

# NOTICE OF REGULAR MEETING OF SPRING CANYON WATER AND SANITATION DISTRICT

This meeting is being held via telephone and video conference and may be joined the following ways:

**Join Via Web Browser:**

<https://bit.ly/Regular2023>

+1 323-694-0227,,445046158#

Phone Conference ID: 445 046 158#

NOTICE IS HEREBY GIVEN that a Regular Meeting of the Board of Directors of the Spring Canyon Water and Sanitation District, Larimer County, Colorado, has been scheduled for Wednesday, April 26, 2023 at 6:00 p.m. via teleconference.

**Board of Directors**

Tim Schmitt, President/Chairman

Term Expires: May 2027

Richard Emery, Vice President/Vice Chairman

Term Expires: May 2025

Tim Mather, Director

Term Expires: May 2025

James Gerard, Treasurer

Term Expires: May 2027

Chris Goemans, Director

Term Expires: May 2027

## **AMENDED AGENDA**

**A. ADMINISTRATIVE MATTERS**

- A. Call to Order
- B. Declaration of Quorum/Director Qualifications/Conflicts of Interest
- C. Approval of Agenda
- D. Approval of Minutes from March 22, 2023
- E. Public Comments, limited to three minutes per person.

**B. FINANCIAL MATTERS**

- A. Consideration of March 2023 Disbursements

**C. OPERATIONS AND MAINTENANCE MATTERS**

- A. Operations Report
- B. Engineer's Report
  - Consideration of Approval of Construction Contractor

**D. MANAGEMENT MATTERS**

- A. Manager's Report

**E. OTHER MATTERS**

\*The next regular meeting is scheduled for May 24, 2023 at 6:00 p.m.

By/s/ Darla Howard, Secretary for the meeting

MINUTES OF THE REGULAR MEETING OF  
SPRING CANYON WATER AND SANITATION DISTRICT  
HELD  
March 22, 2023

The Regular Meeting of the Board of Directors of Spring Canyon Water and Sanitation District was held via teleconference on Wednesday, March 22, 2023, at 6:00 p.m.

**ATTENDANCE**

Directors in Attendance

Tim Schmitt, President  
JJ Gerard, Treasurer  
Tim Mather, Director  
Chris Goemans, Director

Absent and Excused

Rick Emery, Vice President

Also, In Attendance

Chris Olson, Darla Howard, Tayler Pelletier, Anthony Cruz, SCWSD  
Jennifer Ondracek, Pinnacle Consulting Group  
Justin Beckner, CivilWorx  
Others: Jennifer Hammitt, Kevin Brown

**ADMINISTRATIVE  
MATTERS**

**Call to Order** -The Regular Meeting of the Board of Directors of Spring Canyon Water & Sanitation District was called to order by Chairman Schmitt 6:02 p.m. He noted that a quorum was present. All Directors also confirmed their qualifications to serve on the Board, and that prior to the meeting they had been notified of the meeting.

**Agenda** - Upon motion duly made by Director Mather, and seconded by Director Gerard it was unanimously

**RESOLVED** to approve the March 22, 2023 agenda as presented.

**Approval of Minutes** -The Directors reviewed the minutes of the February 22, 2022 Regular Meeting. Upon motion duly made by Director Mather, and seconded by Director Goemans, it was unanimously

**RESOLVED** to approve the Minutes of the February 22, 2023 Regular Meeting.

**Public Comments** – Jennifer Hammitt thanked the Directors for not raising rates in 2023.

**FINANCIAL  
MATTERS**

**Disbursements** – The Directors reviewed the February 2023 Disbursements identified by checks #3519 through #3555 totaling \$74,907.79. An error was discovered, changing the total to \$63,907.79. Upon motion duly made by Director Gerard, and seconded by Director Goemans, it was unanimously

**RESOLVED** to ratify the amended February 2023 Disbursements totaling \$63,907.79.

**2022 Fourth Quarter Financials** – Jennifer Ondracek of Pinnacle Consulting Group presented the 2022 fourth quarter unaudited financial statements for Director review. The Directors reviewed the expenses to budget through December 31, 2022.

