immunity by entering into this MOU, and each fully retains all immunities and defenses provided by law with respect to any action based on or occurring as a result of this MOU.

XX. EFFECT ON OTHER AGREEMENTS

Nothing in this MOU affects contracts or other agreements that may exist between any combinations of the Parties, except as recognized in Section X above.

XXI. EFFECTIVE DATE

This MOU shall become effective on January 1, 2027, although a majority of the Parties may agree to implement this MOU if the signature of any other Party(ies) is a mere formality.

XXII. WEST SLOPE COORDINATION

For decision making pursuant to this MOU, Grand County, NWCCOG, the River District, and Town will strive to develop a unified "West Slope" position to the greatest extent possible. In no circumstance will this unified position be considered a single vote under this MOU.

XXIII. TERMINATION

This MOU may only be terminated upon the unanimous consent of the Parties. If terminated, any funding dedicated by any Party for the Stewardship Initiatives and Operational Adaptive Management process described in this MOU and its appendices will revert to the contributing Party.

XXIV. LITIGATION RELATING TO GRAND LAKE CLARITY

If any Party or other person or entity initiates litigation in any administrative or judicial forum against Northern Water, the Subdistrict, the Enterprise, or Reclamation relating to Grand Lake clarity during the term of this MOU, Northern Water, the Subdistrict, or the Enterprise may elect, in its sole discretion and in addition to pursuing any other legal or equitable remedies that may be available, (1) to revert to Northern Water, the Subdistrict, or the Enterprise any portion of the then-current balance of Three Lakes CLEAR and any future contributions to Three Lakes CLEAR that have not yet been allocated by the Governance Committee to a specific initiative; and/or (2) to withdraw from participating in the Operational Adaptive Management process described in Section V of this MOU.

IN WITNESS WHEREOF, the Parties hereto have signed this MOU effective as of the date and year written above.

NORTHERN COLORADO WATER CONSERVANCY DISTRICT

By: ______________________________
Brad Wind, General Manager

Date: ______________________________

MUNICIPAL SUBDISTRICT OF THE NORTHERN COLORADO WATER CONSERVANCY DISTRICT

By: ______________________________
Brad Wind, General Manager

Date: ______________________________

WINDY GAP FIRMING PROJECT WATER ACTIVITY ENTERPRISE

By: ______________________________
Brad Wind, General Manager

Date: ______________________________

TOWN OF GRAND LAKE

By: ______________________________
Christina Bergquist, Mayor

Date: ______________________________

NORTHWEST COLORADO COUNCIL OF GOVERNMENTS

By: ______________________________
Alyssa Shenk, Chair

Date: ______________________________

GRAND COUNTY BOARD OF COUNTY COMMISSIONERS

By: ______________________________
Edward Raegner, Chair

Date: ______________________________

BUREAU OF RECLAMATION

By: ______________________________
Brent C. Esplin, Regional Director

Date: ______________________________

COLORADO RIVER WATER CONSERVATION DISTRICT

By: ______________________________
Andrew A. Mueller, General Manager

Date: ______________________________

EXHIBIT A – WATER QUALITY INDICATORS MONITORING

SECCHI MONITORING

For the purpose of the adaptive management process aiming at reaching Grand Lake Clarity goals as defined in the MOU, Secchi data will be collected as follows:

1. Three Index Sites: GL-WES, GL-MID, GL-ATW (Figure 1)

FIGURE 1 - GRAND LAKE SECCHI MONITORING INDEX SITES

2. Sampling frequency
    a. Once a week starting May 1 (or as soon as ice is off)
    b. Three times a week from July 1 to September 11
    c. If necessary based on operational plans during Jul 1- Sep 11, sampling may be increased to daily (Mon-Fri)
    d. Once a week from Sep 12- October 30
3. During the period of Jul 1 – Sep 11, measurements shall be taken at all three sites[1] on a given day and shall be averaged for the purpose of evaluating:
    a. Jul-to date average against the 3.8 m goal (an example is shown in Figure 2)
    b. Jul-to date minimum against the 2.5 m goal (an example is shown in Figure 3)
4. Secchi measurements will be taken according to the *Secchi Monitoring Protocol for Grand Lake (ATTACHMENT 1)*
5. Secchi measurements will be taken with a viewscope

Figures 2 and 3 are presented as examples of how the water quality information may be compiled.

[1] As described in Attachment 1, two Secchi measurements are taken at each site with a viewscope. These two measurements shall be averaged to produce one value.

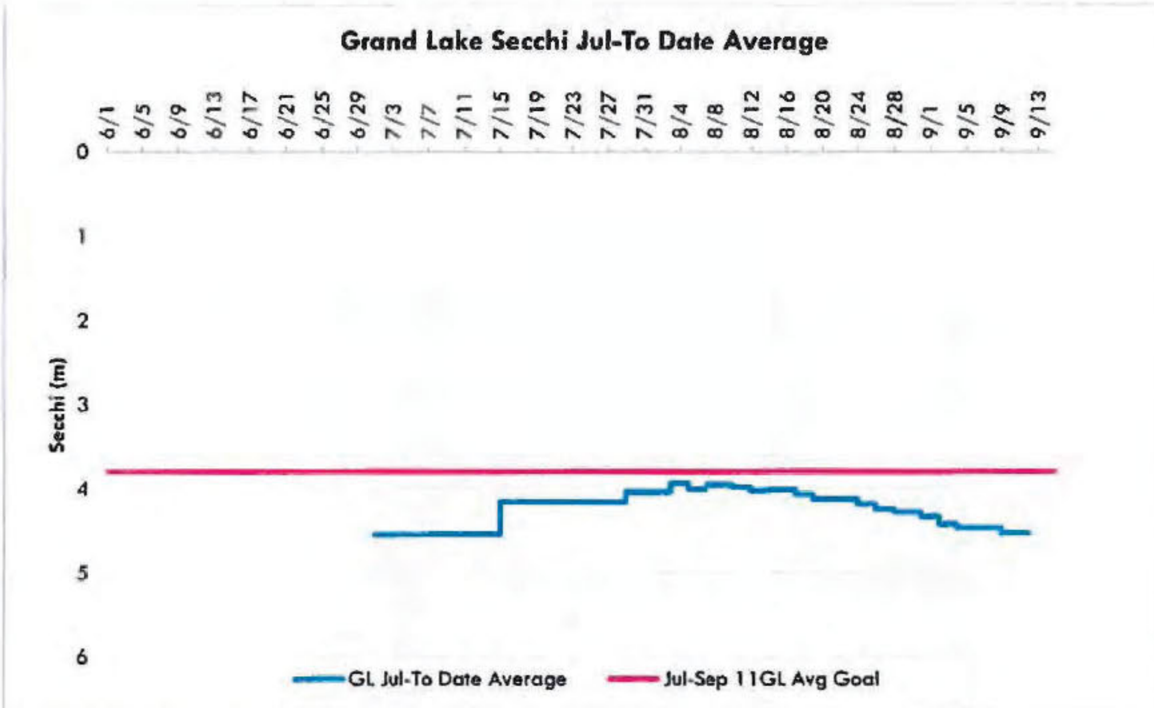


FIGURE 2 - GRAND LAKE SECCHI JUL 1 – TO DATE AVERAGE

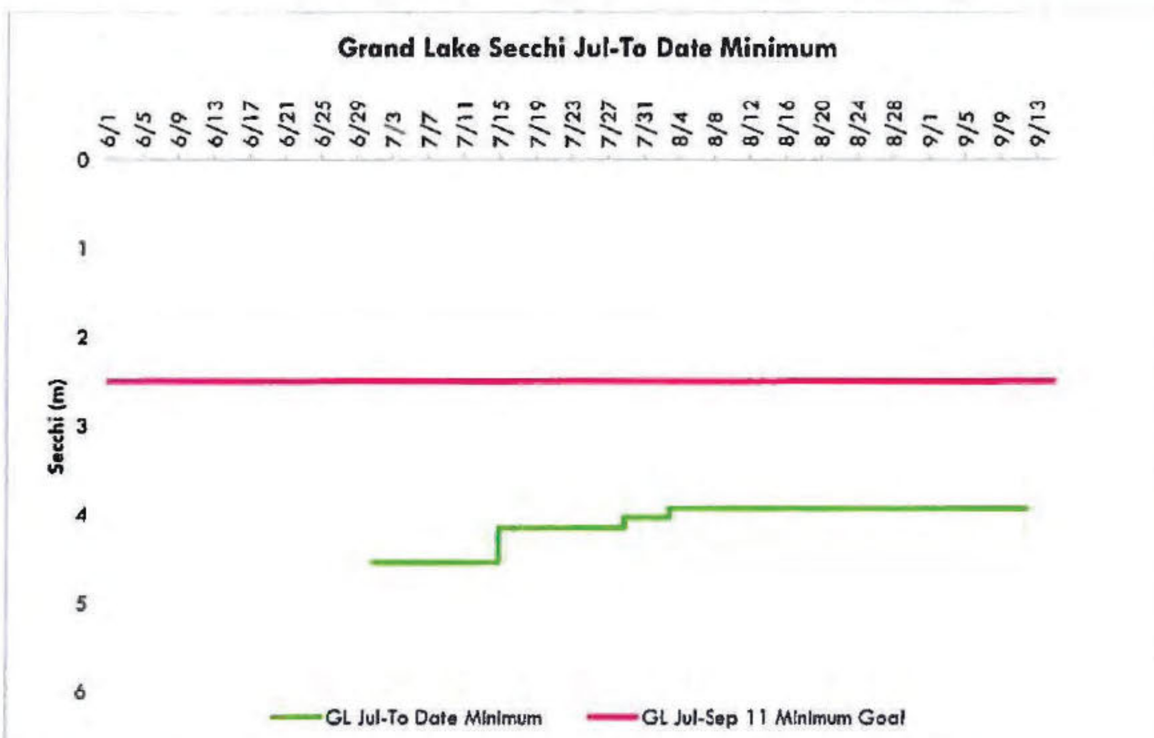


FIGURE 3 - GRAND LAKE SECCHI JUL-TO DATE MINIMUM

DISSOLVED OXYGEN (DO) AND PH MONITORING

Continuous (every 4 hour) real time monitoring of physical parameters is carried out at two sites in Shadow Mountain Reservoir. The real time monitoring includes DO concentration and percent saturation, temperature, pH, specific conductance and turbidity. Northern Water will make every effort to maintain these systems but adjustments may have to be made in the event of an equipment failure.

MONITORING LOCATIONS

Station	Description	Latitude	Longitude	Depth
SM-DAM	Shadow Mountain Reservoir near Dam	40.2101	-105.8421	7.6 m
SM-MID	Shadow Mountain Reservoir Mid-Section	40.2252	-105.8378	6.7 m

SAMPLING EQUIPMENT AND MAINTENANCE

Buoy monitoring systems are currently located at the Shadow Mountain dam and middle sites (SM-DAM and SM-MID). Each buoy is equipped with a YSI 6820 multi-parameter sonde and is programmed to collect vertical profiles of temperature, D.O., specific conductance, pH and turbidity. The buoy systems are deployed after ice-off in the spring and then taken out in the fall prior to ice cover. When deployed, profiles will be collected every four hours at 0.5-meter increments down through the depth of the water column. Data will be logged and transferred by telemetry on a real-time basis.

FREQUENCY

Profiles will be collected with the buoys at SM-DAM and SM-MID from mid-June until September 11; the sampling period may be longer or shorter depending on when the buoys are deployed and removed for the season.

MAP OF SAMPLING LOCATIONS

A map of the sampling locations overlaid on Shadow Mountain Reservoir bathymetry is shown below.

Evaluation of Water Quality Indicators

pH and DO will be reviewed using graphical representations such as contour plots and time series graphs presented in Figure 4, Figure 5, Figure 6 and Figure 7. Dissolved Oxygen percent saturation will be reported similarly.