Ms. Ondracek advised the Directors that the audit is scheduled to begin next week.

**OPERATIONS  
AND  
MAINTENANCE  
MATTERS**

The Director’s welcomed Anthony Cruz to Spring Canyon Water and Sanitation District.

**Engineer’s Report** -. The Directors reviewed the Engineer’s Report provided by Justin Beckner. Mr. Beckner reported the rock exploration was completed on March 10<sup>th</sup>, and full pricing for the project is expected by month end. Mr. Beckner and Manager Olson discussed a new source of possible funding through the Energy & Mineral Impact Assistance Fund (EIAF). After discussion, the Directors asked Manager Olson to contact the District’s legal advisors for clarification of impacts on TABOR and guidance on whether to pursue this avenue.

**Operations Report** – The Directors reviewed the Operations Report prepared by Tayler Pelletier. The Directors reviewed the request for a sewer mainline extension on Edith Drive. Upon motion duly made by Director Gerard, seconded by Director Mather, it was unanimously

**RESOLVED** to approve the extension to 4117 Edith Drive.

**MANAGEMENT  
MATTERS**

Manager Olson reviewed his report with the Directors, stating he would contact Joe Norris of CEGR first thing Thursday, March 23, 2023. Dependent upon guidance to proceed from legal counsel, the Directors voted to move forward pending final application review to meet the April 3, 2023 deadline.

Manager Olson discussed the steps taken to move forward with CEBT as our health insurance advisors. He stated the move will result in estimated annual savings to the District of \$11,095.44 in 2023.

**NEXT MEETING**

The next Regular Board Meeting is scheduled for Wednesday, April 26, 2023.

**ADJOURNMENT**

There being no further business for discussion, and upon motion duly made by Director Gerard, seconded by Director Goemans, it was unanimously

**RESOLVED** to adjourn the meeting at 7:34 p.m.

Respectfully submitted,

*Darla Howard*

\_\_\_\_\_  
Darla Howard, Secretary for the Meeting

## Spring Canyon Water Sanitation District March 2023 Disbursements

Check No.	Vendor	Description	Amount
E-pay	United States Treasury	FIT taxes	\$4,416.68
3556	Chris Goemans	Feburary board meeting	\$69.26
3557	Chris S. Olson	Salary	\$2,654.88
3558	Darla Howard	Payroll	\$1,788.77
3559	James Gerard	Feburary board meeting	69.26
3560	Rick Emery	Feburary board meeting	69.26
3561	Taylor E. Pelletier	Payroll	1,688.74
3562	Tim Mather	Feburary board meeting	69.26
3563	Tim Schmitt	Feburary board meeting	69.26
3564	Amazon Capital Services	Computer, monitor, office chair	735.88
3565	Colorado Analytical Labs Inc.	Lab analyses	48.00
3566	Comcast	Internet service	181.00
3567	Fort Collins Loveland Water District	Janaury water and sewer contracts	15,961.86
3568	Great West Life & Annuity	Deferred compensation contribution	337.08
3569	Ramey Environmental	LS6 pump replacement	746.25
3570	Amazon Capital Services	Voltage/current detectors	353.46
3571	Anthem Blue Cross Blue Shield	April health insurance premium	4,668.13
3572	Canyon Utilities Service	Trash service	187.00
3573	Colorado Analytical Labs Inc.	Lab analyses	220.00
3574	Cummins Inc.	Generator service & repairs at Trilby, LS 1 & 3	1,996.07
3575	First Bank	Gas, Microsoft,software renewal, LS data loggers	1,525.06
3576	Frontier Business Products	Copier/printer mainteance contract	57.12
3577	Pinnacle Consulting Group, Inc.	Accounting - February 2023	797.50
3578	Ramey Environmental	LS 1, 4, & 6 repairs	986.25
3579	SDA	Annual dues	1,176.99
3580	Timber Line Electric & Control Corp.	Annual SCADA alarm notifications	80.00
3581	UNCC	Locate requests	7.74
3582	Verizon	Phone and cell service	181.88
3583	Anthony A Cruz	Payroll	1,188.23
3584	Chris S. Olson	Salary	2,801.16
3585	Darla Howard	Payroll	2,019.86
3586	Taylor E. Pelletier	Payroll	1,991.33
3587	Great West Life & Annuity	Deferred compensation contribution	337.08
3588	USPS	April 1 billing postage	192.00
<b>Total March 2023 Disbursements</b>			<b>\$49,672.30</b>



# Spring Canyon WSD Monthly Operations Report

Prepared by: Tayler Pelletier

Date: 4/19/2023

## CDPHE Compliance:

Regularly scheduled sampling is going as planned.