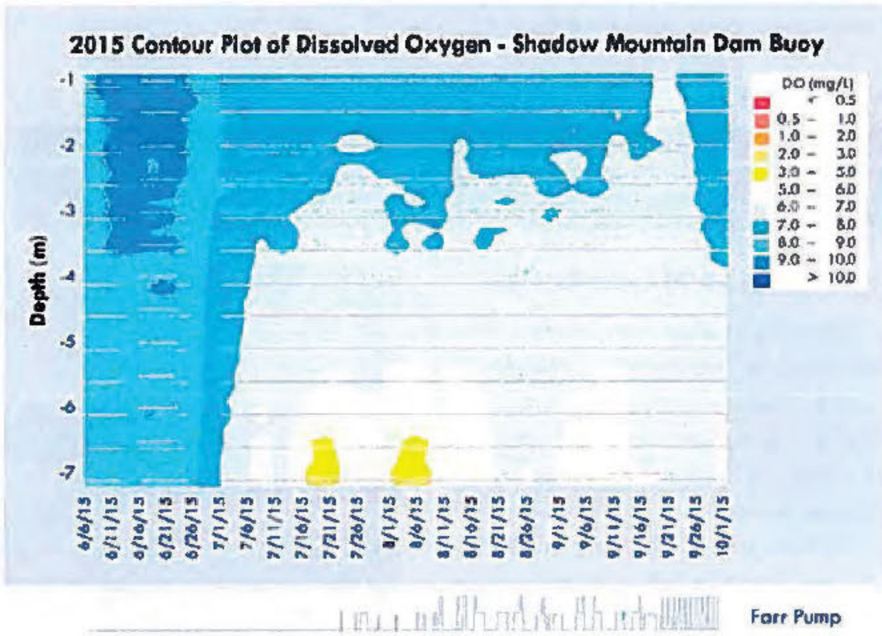


FIGURE 4 - DISSOLVED OXYGEN CONTOUR PLOT AT SHADOW MOUNTAIN DAM (2015)

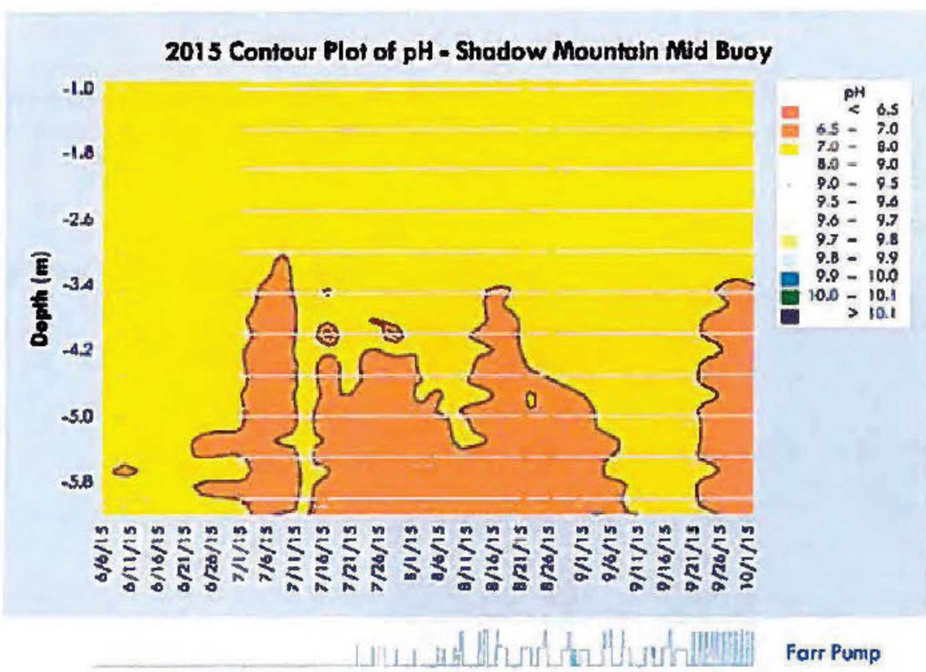


FIGURE 5 - PH CONTOUR PLOT AT SHADOW MOUNTAIN MID (2015)

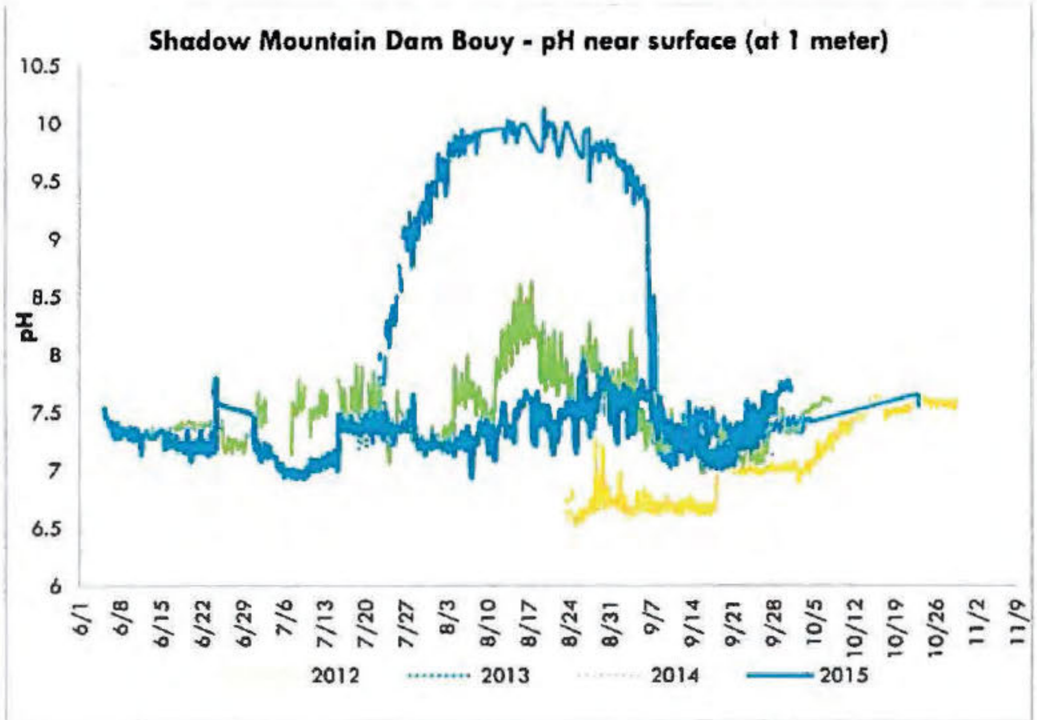


FIGURE 6 - SURFACE PH AT SHADOW MOUNTAIN DAM

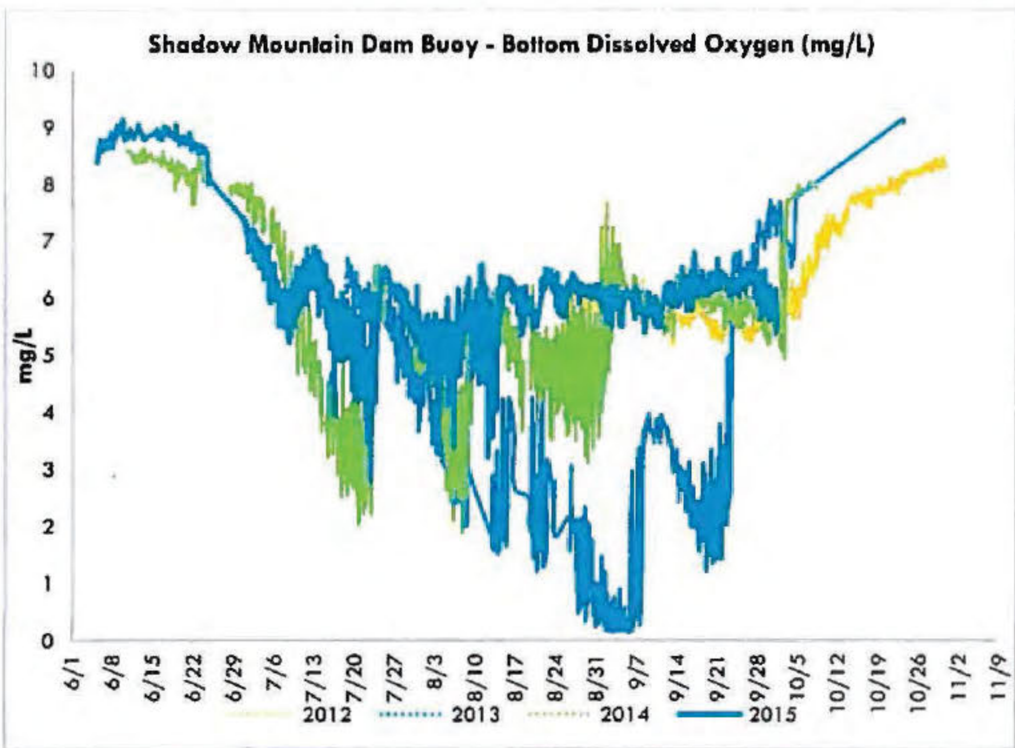


FIGURE 7 - BOTTOM DO AT SHADOW MOUNTAIN DAM

EXHIBIT B - GRAND LAKE ADAPTIVE MANAGEMENT WEEKLY SUMMARY FORM

Meeting Date: XX/XX/2016

Attendees:

	Northern Water	☐		Reclamation	☐		Larimer County	☐
	Northern Water	☐		Reclamation	☐		Town of Grand Lake	☐
	Northern Water	☐		Reclamation	☐		USFS	☐
	Northern Water	☐		Reclamation	☐		RMNP	☐
	Northern Water	☐		USGS	☐			☐
	Northern Water	☐		NWCCOG	☐			☐
	Grand County	☐		CRWCD	☐			☐
	Grand County	☐		WAPA	☐			☐

NOTES

Water Quality Indicators	Current	Yes	No	Comments
GL avg Secchi < 3.8 m ?		☐	☐	
GL min Secchi < 2.5 m ?		☐	☐	
SM Surface pH > 8 ?		☐	☐	
SM Surface DO (%)> 100%?		☐	☐	
SM bottom DO < 3 mg/L ?		☐	☐	

Operational Parameters	Current	Forecast	Comments
Adams Tunnel Deliveries (cfs)		See graph	Source USBR
Big Thompson Deliveries (cfs)		Range	Source NW
Farr Pumping (cfs)		See graph	Source USBR
Shadow Mountain Releases (cfs)		Range	Source USGS Gage/NW
Upper Colorado Native Flow (cfs)		See graph	Source NW
Granby Res. Total Storage (af)		See graph	Source NW
Granby Res. Outflow (cfs)		See graph	Source NW

Climate Forecast (From HUP Report)

5-day Quantitative Precipitation Forecast (QPF): Chance for some light showers today, but overall expect a drying and warming trend through the weekend.

5 day qpf: http://www.wpc.ncep.noaa.gov/qpf/p120i.gif?1445893642

7 day qpf:http://www.wpc.ncep.noaa.gov/qpf/p168i.gif?1445893676

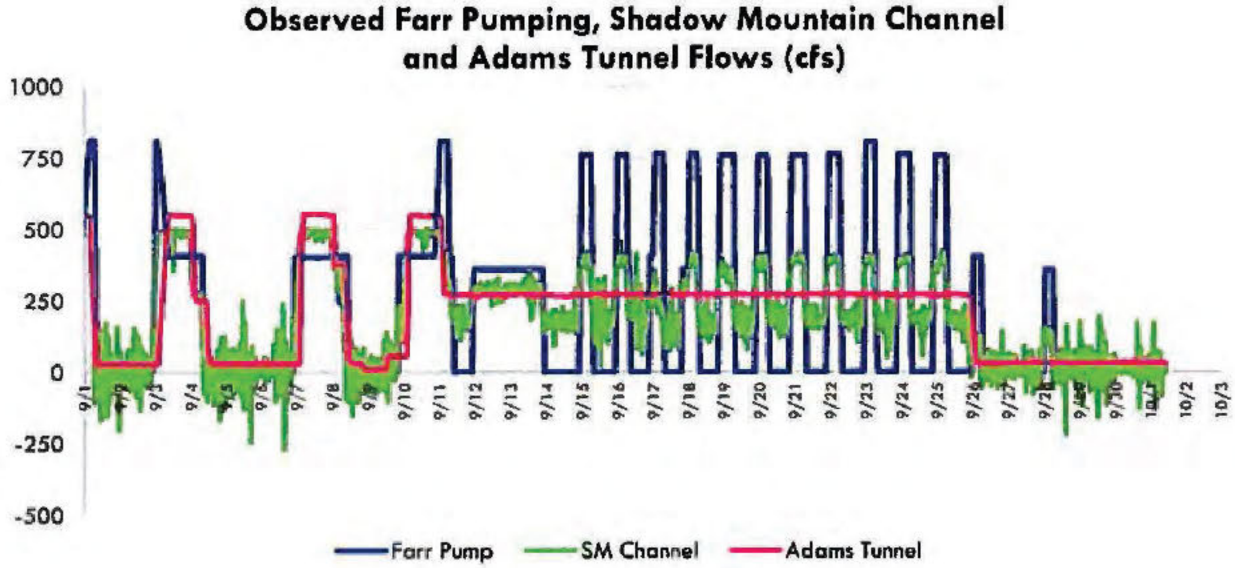
1-5 day minimum temperature anomaly forecast: http://www.wpc.ncep.noaa.gov/medr/95Bwbg.gif

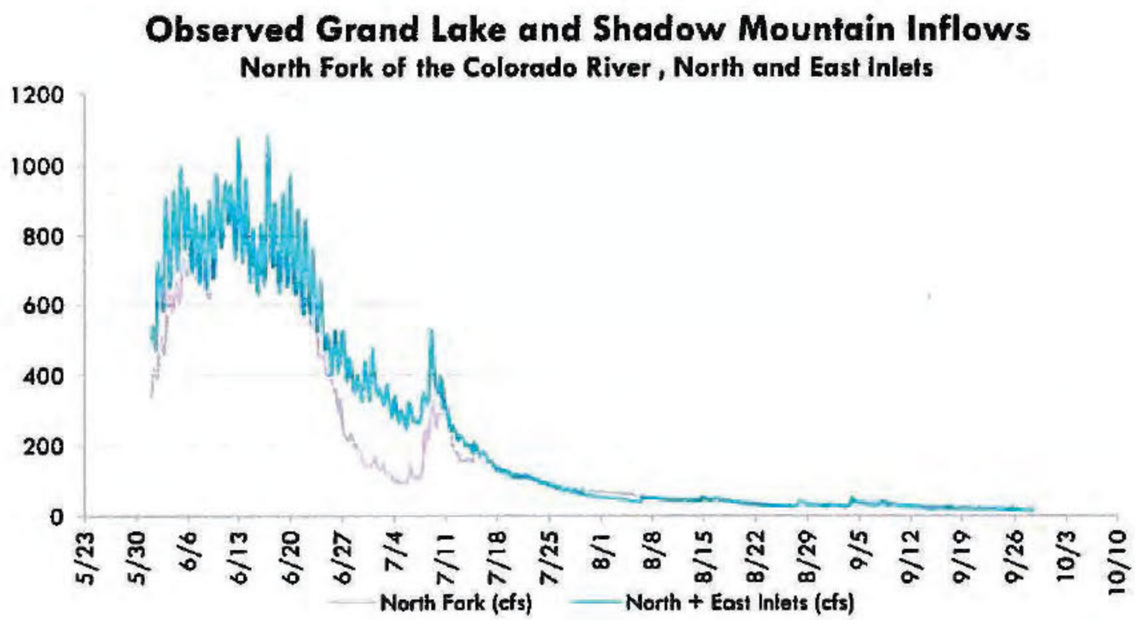
1-5 day maximum temperature forecast: http://www.wpc.ncep.noaa.gov/medr/95Awbg.gif

Precip forecast that goes into the CBRFC forecast. http://www.cbrfc.noaa.gov/rmap/grid/index.php

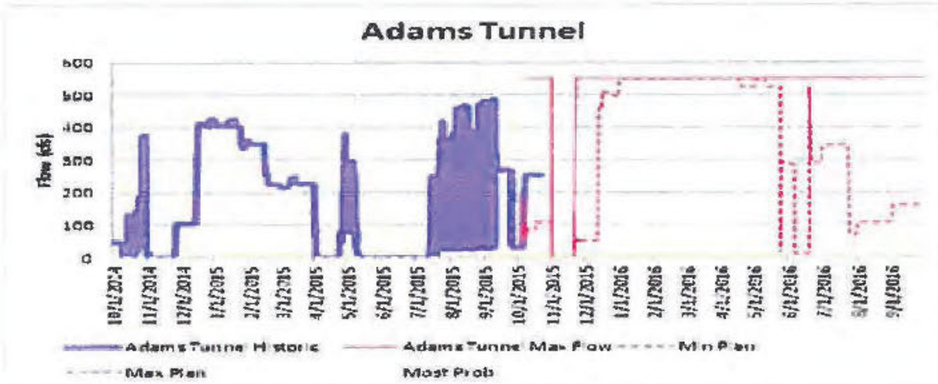
Action Items Summary:

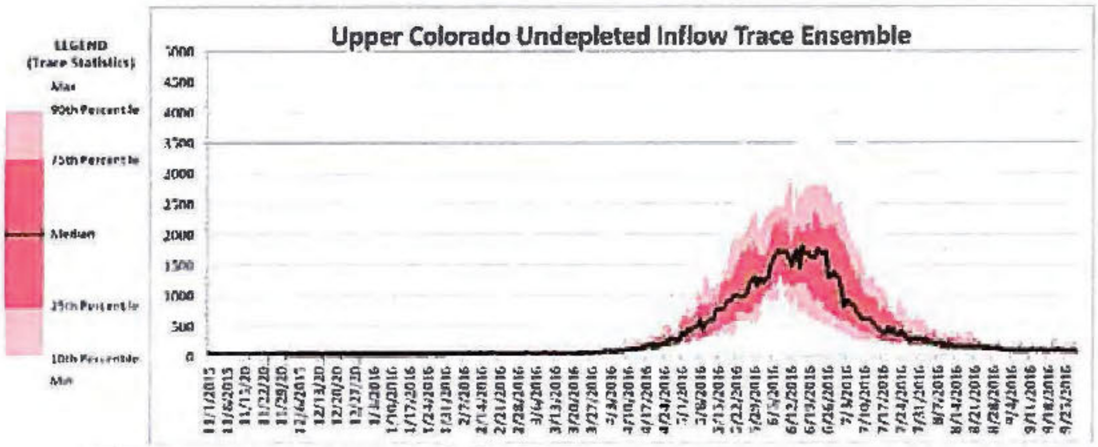
Observed Flows

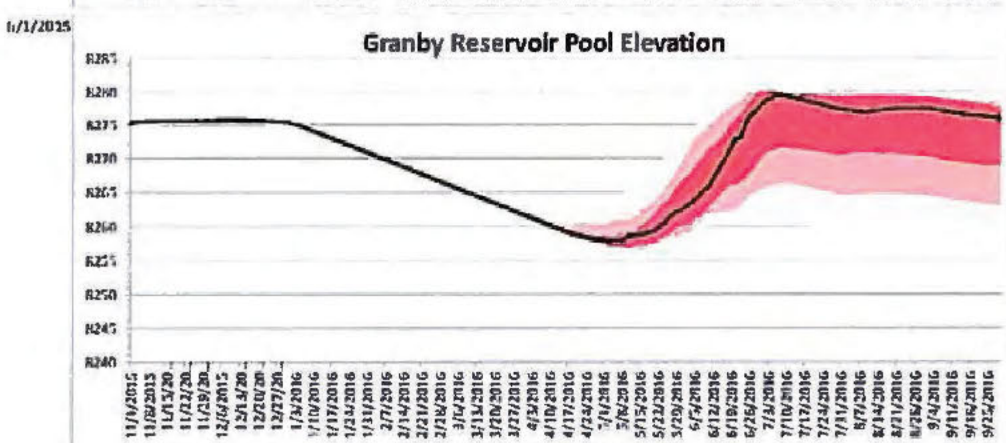




Operational Forecast







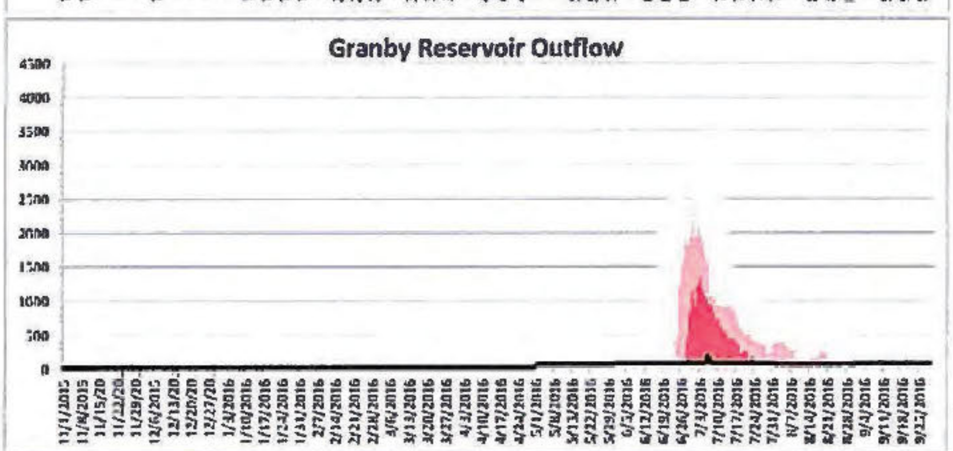
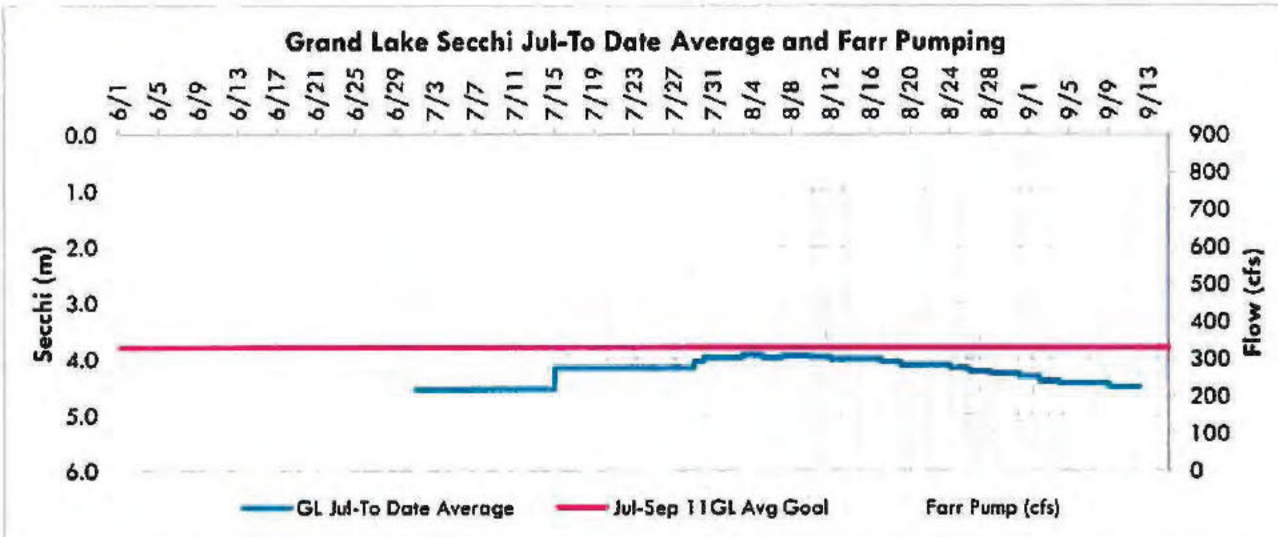
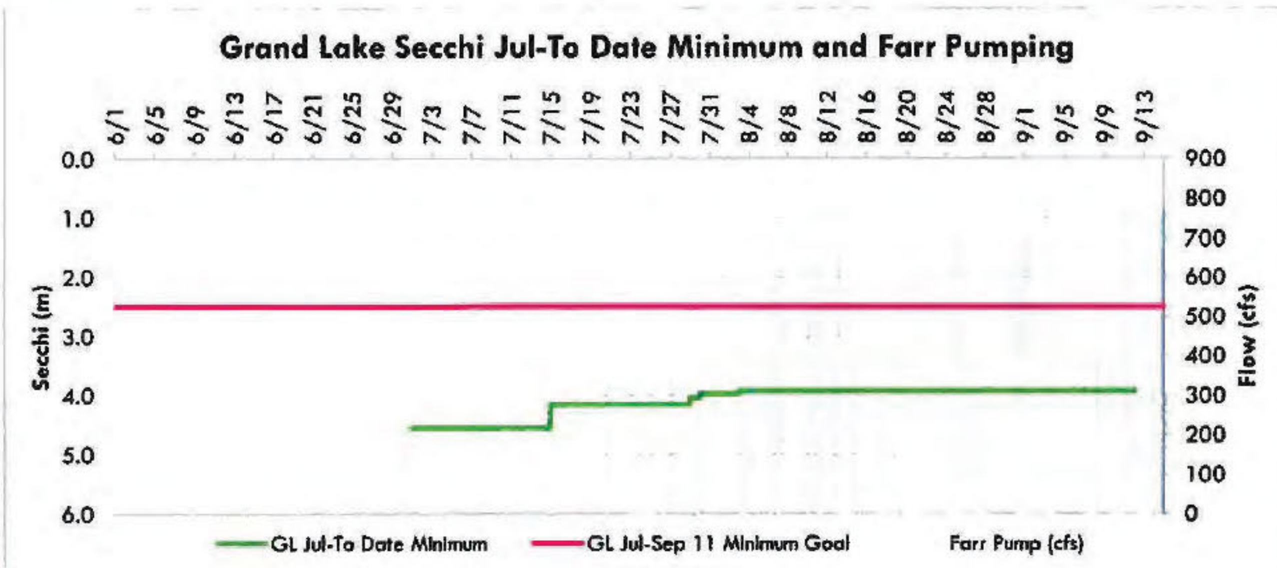
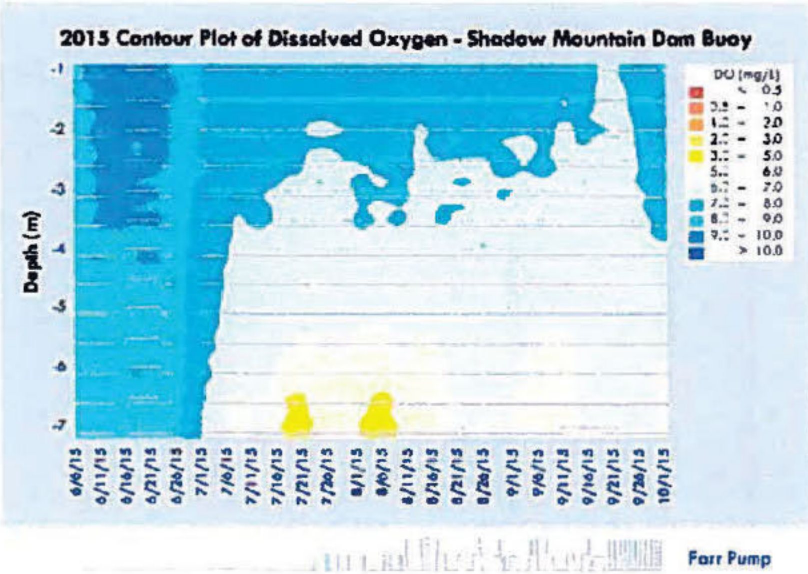