## Leak Monitoring:

Peter Huisman with CRWA has been working with us to locate potential leaks and teach us how to use specific leak detection tools. So far, we have identified one leak and one natural spring which has been flowing longer than usual.

## Lift Stations 1 & 4:

Peter Huisman also helped us optimize our soft starter timings to improve efficiency and reduce stress on the pumps significantly.

## Alarm Call Volume:

We have been working on reducing the number of false alarms and nuisance calls. These include software issues causing a system reset on our water SCADA system and pumps not receiving the signal to start or stop. Sewer alarms that have been, or are being addressed include power trips on shut down at 1&4, a frayed wire that was causing control system faults, and runtime alarms.

## Colorado Rural Water Annual Conference:

Anthony and I were able to attend one day of the annual CRWA conference which was in Loveland this year. There were some very helpful in person courses for training units, a vendor hall, and a meet and greet afterwards. We learned a lot from both the classes and the opportunity to talk with vendors and other operators.

## Consumer Confidence Report:

The CCR is complete and has been approved by our compliance specialist at CDPHE. The link to access the CCR will be delivered alongside the next round of bills.

---

## Engineer's Report – April 20, 2023

### Holiday Drive Waterline Construction Project

After hearing back from the attorney on the grant funding, we switched gears from the last Board meeting and started to push to get updated pricing from Gerrard and to finalize the contract and contract documents. The contract and contract documents have been updated and were sent to Chris Olson and Darla Howard today for review prior to sending them to Gerrard for final signature.

Additionally, we have received updated pricing from Gerrard Excavating and have asked some follow-up questions on the pricing of a couple of items. We are working on the final schedule with Gerrard as well and are hopeful for an early May start date. We hope to be able to provide the final pricing and schedule at the Board meeting next week.

We are finalizing our review of the construction submittals this week and will have them back to Gerrard for ordering for the construction.

Thank you for continuing to allow us to serve the district,



Justin C. Beckner, PE  
Project Manager

**SCWSD Audit 2022** – District staff has completed the initial assigned tasks for the 2022 audit. Last year Wipfli issued the report on 9/30/22, which means this year it must be filed by at least 7/31/22. Wipfli confirmed they can have the draft Audit to Pinnacle Mid-May, presented to the board in the June 2023 board meeting, and filed with the state no later than 7/31.

**SDA 2023 Regional Workshops** – The 2023 Regional Workshops schedule has been published by the SDA. The District will cover the \$35.00 Registration cost of attendance should any Board member wish to attend. The closest meeting to the District is in Eaton, CO on June 16<sup>th</sup> 2023 from 8:00A.M. to 12:30P.M. Additional information can be found below and on the website <https://www.sdaco.org/board-member-workshops>. If you are interested in attending, please email Darla to complete the registration.

These lively and educational training's apply to all types of districts are sure to provide a wealth of valuable information for your district. Whether you are a Board member or district employee, a seasoned veteran or brand new to your position, we will have something for everyone. Plus, this is a great way for any newly elected or appointed Board members to dive right into the special district world. We will cover a wide variety of important topics such as conflicts of interest, TABOR, notice of meetings, and district powers, just to name a few. We'll also walk through our 2023 legislative update and review how this year's legislative changes affect your district. On top of all this, every attendee will receive a copy of the 2023 SDA Board Member Manual.