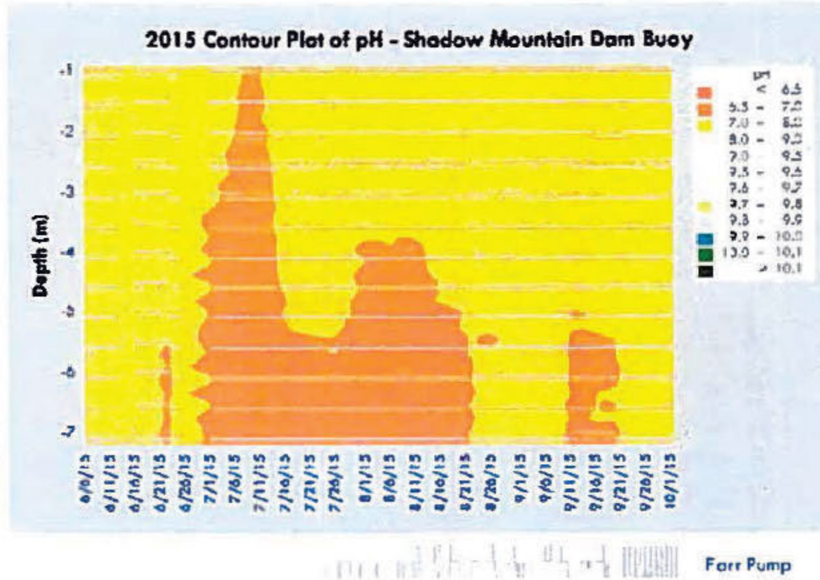
EXHIBIT B

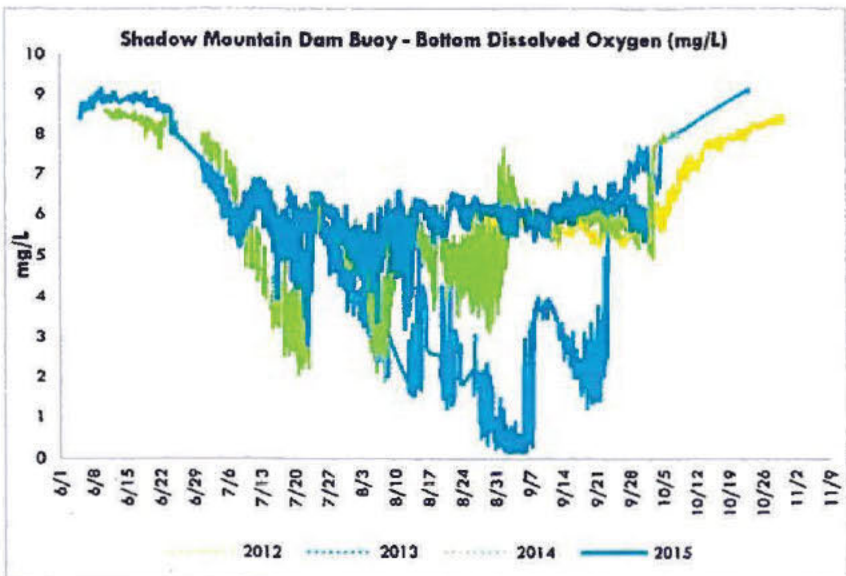
Water Quality Summary

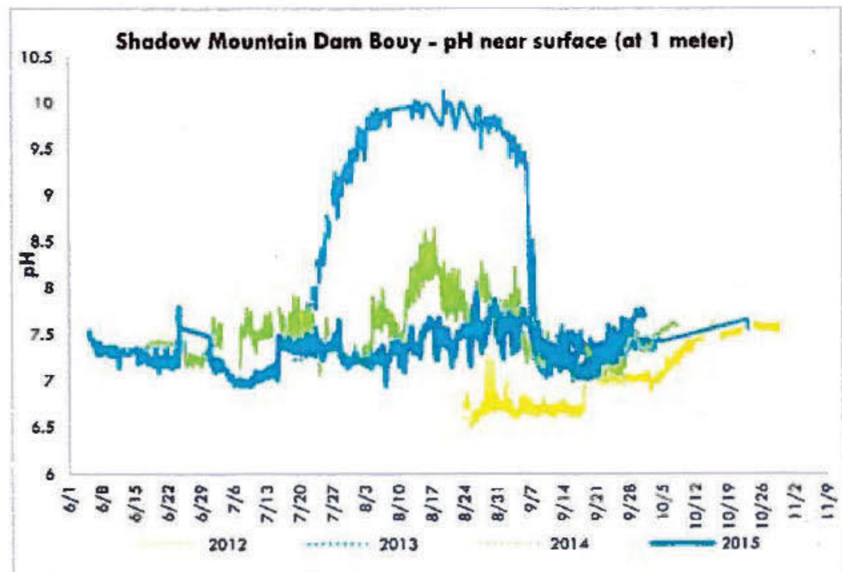





2015 Contour Plot of Dissolved Oxygen - Shadow Mountain Dam Buoy
Depth (m)
DO (mg/L)
Farr Pump


2015 Contour Plot of pH - Shadow Mountain Dam Buoy
Depth (m)
pH
Farr Pump


Shadow Mountain Dam Buoy - Bottom Dissolved Oxygen (mg/L)
mg/L
2012
2013
2014
2015


Shadow Mountain Dam Bouy - pH near surface (at 1 meter)
pH
2012
2013
2014
2015

Appendix A
Three Lakes CLEAR Initiatives

This document provides a list of potential initiatives that may receive funding contributions from Three Lakes CLEAR in accordance with Section VII of the MOU. These initiatives are not listed in any order of priority, and may be pursued by the Parties or others independently without funding from Three Lakes CLEAR. This list may be updated from time to time upon mutual agreement of the MOU Parties without requiring any modification of the MOU.

A. Piloting the management and harvesting of Mysis Shrimp in Grand Lake, with potential for establishing a long-term program.
B. Managing aquatic plants in Shadow Mountain Reservoir.
C. Converting septic systems to sewer within the Three Lakes Sanitation District.
D. Implementing projects focused on watershed and stream health.
E. Implementing projects focused on forest health.
F. Managing sediment accumulation in Shadow Mountain Reservoir.
G. Conducting a literature review of past experiences and research at Lake Tahoe.
H. Grand Lake Operational Adaptive Management enhancements (such as operational flexibility improvements, special studies, tools development, and other actions beyond the scope of the current GLAM process).
I. Forest and watershed health coalition building to strengthen local resources.
J. Funding for the Kawuneeche Valley Restoration Collaborative (KVRC) to support project implementation including ungulate management.
K. Stormwater infrastructure improvements.
L. Reforestation and revegetation projects.
M. Post-fire watershed restoration projects.
N. Monitoring and maintenance of restoration and environmental enhancement projects.
O. Mitigation of Grand Ditch impacts on the North Fork of the Colorado River.
P. Mitigation and management of aquatic nuisance species.
Q. Wastewater treatment facility upgrades.
R. Provide support for revisions of local government land use codes to reduce nonpoint source pollution associated with land use and development.

The initiatives eligible for funding may change over time, with this list subject to updates or additions, provided that all initiatives remain aligned with Three Lakes CLEAR's geographic scope and intended purpose.

Appendix B
Three Lakes CLEAR – Funding Process

This document summarizes the process for allocating funding from Three Lakes CLEAR as described in Section VII of the MOU. Three Lakes CLEAR will hold contributions provided exclusively by the Northern Colorado Water Conservancy District, Municipal Subdistrict, and Windy Gap Firming Project Water Activity Enterprise (collectively, “Northern Water”) provided on an annual basis throughout the 30-year duration of the MOU.

I. Purpose and Scope

Geographic Scope: Three Lakes CLEAR is intended to support additional clarity and watershed improvement projects within and upstream of the Three Lakes System, including Willow Creek and Fraser River watersheds.

Fund Purpose: The purpose of Three Lakes CLEAR is to support initiatives that improve clarity in Grand Lake and water quality and system health within and upstream of the Three Lakes.

Operation and Protection of the C-BT and Windy Gap Projects: Initiatives that protect source water, improve watershed and forest health, and enhance water quality sustain the integrity and long-term function of C-BT and Windy Gap infrastructure and the water supply those projects deliver.

Leveraging Funds: The Parties are encouraged to leverage Three Lakes CLEAR by supplementing or matching allocations with other funding sources from outside Northern Water, and to prioritize projects that demonstrate cost-sharing or co-investment from partners. Any funding provided by others will not be included as part of Three Lakes CLEAR but instead will be administered separately.

Appendix A to the MOU contains a list of potential initiatives that may be supported in whole or in part by Three Lakes CLEAR. The initiatives eligible for funding may change over time, with Appendix A subject to updates or additions upon agreement of the Parties, provided that all initiatives remain aligned with Three Lakes CLEAR’s geographic scope and intended purpose.

II. Three Lakes CLEAR Contributions

Northern Water agrees to contribute $1,000,000 annually, for a total contribution of $30,000,000 over the 30-year term of the MOU, for the purpose of implementing the collaborative initiatives described in Appendix A.

Three Lakes CLEAR will be comprised of “Cash Contributions” and a long-term “Reserve Fund.” In Year 1 of the MOU, 100 percent of the annual contribution will be made available as Cash Contributions to support the prompt initiation and completion of projects that enhance water quality within and upstream of the Three Lakes. Beginning in Year 2, annual contributions will be allocated between Cash Contributions and the Reserve Fund through a gradually transitioning schedule, with an increasing share directed to the Reserve Fund over time and a corresponding decrease in the portion available as Cash Contributions. By the final year of the MOU term, 100 percent of the annual contribution will be directed to the Reserve Fund. This shift happens incrementally each year, so that over the 30-year term of the MOU, $20,000,000.00 will be allocated to the Cash Fund and $10,000,000.00 to the Reserve Fund. See the attached table for an example of this contribution schedule.

The Reserve Fund is intended to establish a self-sustaining source of funding that supports continued watershed stewardship and water quality efforts beyond the initial 30-year MOU term. The Reserve Fund will remain inaccessible until 2047. After that point, the Governance Committee may choose to distribute funds from the Reserve Fund, but distributions will be limited to the annual investment returns generated by the Reserve Fund.