<p><b>09</b> Jun</p> <p><b>EVERGREEN   SDA Regional Workshop</b></p> <p> 1802 Bergen Pkwy, Evergreen, CO 80439</p> <p> Starts at 8:00 am and ends at 12:30 pm (MDT)</p>	<p><b>12</b> Jun</p> <p><b>SALIDA   SDA Regional Workshop</b></p> <p> 210 E Sackett Ave, Salida, CO 81201</p> <p> Starts at 8:00 am and ends at 12:30 pm (MDT)</p>	<p><b>13</b> Jun</p> <p><b>MONTROSE   SDA Regional Workshop</b></p> <p> 17253 Chipeta Road, Montrose, CO 81403</p> <p> Starts at 8:00 am and ends at 12:30 pm (MDT)</p>	<p><b>14</b> Jun</p> <p><b>EAGLE/VAIL   SDA Regional Workshop</b></p> <p> 1775 Sunburst Drive, Vail, CO 81657</p> <p> Starts at 8:00 am and ends at 12:30 pm (MDT)</p>
<p><b>15</b> Jun</p> <p><b>GRANBY   SDA Regional Workshop</b></p> <p> 60500 US Highway 40, Granby, CO 80446</p> <p> Starts at 8:00 am and ends at 12:30 pm (MDT)</p>	<p><b>16</b> Jun</p> <p><b>EATON   SDA Regional Workshop</b></p> <p> 1675 3rd Street, Eaton, CO 80615</p> <p> Starts at 8:00 am and ends at 12:30 pm (MDT)</p>	<p><b>20</b> Jun</p> <p><b>FOUNTAIN   SDA Regional Workshop</b></p> <p> 11545 Link Rd, Fountain, CO 80817</p> <p> Starts at 8:00 am and ends at 12:30 pm (MDT)</p>	<p><b>21</b> Jun</p> <p><b>DENVER NORTH   SDA Regional Workshop</b></p> <p> 1006 Weld County Rd 11 Building C, Northglenn, CO 80516</p> <p> Starts at 8:00 am and ends at 12:30 pm (MDT)</p>
<p><b>22</b> Jun</p> <p><b>DENVER   SDA Regional Workshop</b></p> <p> 18100 E Woodman Dr, Parker, CO 80134</p> <p> Starts at 8:00 am and ends at 12:30 pm (MDT)</p>	<p><b>23</b> Jun</p> <p><b>DURANGO   SDA Regional Workshop</b></p> <p> 142 Sheppard Drive, Durango, CO 81303</p> <p> Starts at 8:00 am and ends at 12:30 pm (MDT)</p>		

**WPCRF Review Letter Received** - The WPCRF Review Letter for the SCWSD project Sewer Over Inlet Canal & Shoreline Dr. has been received. This review letter is included as Exhibit 1 in the Board Packet and was emailed to SCWSD Board of Directors with my assessment on 4/21/23. The District is eligible for BIL principal forgiveness and may receive a portion of the loan as principal forgiveness up to 50%, subject to funding availability and any applicable principal forgiveness caps. I would like to schedule an initial work session to cover the review letter, assessment, and recommendation and would like to have all feedback and questions submitted to me in writing no later than 5/10/23. Once received, I will work to gather additional information and would like to schedule a work session ideally between May 22<sup>nd</sup> and June 5<sup>th</sup>. When submitting responses, please include your availability to meet during this date range.

**Water Loss Tracking**

Peter Huisman, Water - Circuit Rider from CRWA came out to help investigate a potential leak. We were able to rule out one while locating another and learning different techniques the District can take advantage of in the future. CRWA has proven to be a very valuable resource to us and spent some quality time with Anthony while he is training to his new position with the District.

This summer we plan to hire Colorado Underground’s leak detection services to test a portion of our system where leaks could otherwise go undetected for long periods of time. This is something we are exploring implementing annually as part of our O&M plan for the most vulnerable parts of the system. After researching available options, this seems to be the most appropriate and cost effective given the Districts size, pipe material, and terrain.