Upon expiration of the initial 30-year term of the MOU, the Reserve Fund and any unspent funds from the Cash Contributions will be available for continued use in accordance with the MOU, provided that the MOU is renewed or there is a subsequent long-term agreement in place approved by the Parties to continue the Grand Lake Adaptive Management framework and that addresses the distribution of Three Lakes CLEAR over time. Funds may also revert to the contributing entity under the circumstances identified in the MOU.

III. Governance

Three Lakes CLEAR will be managed by Northern Water. Distributions from Three Lakes CLEAR will be determined by a Governance Committee that consists of the Parties to the MOU. The Governance Committee shall be responsible for deciding how to distribute Three Lakes CLEAR in accordance with this Appendix B and selecting which initiatives identified on Appendix A will receive funding. The Governance Committee shall establish its own procedures and meeting schedule to undertake this work.

The Governance Committee, in its discretion, may create an Advisory Committee made up of other interested stakeholders to provide input on the identification, prioritization, and evaluation of potential initiatives, and additional fundraising opportunities to leverage Three Lakes CLEAR.

As stated in Section VII of the MOU, all decisions by the Governance Committee related to the distribution of moneys from Three Lakes CLEAR shall require a majority vote of the Parties that includes the affirmative votes of the Northern Colorado Water Conservancy District, the Municipal Subdistrict, and the Windy Gap Firming Project Water Activity

Enterprise. Such affirmative votes by the Northern Colorado Water Conservancy District, the Municipal Subdistrict, and the Windy Gap Firming Project Water Activity Enterprise shall only be required for decisions to distribute money from Three Lakes CLEAR.

FUND DISTRIBUTION EXAMPLE (2026 Dollars)

Year	Total Allocation ($)	Cash Contribution ($)	Reserves Contribution ($)	Cumulative Cash Fund Contributions ($)	Cumulative Reserve Fund Contributions ($)
1	$1,000,000	$1,000,000	$0	$1,000,000	$0
2	$1,000,000	$999,010	$990	$1,999,010	$990
3	$1,000,000	$995,889	$4,111	$2,994,900	$5,100
4	$1,000,000	$990,544	$9,456	$3,985,443	$14,557
5	$1,000,000	$982,923	$17,077	$4,968,366	$31,634
6	$1,000,000	$972,991	$27,009	$5,941,357	$58,643
7	$1,000,000	$960,718	$39,282	$6,902,075	$97,925
8	$1,000,000	$946,081	$53,919	$7,848,156	$151,844
9	$1,000,000	$929,061	$70,939	$8,777,217	$222,783
10	$1,000,000	$909,639	$90,361	$9,686,857	$313,143
11	$1,000,000	$887,801	$112,199	$10,574,658	$425,342
12	$1,000,000	$863,532	$136,468	$11,438,189	$561,811
13	$1,000,000	$836,819	$163,181	$12,275,008	$724,992
14	$1,000,000	$807,651	$192,349	$13,082,660	$917,340
15	$1,000,000	$776,018	$223,982	$13,858,677	$1,141,323
16	$1,000,000	$741,908	$258,092	$14,600,586	$1,399,414
17	$1,000,000	$705,314	$294,686	$15,305,899	$1,694,101
18	$1,000,000	$666,225	$333,775	$15,972,124	$2,027,876
19	$1,000,000	$624,634	$375,366	$16,596,759	$2,403,241
20	$1,000,000	$580,534	$419,466	$17,177,293	$2,822,707
21	$1,000,000	$533,916	$466,084	$17,711,208	$3,288,792
22	$1,000,000	$484,773	$515,227	$18,195,981	$3,804,019
23	$1,000,000	$433,099	$566,901	$18,629,080	$4,370,920
24	$1,000,000	$378,888	$621,112	$19,007,968	$4,992,032
25	$1,000,000	$322,132	$677,868	$19,330,101	$5,669,899
26	$1,000,000	$262,828	$737,172	$19,592,928	$6,407,072
27	$1,000,000	$200,967	$799,033	$19,793,895	$7,206,105
28	$1,000,000	$136,546	$863,454	$19,930,441	$8,069,559
29	$1,000,000	$69,559	$930,441	$20,000,000	$9,000,000
30	$1,000,000	$0	$1,000,000	$20,000,000	$10,000,000

The 2026 Grand Lake Clarity MOU

Water Resources
July 7, 2026

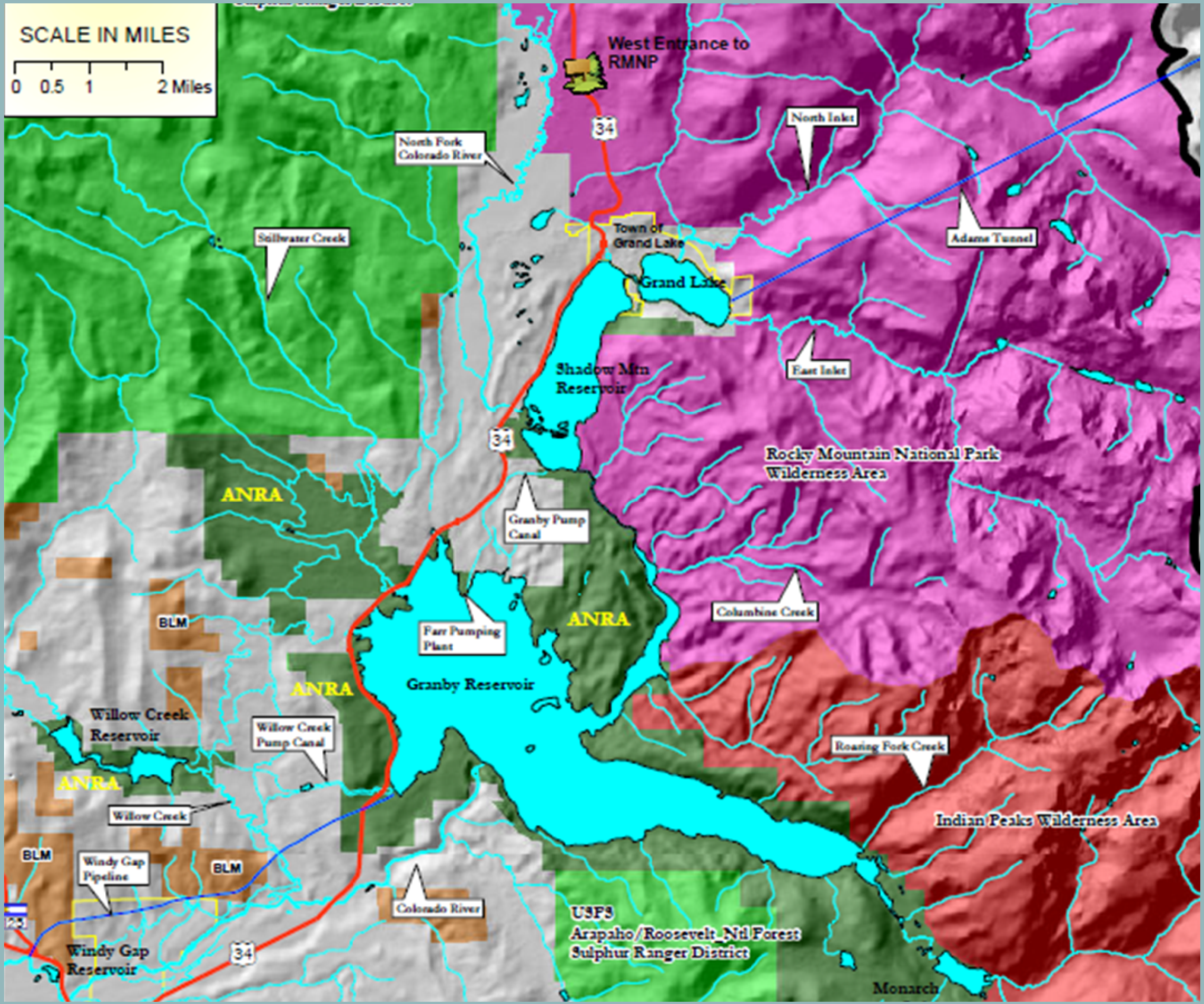
Progression of the Grand Lake Clarity Memorandum of Understanding (MOU)

- Historical context
- Progress made under the 2016 MOU
- Proposed long-term 2026 MOU and its attached funding and stewardship initiatives.

Senate Document 80 - June 15, 1937

The project, therefore, must be operated in such a manner as to most nearly effect the following primary purposes:

1. To preserve the vested and future rights in irrigation.
2. **To preserve** the fishing and recreational facilities and **the scenic attractions of Grand Lake**, the Colorado River, and the Rocky Mountain National Park.
3. To preserve the present surface elevations of the water in Grand Lake and to prevent a variation in these elevations greater than their normal fluctuation.
4. To so conserve and make use of these waters for irrigation, power, industrial development, and other purposes, as to create the greatest benefits.
5. To maintain conditions of river flow for the benefit of domestic and sanitary uses of this water.



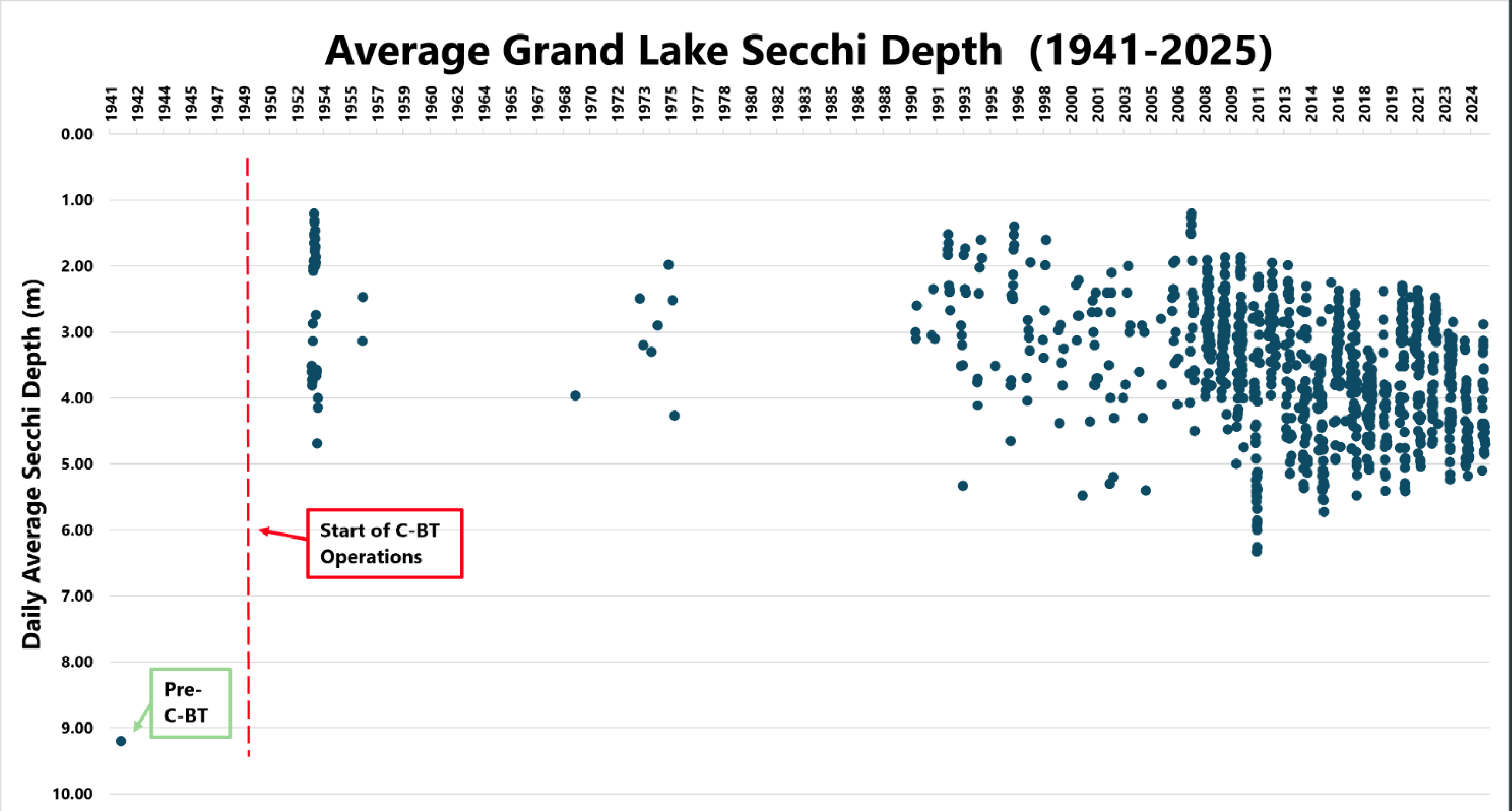
Located in the watersheds of Rocky Mountain National Park, Grand Lake's native inflows from the North and East Inlets are pristine; the lake should be pristine as well.