Billing Cycle	Trilby Pump Station Consumption (Gal.)	SCWSD Sold (Gal.)	Non-Revenue Water (Gal.)	Non-Revenue Water (\$3.39/1,000Gal) (\$3.66/1,000Gal)2023	Non-Revenue Water (%)
4/20/22-5/20/22	3,053,500	2,263,298	790,202	\$2,678.78	25.88%
5/20/22-6/20/22	3,416,700	2,638,857	777,843	\$2,636.88	22.77%
6/20/22-7/20/22	4,727,000	3,769,422	957,578	\$3,246.19	20.26%
7/20/22-8/20/22	4,537,100	3,460,398	1,076,702	\$3,650.02	23.73%
8/20/22-9/20/22	4,419,600	3,277,624	1,141,976	\$3,871.30	25.84%
9/20/22-10/20/22	3,789,900	2,704,244	1,085,656	\$3,680.37	28.65%
10/20/22-11/20/22	2,681,700	1,999,952	681,748	\$2,311.13	25.42%
11/20/22-12/20/22	2,249,600	1,595,820	653,780	\$2,216.31	29.06%
12/20/23-1/20/23	2,724,600	1,993,388	731,212	\$2,676.23	26.83%
1/20/23-2/20/23	2,692,700	1,878,653	814,047	\$2,979.41	30.23%
2/20/23 – 3/20/23	2,240,500	1,519,155	721,345	\$2,640.12	32.20%
3/20/23 – 4/20/23	2,602,200	1,803,786	798,414	\$2,922.19	30.68%





March 22, 2023

Christopher Olson  
Spring Canyon Water and Sanitation District  
4908 Shoreline Dr.  
Fort Collins, CO 80526

Re: Spring Canyon Water and Sanitation District Water Pollution Control Revolving Fund (WPCRF)  
Pre-Qualification Review Letter  
WPCRF Project No.143261W-L, Larimer County  
CDPS Permit # CO0020737

Dear Christopher:

The Colorado Department of Public Health and Environment (CDPHE) Water Quality Control Division (Division), Grants and Loans Unit received the Spring Canyon Water and Sanitation District's Pre-Qualification Form on October 21, 2022. A Pre-Qualification Meeting, attended by those listed on the attached sign-in sheet, was held on January 17, 2023.

The information from the Pre-Qualification Form and Meeting were reviewed by the Colorado State Revolving Fund (SRF) agencies: Grants and Loans Unit (GLU), Colorado Department of Local Affairs (DOLA), and Colorado Water Resources & Power Development Authority (Authority). This letter provides a summary of the review.

The SRF agencies recommend the Spring Canyon Water and Sanitation District proceed to the next stages of the WPCRF loan application process with SRF program conditions and requirements as described below.

### **Preliminary Eligibility Assessment**

#### **List of Project Components from the Pre-Qualification Form:**

1. Collection System and/or Interceptor Construction or Rehabilitation
  - a. New lift station
  - b. 1,050 lf of force main
  - c. 575 lf of gravity sewer
  - d. Two new manholes
  - e. Removal of existing sewer pipe and bridge
  - f. Replace 953 lf of 8-inch sewer and slip-line 315 lf
  - g. Replace 4 manholes
  - h. Rehab 5 manholes

#### **Pre-Qualification Form In Line With 2022 / 2023 IUP:**

The Engineering Section has reviewed the proposed project scope with respect to the 2022 / 2023 IUP.

All parts of the proposed project meet the 2022 / 2023 IUP Project Description: **YES**

The proposed project components that are listed in the 2022 / 2023 IUP Project Description are:

- Collection System and/or Interceptor Construction or Rehabilitation

### **The Project Review Documents for Water Pollution Control State Revolving Fund (SRF)**

#### **Application:**

All or a portion of the project appears to be eligible for self-certification: **YES**

In accordance with the Site Location and Design Regulations for Domestic Wastewater Treatment Works (Regulation 22) and the Design Criteria for Domestic Wastewater Treatment Works (Design Criteria), lift station projects (items 1a & 1b) require a design review process that involves a site application, BDR, and final plans and specifications. For collection systems (items 1c - 1h), the applicant is not required to submit a BDR or design drawings and technical specifications for the collection system improvements.

Based on the description of the project scope as provided in the Pre-Qualification Form, the project appears to require the following documents as part of the Water Pollution Control SRF application:

- Project Needs Assessment
- Site Application
- Basis of Design Report (BDR)
- Contract Documents
- Technical Specifications
- Design Drawings
- Environmental Assessment, if applicable
- Green Project Reserve Business Case, if applicable

### **Preliminary Environmental Determination**

#### ***ENVIRONMENTAL ASSESSMENT***

The project appears to require preparation of an Environmental Assessment (EA). To comply with the requirements of the National Environmental Policy Act, it was determined by the Division that the project has the potential to impact federal crosscutters and does not meet the criteria of the State Environmental Review Policy for a Categorical Exclusion (CatEx) as it includes the removal of an existing pipe and bridge and rerouting the natural landscape in or near a water way or wetlands.

The above determination is preliminary and is subject to change based upon review of the Project Needs Assessment (PNA). Furthermore, any changes to the project may require re-evaluation of the determination.

### **Preliminary Financial Analysis**

A preliminary financial analysis has been completed by DOLA and is attached to this memo. Please review the memo for important notes and recommendations.

- The Spring Canyon Water and Sanitation District is eligible for BIL principal forgiveness and may receive a portion of the loan as principal forgiveness, subject to funding availability and any applicable principal forgiveness caps. This determination is effective for a loan application received within 18-months from the date of the pre-qualification meeting. If the loan application is received after 18-months, eligibility will be re-evaluated at that time using current criteria.



## Anticipated Project Timeline

Key milestones for the project are as follows:

Description	Anticipated Date
Request Water Quality Planning Targets (eg. PELs)	01/25/2023
Submit Site Application - WPCRF	02/14/2023
Submit Project Needs Assessment (PNA)	06/16/2023
Submit Environmental Assessment (EA)	06/16/2023
Submit Process Design Report (PDR)	03/22/2023
Submit Plans and Specifications and Self Certification	04/11/2023
Public Meeting	TBD
Submit Loan Application	08/15/2023
Construction Start Date	03/04/2024
Construction Completion Date	06/14/2024

\*The borrower should anticipate at least 12 months from Pre-Qualification Application to Loan Application. This allows required technical reviews and responses to be addressed and approved prior to loan application submittal.

## Important Notes and Requirements

- A public meeting is required to inform citizens in the affected area of the proposed project. The meeting must be publicly noticed in a local newspaper a minimum of one time at least 30 days prior to the meeting. The meeting must include a discussion of project alternatives, preferred alternative, projected rate increases, construction and environmental impacts of the project. Projects requiring an EA must provide a draft EA for review at the meeting. An affidavit of publication, agenda, meeting minutes, and list of attendees must be submitted to the Division.
- The project is required to comply with federal requirements as described and detailed in the **Colorado SRF Required Specifications**. The requirements are listed below. Please note this list may be subject to change, and the final list of requirements will be verified at bid package approval.
  - Davis-Bacon Prevailing Wages
  - American Iron & Steel (AIS)
  - Suspension and Debarment, Equal Opportunity & Civil Rights, OSHA, and Archeological & Historic Preservation Act
  - Signage (if BIL funded)
- This project is required to comply with the following SRF Certifications as applicable:
  - [Cost and Effectiveness](#) and [Fiscal Sustainability Plan](#) certifications
- The following requirements must be met prior to submitting a loan application:
  - PNA Approval; Site Application Approval; Public Meeting; Submission of EA; Submission of PDR; Submission of Final Plans & Specifications, and SRF Self-Certification form (if applicable).
- All State Revolving Fund recipients are required to include the **Colorado SRF Required Specifications** in the bid package and construction documents. The bid package must be submitted to the Grants and Loans Unit project manager for approval prior to any bidding. Submit bid package and construction documents a minimum of 14 days prior to bid advertising. This requirement also includes all materials and equipment procurement, Construction Manager at Risk (CMAR) requests for proposals, Design-Build contracts, and any other construction related contracts.