After record clarity following 15 weeks without Farr pumping in 2011, pumping resumes.


Photos by Byron Hetzler, courtesy of LightHawk volunteer pilot Steve Paul


Image © 2008 DigitalGlobe


2006



Source: https://www.northernwater.org/environmental/environmental-collaborative-programs/grand-lake-clarity

Water Quality Standards & 1041 Permit Authority

Water Quality Control Commission (WQCC) Standards:

- Narrative Standard: "The highest level of clarity attainable, consistent with the exercise of established water rights, the protection of aquatic life, and protection of water quality throughout the Three Lakes system."
- Goal Qualifiers: Achieve an average Secchi depth of 3.8 meters and a daily minimum of 2.5 meters (July 1 – Sept 11).

Grand County 1041 Permit (Windy Gap Firming Project):

- Condition 7: The 2012 WGFP Permit shall not be effective until the Clarity MOU has been executed.

Additional Protections for Grand Lake Clarity

2013 Clarity Supplement

- Acknowledges Impact: Formally recognizes the potential link between C-BT operations and reduced Grand Lake clarity.
- Commitment to Act: Commits agencies to cooperatively evaluate and implement actions to meet clarity standards while preserving C-BT benefits.

2014 Windy Gap Contract

- Mandatory Mitigation: Requires an approved nutrient reduction plan prior to project construction.
- Neutralizing Effects: Mandates mitigation aimed at "neutralizing" the water quality impacts of increased Windy Gap pumping from April to August.

The 2016 Clarity MOU

Purpose: Established an adaptive management process while Reclamation evaluated alternatives to improve clarity in Grand Lake.

The Adaptive Management Committee (AMC) Brought together Grand County, Northern Water, the River District, NWCCOG, and Reclamation to review weekly water quality modeling.

Operations: Required weekly meetings from July 1 to September 11 to adjust C-BT operations based on Secchi depth, Dissolved Oxygen, and pH thresholds.

Progress Achieved Under the 2016 MOU

Year	July - Sep. 11 Average (view-scope) Secchi (m) (Goal Qualifier = 3.8 m)	July - Sep. 11 Minimum Secchi (m) (Goal Qualifier = 2.5 m)
2005	2.7	1.8
2006	3.2	2.5
2007	2.7	1.5
2008	2.9	2.3
2009	3.6	2
2010	3	1.8
2011	5.6	3.5
2012	2.9	2.1
2013	3.4	2.3
2014	4.3	2.5
2015	4.3	3.6
2016	3.3	2.4
2017	3.9	2.7
2018	4.6	3.9
2019	4.8	4
2020	3	2.4
2021	3.6	2.7
2022	3.2	2.6
2023	4.2	3
2024	4.5	3.7
2025	4.1	2.9

Adaptive Management since 2016has resulted in better average and minimum clarity.

The 2026 Clarity MOU

A Long-Term Commitment (2027–2058)

- **Term**: Establishes a 30-year agreement starting January 1, 2027, with automatic 30-year renewals.
- **Core Continuity**: Continues the proven Operational Adaptive Management framework from the 2016 MOU, maintaining the AMC, weekly summer modeling, and real-time operational adjustments.
- **New Parties**: Adds the Municipal Subdistrict, the Windy Gap Firming Project Water Activity Enterprise, and the Town of Grand Lake as formal parties.
- **Regulatory Satisfaction**: Officially satisfies Condition 7 of the 2012 WGFP 1041 Permit so long as Northern Water/Subdistrict/Enterprise remain participating parties.

Key Changes from 2016 to 2026 MOU

Expanding from Operations to Watershed Stewardship

- Beyond Pumping Adjustments: The 2026 MOU incorporates a collaborative approach to provide watershed health benefits within and upstream of the Three Lakes System.
- Addition of Appendices:
  - Appendix A: Defines specific "Three Lakes Watershed Stewardship Initiatives." This is intended to be a "living list."
  - Appendix B: Establishes the "Three Lakes Watershed Improvement Fund" to finance these initiatives.
- Northern Water may withdraw unspent funds if:
  - A party *independently* proposes a different standard, litigation is initiated, the MOU is terminated or is not renewed.

Appendix A – Stewardship Initiatives

Potential projects include:

- Biological Management: Piloting Mysis Shrimp harvesting in Grand Lake and managing aquatic plants in Shadow Mountain Reservoir.
- Infrastructure: Converting septic systems to sewer within the Three Lakes Sanitation District and upgrading wastewater treatment facilities.
- Sediment & Forestry: Managing sediment accumulation in Shadow Mountain Reservoir, post-fire watershed restoration, and forest health projects.
- Mitigation: Addressing Grand Ditch impacts on the North Fork of the Colorado River.

Appendix B – The 3 Lakes Watershed Improvement Fund

$30 Million Commitment to Grand County

- The Contribution: Northern Water, the Subdistrict, and the Enterprise commit to contributing $1,000,000 annually for 30 years (Total: $30 Million).
- Fund Structure:
  - Cash Contribution: Funds immediate project implementation.
  - Reserve Fund: Gradually transitions funding into a long-term reserve, establishing a self-sustaining account for stewardship beyond the 30-year MOU term.
- Governance: Funds managed by Northern Water, but distribution decisions are made by a Governance Committee consisting of the MOU Parties (1 vote each).
  - Allocating funds requires a majority vote that must include the affirmative votes of Northern Water, the Subdistrict, and the Enterprise.

Recommendation

The recommendation to the commissioners is for your approval of the Chair to sign the MOU as presented in the packet.

- Signature will be requested via DocuSign once all the other entities have approved signatures, likely in early August.

Questions & Discussion

The 2026 Grand Lake Clarity MOU

Board Briefing on the Proposed Memorandum of Understanding — Request for Authorization to Execute

Board of Trustees Meeting | July 2026

Prepared by Steve Kudron, Town Manager

Why This Matters to Grand Lake

Our namesake, our economy

Grand Lake is Colorado's largest natural lake and the Town's core scenic and recreational asset — clarity drives tourism, property values, and quality of life.

A federal commitment since 1937

Senate Document 80 established water clarity as a scenic-preservation mandate when the C-BT Project began using the lake as a conveyance channel.

Three Lakes Watershed Association

For decades this local group has stewarded the Town's interests — monitoring conditions and engaging Northern Water, Reclamation, and Grand County — even though the Town itself held no formal seat until now.

From Senate Document 80 to Today

1937

Senate Document 80 establishes the scenic/clarity mandate as the C-BT Project is authorized to use Grand Lake as a conveyance channel.

Pre-Project

Historic Secchi-depth clarity measured roughly 9.2 meters, before C-BT pumping began introducing nutrients and algae.

2016

The original Grand Lake Clarity MOU establishes the Adaptive Management Committee (AMC) process — without the Town as a Party.

2021

The 2016 MOU is extended to December 31, 2026, while measurable clarity improves under the adaptive management process.

2027–2058

The proposed 2026 MOU takes effect, continuing operations and adding the Town as a full Party for the first time.

What the 2026 MOU Does

Continues: Operational Adaptive Management

- Renews the existing AMC process on a long-term basis (2027–2058, auto-renewing 30-year terms)
- Targets Secchi-depth clarity goals: 3.8 m average / 2.5 m minimum, July 1–Sept 11
- C-BT Project water deliveries and yield remain protected ahead of clarity goals

Adds: Three Lakes Watershed Stewardship

- New Appendix A: a living list of watershed health initiatives eligible for funding
- New Appendix B: creates the Three Lakes CLEAR fund to finance those initiatives
- Town of Grand Lake joins as a full Party and AMC / Governance Committee member for the first time

The Town Becomes a Full Voting Party

Under the 2016 MOU, the Town of Grand Lake was not a signatory — Reclamation, Northern Water, the Subdistrict, Grand County, NWCCOG, and the River District governed the process without a direct Town seat.

The 2026 MOU names the Town as a Party for the first time, seated on both the Adaptive Management Committee and the new Three Lakes CLEAR Governance Committee.

The Eight MOU Parties

- Bureau of Reclamation
- Northern Water
- Municipal Subdistrict
- Windy Gap Firming Project Enterprise
- Grand County
- NWCCOG
- Colorado River Water Conservation District
- **Town of Grand Lake — NEW**

The Three Lakes CLEAR Fund

$30M

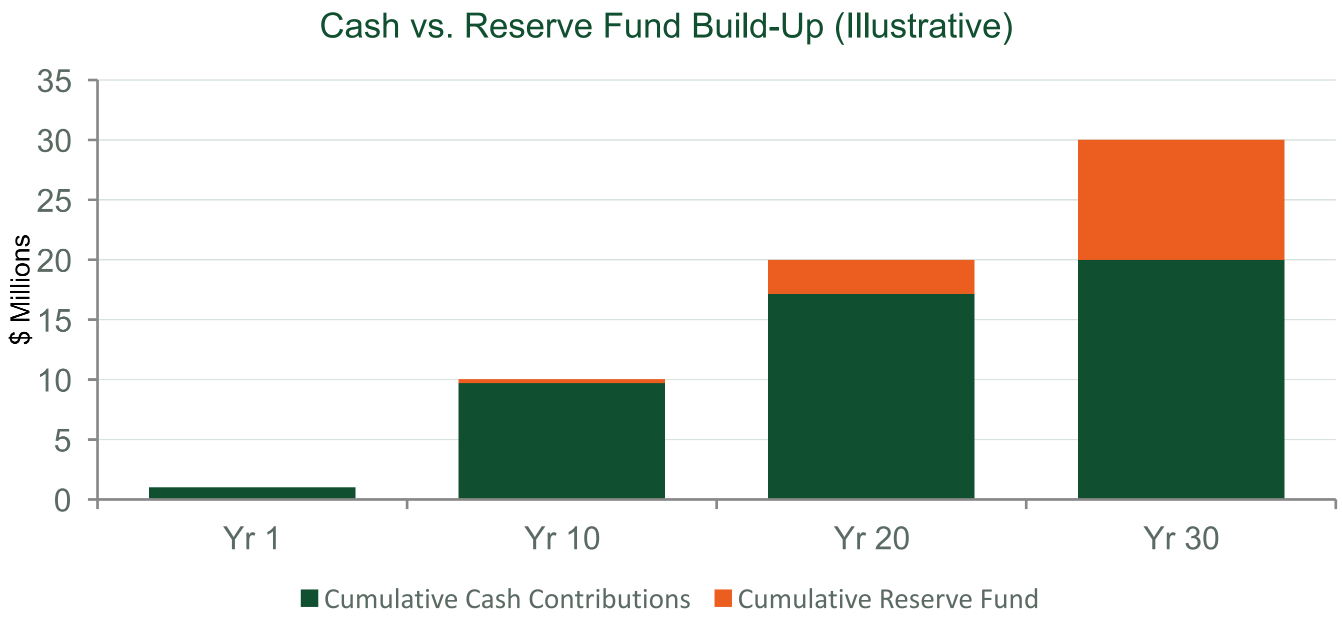
Total commitment over 30 years

$1M

Contributed annually by Northern Water, Subdistrict & Enterprise

2047

Year the Reserve Fund becomes eligible for (limited) distribution



How It's Governed

- Managed by Northern Water; a Governance Committee of all MOU Parties decides which Appendix A projects are funded
- Each Party — including the Town — has one vote
- Allocating funds also requires "yes" votes from Northern Water, the Subdistrict, and the Enterprise

Stewardship Initiatives Relevant to Grand Lake

Septic-to-sewer conversions

Within the Three Lakes Sanitation District — reduces nonpoint-source pollution reaching the lake.

Stormwater infrastructure

Local improvements eligible for CLEAR cost-sharing or grant matching.

Sediment & aquatic-plant management

Targets Shadow Mountain Reservoir, a direct driver of clarity conditions.

Wastewater treatment upgrades

Supports system capacity and water-quality performance.

Forest & watershed health

Reduces post-fire and erosion-related sediment loading upstream.

Land-use code support

Funding to help update local codes that reduce nonpoint-source pollution.

Benefits to the Town

A voice in operations, for the first time

Full AMC membership means input on C-BT pumping decisions that affect the lake.

Access to dedicated funding

Three Lakes CLEAR can help finance septic, stormwater, and treatment projects.

A formal vote on fund allocation

Equal Governance Committee vote alongside the County, NWCCOG, and River District.