- The environmental clearance must be completed prior to starting construction. This means that the Categorical Exclusion (CatEx) has been published or the Finding of No Significant Impact (FNSI) has been published and the 30-day comment period has lapsed with no comments or all comments, if any, have been resolved.
- This letter does not guarantee the award of funds. Award of funds is subject to availability, any applicable caps or maxes, meeting technical and SRF requirements; and approval by the Authority Board of Directors.

**Resources:**

- Information regarding the Bipartisan Infrastructure Law (BIL) and important updates regarding the funding are posted at <https://cdphe.colorado.gov/wqibill>

Thank you for your interest in the revolving fund program. I look forward to working with you on this project and should you have any questions, please contact me at 720-213-6155 or by email at [amy.schultz@state.co.us](mailto:amy.schultz@state.co.us).

Sincerely,

*Amy Schultz*

Amy Schultz  
Project Manager  
Grants and Loans Unit  
Water Quality Control Division

cc: Justin Beckner - Consulting Engineer  
Andrea Setokas - WQCD ES Engineer  
Desi Santerre - DOLA Representative  
Chris La May - DOLA Representative  
Kevin Carpenter - Authority Representative  
Matt Alms - GLU Environmental Coordinator, WQCD Grants and Loans Unit  
Alex Hawley - GLU Unit Work Group Lead, WQCD Grants and Loans Unit  
Mark Henderson - GLU Unit Manager, WQCD Grants and Loans Unit

**Attachments:**

DOLA Financial Analysis  
Pre Qualification Meeting Sign-in Sheet





## MEMORANDUM

**To:** Aly Ulibarri, CDPHE  
**Cc:** Kevin Carpenter, CWRPDA  
**From:** Desi Santerre, DLG  
**Date:** January 17, 2023  
**Re:** Spring Canyon Water & Sanitation District (the “District”) Final Pre-Qual Review

---

The Department of Local Affairs (DOLA) reviewed the Pre-Qualification Form submitted October 21, 2022 and conducted a preliminary financial analysis of the proposed project.

### Pre-Qualification Review:

Prior to WPCRF Loan application and approval additional information/actions are needed to ensure the project and applicant will be recommended for WPCRF Loan approval:

- Though no rate increase is estimated to be needed at this time, the District should be prepared to increase rates as needed to meet loan coverage ratio and reserve requirements.
- Additional funding sources should be secured prior to loan application.
- It is recommended to involve bond counsel early in the SRF process to avoid TABOR-related delays (especially if the District is pursuing grant funding). Additionally, the District utilizes a single fund that includes property tax revenue and may not have TABOR enterprise status. Please consult with your bond attorney as soon as possible to determine whether an election will be required to authorize the debt. If your bond attorney recommends forming an enterprise, audited financial statements reflecting the new enterprise will be required prior to closing the loan.

### Financial Analysis:

- The District supports operations with property tax revenue, which is excluded from the operating revenue calculation. The operating ratio was still strong at 159%.
- The District is in a strong position to take on the proposed loan. Coverage ratio with the estimated loan is 284% including tap fee revenue.

### Eligibility Determination for Bipartisan Infrastructure Law (BIL) Principal Forgiveness:

In order to qualify for BIL principal forgiveness, a community must score three (3) points using the BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. The District scores three points using the following criteria:





**COLORADO**  
**Department of Local Affairs**  
 Division of Local Government

**Applicant:** Spring Canyon WSD **PROJECT BUDGET:**  
**Project Total:** \$690,000  
**Amount of Loan:** \$755,000  
**Interest Rate:** 3%  
**Loan Term:** 20  
**Annual Debt Service:** \$50,475  
**Pledge:** Water & Sewer Revenue