Continuity of a working program

Locks in the operational process that has already improved average clarity.

A stronger negotiating position

Coordinated “West Slope” position with County, NWCCOG, and River District.

Legal positions preserved

No-waiver clause protects the Town’s stance on Senate Document 80 issues.

Considerations & Potential Unintended Consequences

Northern Water holds an effective veto

Fund allocation decisions require its affirmative vote (with Subdistrict/Enterprise), regardless of the Town's vote.

Half the fund is locked until 2047

The $10M Reserve Fund is inaccessible for decades; only future investment earnings, not principal, are then distributable.

Funding and cooperation can be clawed back

Independent Town action on clarity standards or litigation can trigger withdrawal or reversion of unspent funds.

Clarity remains secondary to water delivery

C-BT deliveries and yield are protected first; adaptive management operates only within that constraint.

58-year lock-in

Term runs 2027–2058 and auto-renews; termination requires unanimous consent — the Town cannot exit unilaterally.

Limited direct enforcement rights

No third-party beneficiary status and preserved sovereign immunity mean recourse runs through cooperative process, not litigation.

See memo section "Considerations and Potential Unintended Consequences" for full discussion

Financial & Governance Notes

No Binding Town Debt

- The MOU creates no general obligation, multi-year debt, or financial obligation under the Colorado Constitution
- All public funding is subject to annual appropriation
- The Town's own contribution is limited to staff and elected-official time for AMC and Governance Committee participation

One Vote, Shared Veto

- Town, Grand County, NWCCOG, and River District each hold one Governance Committee vote
- Fund-allocation decisions additionally require affirmative votes from Northern Water, the Subdistrict, and the Enterprise
- West Slope entities (County, NWCCOG, River District, Town) will strive for a unified position — but it is never treated as a single vote

Where Other Parties Stand

NWCCOG	Approved	**June 4, 2026**
Town of Grand Lake	Under Board consideration	**This meeting**
Northern Water	Board consideration	**July 2026**
River District	Board consideration	**July 22, 2026**
Bureau of Reclamation	Final approval after other Parties	**August 2026**

Status as of the date of this briefing; subject to change as other Parties act

Recommendation & Requested Action

Staff recommends the Board of Trustees adopt a resolution authorizing the Mayor to execute the 2026 Grand Lake Clarity Stakeholders’ MOU on behalf of the Town of Grand Lake.

1. Review this briefing and the full MOU (previously provided to the Board)
2. Discuss benefits and considerations — particularly Governance Committee voting and fund clawback provisions
3. Act on a motion — staff recommends authorizing the Mayor to execute the 2026 MOU (see memo, “Suggested Motions,” Option A)

Additional context: Northern Water, “A Holistic Approach for Improving Three Lakes Water Quality” — youtube.com/watch?v=_ktk6kPB5Yc

Contact: Steve Kudron, Town Manager — skudron@toglco.com

TOWN OF GRAND LAKE
STAFF REPORT

TO: Mayor Bergquist & Town Trustees **FROM:** Steve Kudron, Town Manager **DATE:** July 13, 2026

ACTION TYPE: ☑ Action Requested ☐ Information Only

RE: Recommended Installation of a Pedestrian Crosswalk — W. Portal Road at County Road 663

BACKGROUND

W. Portal Road is where the Continental Divide Trail (CDT) crosses the road en route to the Town water plant and the East Inlet Trailhead, immediately adjacent to the Rocky Mountain National Park boundary. Pedestrians and trail users currently cross at this point without any marking, signage, or ADA-compliant ramps.

This project originated from the Town's Safe Streets planning effort. This crossing may evolve into one of three raised crosswalks for traffic calming along Portal Road in the future, making it a natural first step toward a broader traffic-calming program for the corridor.

The Town is also pursuing an OLRT trail grant to develop a CDT Gateway Park at this location. A formally designed, safe crossing directly strengthens that grant application while improving connectivity between the trail system, the Gateway Park, and the rest of Town.

PROPOSED DESIGN

The concept design (RFP GLCO325T — Local Impact Accelerator Grant) calls for:

- A 10-foot-wide, high-visibility ladder-style crosswalk, aligned north–south on the west side of CR 663, built to FHWA E634-06 and MUTCD standards.
- W11-2 "Ped Xing" advance warning signs with W16-7P supplemental distance plaques in both directions on Portal Road.
- R1-5L "Yield to Peds" signage at the crossing to reinforce driver yielding behavior.
- ADA-compliant curb ramps on both the north and south sides, meeting PROWAG grade requirements (maximum 8.33% slope).

The sketch is conceptual; a field survey, geotechnical verification, and final engineering (PS&E) are the logical next steps if the Board concurs.

SAFETY RATIONALE

TRAFx trail-counter data collected at this location (Westportal / East Inlet counter, April 14, 2025 – July 7, 2026) confirms this crossing already carries substantial, sustained pedestrian volume:

- 122,152 total trail crossings recorded over the 15-month period, averaging 274 people per day overall.
- Summer usage is far higher: June averaged 502–542 crossings/day, July averaged 648–678/day, and August averaged 510/day (2025 season).
- The single-day peak was 997 crossings on July 5, 2025 — nearly 1,000 pedestrians crossing an unmarked roadway in one day.

This pedestrian volume peaks in the same summer months as vehicle traffic on Portal Road, which serves as a primary access route for visitors, trail users, and National Park traffic. An unmarked, uncontrolled crossing carrying hundreds of pedestrians a day during peak-traffic months represents an avoidable conflict point. A standards-compliant ladder crosswalk with advance pedestrian warning signage, yield-to-pedestrian control, and ADA ramps would:

- Formalize and channelize the crossing to a single, clearly marked location, rather than the ad hoc crossing pattern that exists today.
- Improve driver awareness and yielding through advance signage and high-visibility ladder markings, consistent with FHWA/MUTCD guidance for pedestrian crossings.
- Bring the crossing into ADA/PROWAG compliance, improving accessibility for all trail users, including those with mobility limitations.

- Lay the groundwork for future traffic-calming measures (potential raised crosswalk) identified in the Town's Safe Streets plan.

GRAND COUNTY COORDINATION

Because CR 663 is a shared-maintenance roadway, the concept sketch was shared with Grand County on July 6, 2026, prior to bringing this recommendation forward. The response has been supportive:

> **Edward Moyer, Grand County Manager —** *"Thank you, Steve. Looks like a good project."*
>
> **David Buckley, Superintendent, Grand County Road & Bridge —** *"I don't see this being an issue at all with our operation. I will notify our District Foreman and if we have any concerns, we will let you know."*

No objections have been raised to date. Staff will continue to coordinate with Road & Bridge through final design and construction.

FISCAL NOTE

Design and construction costs are expected to be covered primarily through Local Impact Accelerator grant funding. The OLRT trail grant being pursued for the CDT Gateway Park further supports project costs. No general fund appropriation is requested at this time.

SUGGESTED MOTION

I move to authorize staff to proceed with design, permitting, and grant-funded construction of a marked pedestrian crosswalk on W. Portal Road at County Road 663, per the conceptual sketch (Dwg. No. GLCO325T-CW-002, dated July 2026).

From: David Buckley
To: Steve Kudron (Manager)
Cc: Edward Moyer
Subject: Re: [External Sender] Crosswalk at Portal and Hancock
Date: Monday, July 6, 2026 11:12:09 AM
Attachments: image001.png
image002.png

Caution! This message was sent from outside your organization.

Thank you for sharing the sketch. I don't see this being an issue at all with our operation. I will notify our District Foreman and if we have any concerns, we will let you know.

Thanks again.

Kind Regards,

David Buckley, Superintendent
Grand County Road & Bridge
467 E.Topaz, Granby, CO 80446
P.O. Box 9, Granby, CO 80446
Office 970-887-2123

On Mon, Jul 6, 2026 at 10:57 AM Steve Kudron (Manager) <skudron@toglco.com> wrote:

> Hi Ed,
>
> Here is a sketch with ai of the proposed location. In our safe streets plan, this may turn to one of three raised crosswalks for traffic calming along Portal in the future.
>
> Best,
>
> Steve
>
> ---
>
> **From:** Edward Moyer <emoyer@co.grand.co.us>
> **Sent:** Monday, July 6, 2026 9:28 AM
> **To:** Steve Kudron (Manager) <skudron@toglco.com>
> **Cc:** David Buckley <dbuckley@co.grand.co.us>
> **Subject:** Re: [External Sender] Crosswalk at Portal and Hancock

Caution! This message was sent from outside your organization.

Steve,

Thank you for the heads up on this. Do you have a drawing you can share?

I've Cc'd Dave Buckley on this response and I'm asking him to please take a look.

Thank you,

Ed

Edward Moyer

County Manager

Office: (970) 725-3100

Mobile: (970) 531-0514

308 Byers Ave., P.O. Box 264

Hot Sulphur Springs, CO 80451

Grand County
Colorado

On Mon, Jul 6, 2026 at 9:24 AM Steve Kudron (Manager) <skudron@toglco.com> wrote:

> Hi Ed,

I am looking to adda pedestrian crosswalk across Portal where the CDT crosses up to the water plant. We are applying for an OLRT grant to create a CDT Gateway Park and a safe crossing will add to the grant value as well as a little traffic calming on Portal too. Because we share that maintenance, I wanted to make I got your take before I do anything.

Best,

Steve

Steve Kudron

Town Manager

Grand Lake, CO

TOWN OF GRAND LAKE

skudron@toglco.com

970-966-0067

From:	Edward Moyer
To:	Steve Kudron (Manager)
Cc:	David Buckley
Subject:	Re: [External Sender] Crosswalk at Portal and Hancock
Date:	Monday, July 6, 2026 11:09:48 AM
Attachments:	image001.png image002.png ATT00001.png

Caution! This message was sent from outside your organization.

Thank you, Steve. Looks like a good project.

Edward Moyer
County Manager
Office: (970) 725-3100
Mobile: (970) 531-0514
308 Byers Ave., P.O. Box 264
Hot Sulphur Springs, CO 80451

Grand County
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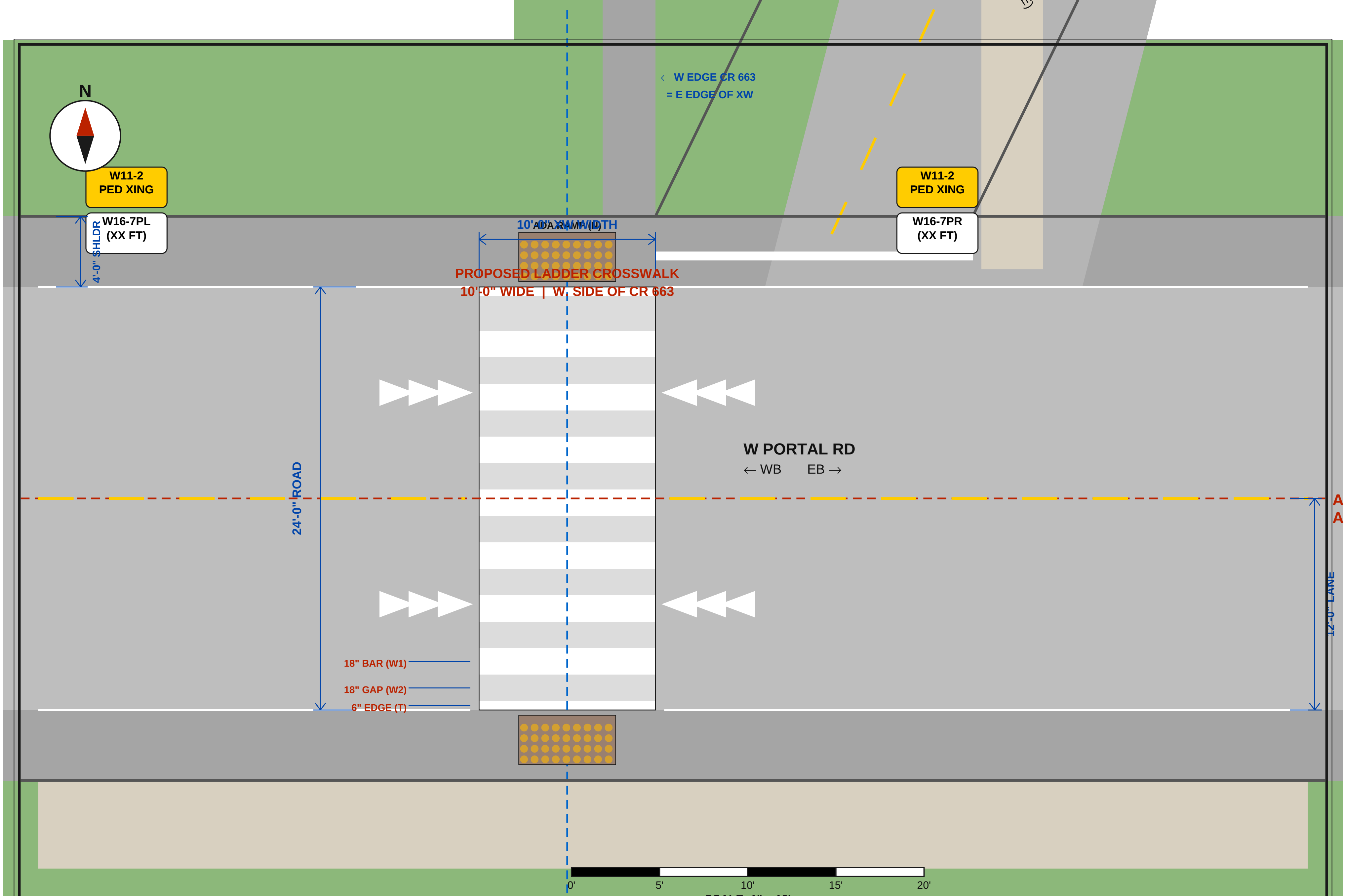
Town Manager

Grand Lake, CO

skudron@toglco.com

970-966-0067



TOWN OF GRAND LAKE, CO — RFP GLCO325T | LOCAL IMPACT ACCELERATOR GRANT

LADDER CROSSWALK | W PORTAL RD @ COUNTY RD 663 | GRAND LAKE, CO

10'-0" N-S ALIGNED | WEST SIDE OF CR 663 | PER FHWA E634-06 / MUTCD

SHEET 1 OF 2 — PLAN VIEW (CONCEPTUAL SKETCH)

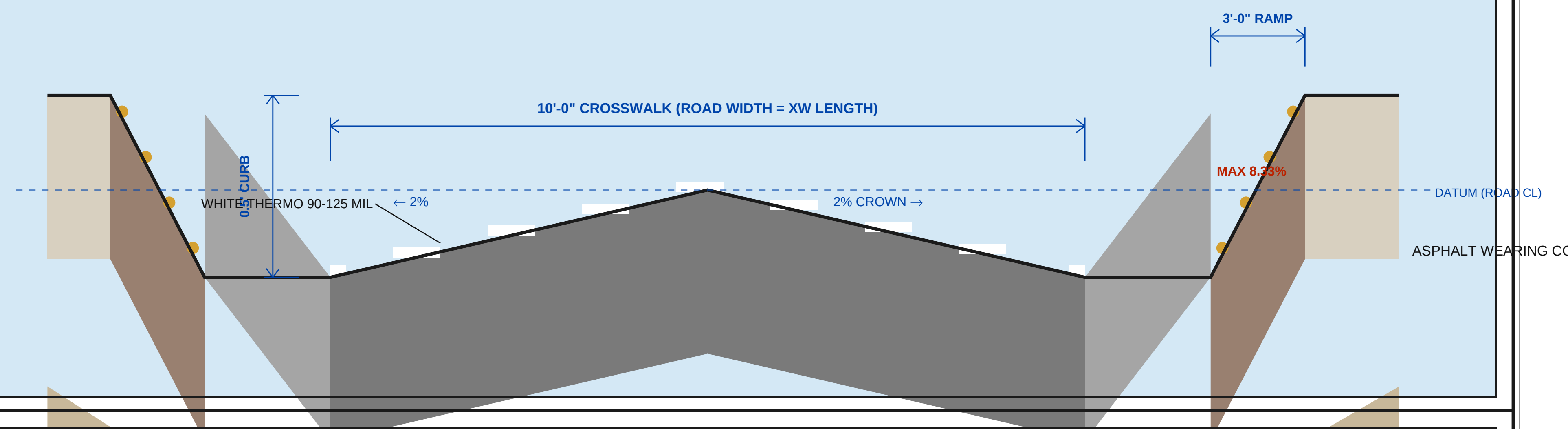
DWG NO:	GLCO325T-CW-002
DATE:	JULY 2026
STD:	FHWA E634-06 / MUTCD
SHEET:	1 OF 2

KEY NOTES:

1. Ladder XW: W1=18" bars, W2=18" gaps, T=6" edge
2. Yield triangles per E634-06 Sht 2, View A
3. W11-2+W16-7P signs 20-50' from crosswalk
4. ADA ramps per PROWAG (max 8.33% grade)
5. Conceptual sketch — field survey required

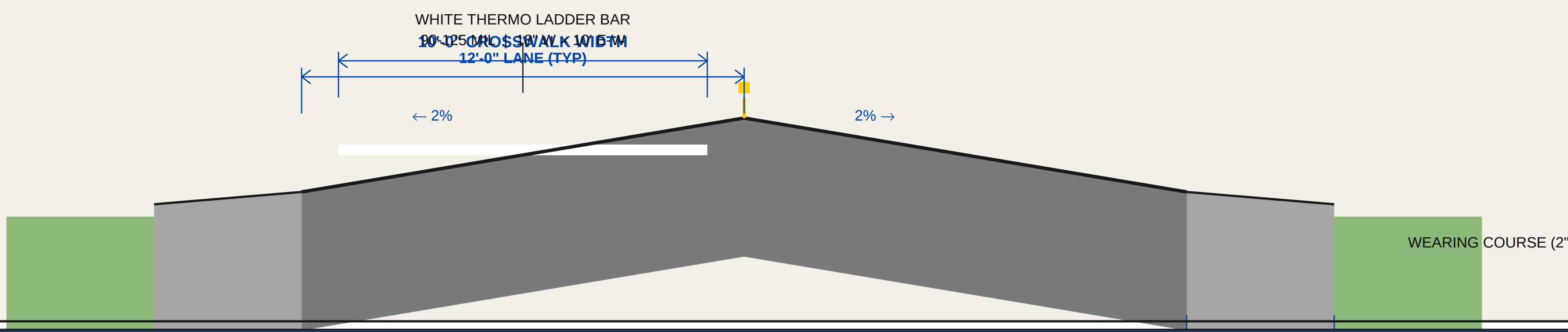
SECTION B–B | PROFILE LOOKING EAST (N-S PEDESTRIAN PATH)

VERTICAL SCALE EXAGGERATED | HORIZ: 1" ≈ 8' (AUTO-FIT)



SECTION A–A | CROSS-SECTION LOOKING NORTH (E-W)

VERTICAL SCALE EXAGGERATED | PAVEMENT DEPTHS INDICATIVE — VERIFY WITH GEOTECHNICAL REPORT



TOWN OF GRAND LAKE, CO — RFP GLCO325T | LOCAL IMPACT ACCELERATOR GRANT

LADDER CROSSWALK | W PORTAL RD @ COUNTY RD 663 | GRAND LAKE, CO

SECTION B-B: PROFILE LOOKING EAST (N-S) | SECTION A-A: CROSS-SECTION LOOKING NORTH (E-W)

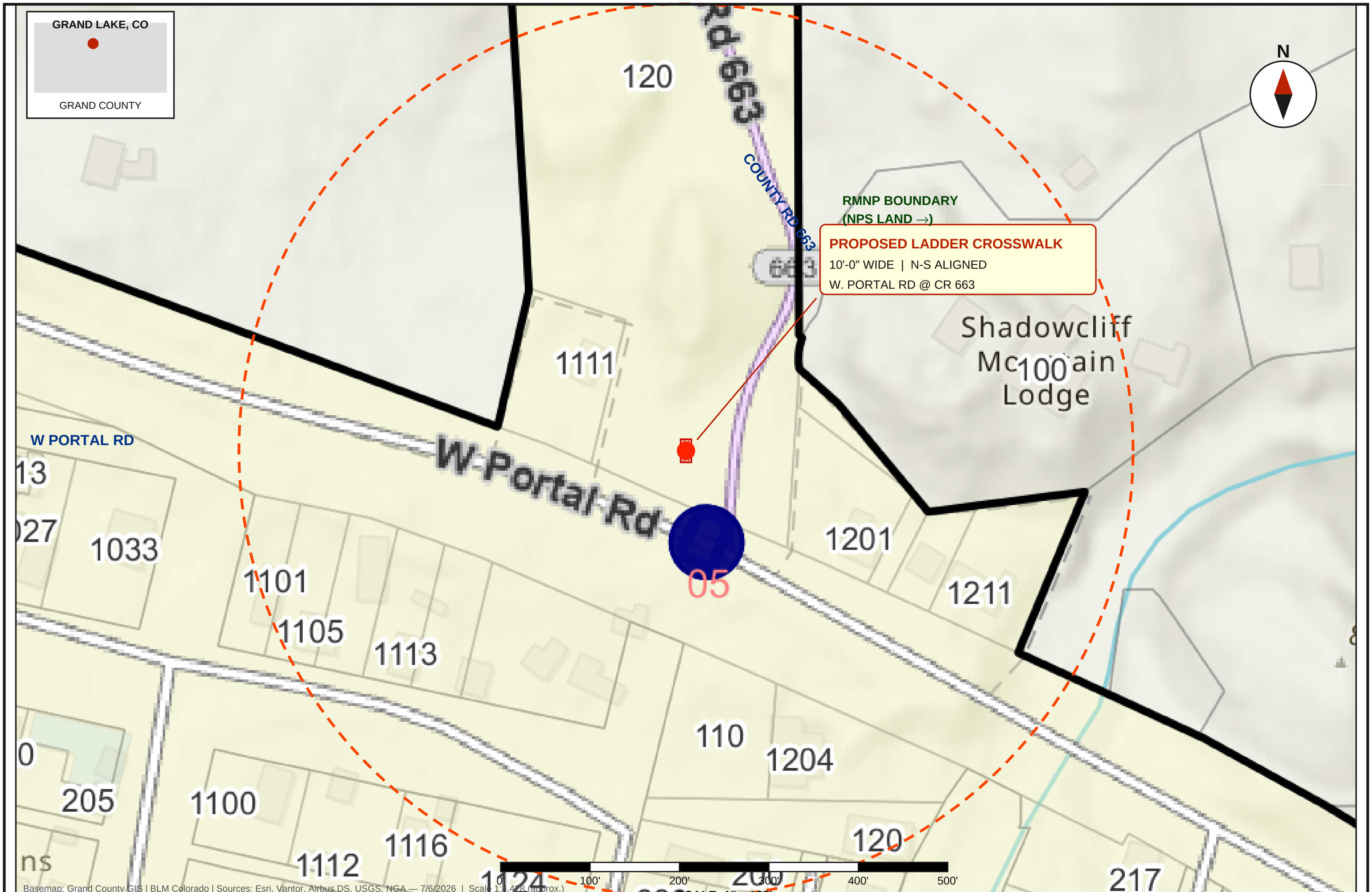
SHEET 2 OF 2 — PER FHWA E634-06 / MUTCD | VERTICAL SCALE EXAGGERATED | CONCEPTUAL — FIELD SURVEY REQUIRED

DWG NO:	GLCO325T-CW-002
DATE:	JULY 2026
STD:	FHWA E634-06 / MUTCD
SHEET:	2 OF 2

KEY NOTES:

1. Ladder XW: W1=18" bars, W2=18" gaps, T=6" edg
2. Yield triangles per E634-06 Sht 2, View A
3. W11-2+W16-7P signs 20-50' from crosswalk
4. ADA ramps per PROWAG (max 8.33% grade)
5. Conceptual sketch — field survey required

— 500 FT RADIUS —



TOWN OF GRAND LAKE, CO — RFP GLCO325T | LOCAL IMPACT ACCELERATOR GRANT

LADDER CROSSWALK | W PORTAL RD @ COUNTY RD 663 | GRAND LAKE, CO

CONTEXT / VICINITY MAP | ~500 FT RADIUS FROM PROPOSED CROSSWALK

SHEET 3 OF 3 — GIS BASEMAP CONTEXT (GRAND COUNTY PARCEL VIEWER)

DWG NO:	GLCO325T-CW-002
DATE:	JULY 2026
STD:	FHWA E634-06 / MUTCD
SHEET:	3 OF 3

CONTEXT MAP NOTES:

1. GIS basemap: Grand County GIS / Esri
2. Map scale 1:4,428 (approx.)
3. ~500 ft shown N, S, E of crosswalk; ~750 ft shown to W (road extent)
4. NPS boundary shown in bold black
5. Verify all boundaries in field