**WPCRF:** \$690,000  
**Reserves:** \$65,000  


---

**Total:** \$755,000

TRENDS	2017	2018	2019	2020	2021	2022
Population	993	998	1,013	1,005	1,010	1,013
Number of Sewer Taps	397	399	405	402	404	405
Number of Water Taps	549	551	555	557	558	559
Assessed Value (\$000)		16,313	16,153	18,274	18,248	19,911
Actual Value (\$000)		197,436	196,165	227,432	227,776	248,407
Mill Levy	3.512	3.388	3.626	3.430	3.637	3.519
Property Tax Revenue (\$)	52,209	55,250	58,468	62,395	66,413	
SO Tax	4,981	4,800	5,067	4,492	5,045	
Median Household Income (\$)				72,953		
MHI - State (\$)				75,231		
Median House Value (\$)				413,600		
MHV - State (\$)				369,900		
Monthly Sewer Rate (\$)	65.82	73.05	73.05	73.05	76.70	78.23
Monthly Water Rate (\$)	82.30	80.11	79.28	86.83	100.51	80.38
Residential Sewer Tap Fee (\$)	4,500	4,500	4,500	4,500	4,500	4,500
Residential Water Tap Fee (\$)	29,925	29,925	29,925	29,925	29,925	29,925
Total W&S Revenue (\$)	1,151,801	1,345,053	1,240,768	1,294,104	1,443,982	
Tap/Development Fees (\$)	73,350	133,200	38,925	29,925	98,775	
W&S Operating Revenue (\$)	920,423	1,127,773	1,101,336	1,176,000	1,273,216	
W&S Operating Expenses (\$)	681,121	733,072	749,569	1,001,022	802,906	
W&S Net Operating Income (\$)	239,302	394,701	351,767	174,978	470,310	
W&S Debt (\$)	2,627,267	2,502,714	2,375,657	2,246,046	2,113,831	
Total Debt (\$)	2,627,267	2,502,714	2,375,657	2,246,046	2,113,831	
W&S Debt Service (\$)	169,303	176,063	176,056	176,263	175,287	
W&S Debt Service/Tap/Month (\$)	35.54	36.77	36.23	36.54	36.16	
W&S Fund Reserves (\$)	1,634,250	1,936,926	1,776,039	1,542,943	1,702,262	

CURRENT INDICATORS	2021	Weak	Average	Strong
Total Debt per Capita (\$):	2,093	X >\$2,000	\$1,000 - 2,000	<\$1,000
Total + New Debt/Capita (\$):	2,776	X >\$2,000	\$1,000 - 2,000	<\$1,000
Total Debt/Tap (\$):	5,232	X >\$5,000	\$2,500-5,000	<\$2,500
Total Debt + New Debt/Tap (\$):	6,940	X >\$5,000	\$2,500-5,000	<\$2,500
Current W&S Debt/Tap (\$):	5,232	X >\$2,000	\$1,000 - 2,000	<\$1,000
Current W&S + New W&S Debt/Tap (\$):	6,940	X >\$2,000	\$1,000 - 2,000	<\$1,000
Total Debt/Assessed Value:	12%	>50%	25-50%	X <25%
Total Debt + New W&S Debt/Assessed Value:	15%	>50%	25-50%	X <25%
Total Debt/Actual Value:	0.93%	>10%	5-10%	X <5%
Total Debt + New W&S Debt/Actual Value:	1.23%	>10%	5-10%	X <5%
Curr. W&S Debt + New Debt/Tap/MHI:	9.51%	>20%	10-20%	X <10%
W&S Fund Current Ratio (CA/CL):	551%	<100%	100-200%	X >200%
W&S Fund Reserves/Current Expense:	174%	<50%	50-100%	X >100%
W&S Operating Ratio (OR/OE):	159%	<100%	100-120%	X >120%
Coverage Ratio (TR-OE)/DS:	366%	<110%	110-125%	X >125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	309%	<110%	110-125%	X >125%
Coverage Ratio with New Loan:	284%	<110%	110-125%	X >125%
Coverage Ratio with New Loan Excluding Tap Fees:	240%	<110%	110-125%	X >125%
Current Annual W&S Rates/MHI:	1.26%	>3.0%	1.5-3.0%	X <1.5%
Current W&S Rates + New W&S Debt Service/MHI:	1.43%	>3.0%	1.5-3.0%	X <1.5%
Operation and Maintenance Reserve:	212%	<25%	25-50%	X >50%
<b>Total:</b>	<b>6</b>		<b>0</b>	<b>15</b>





<b>BIL PF DETERMINATION</b>				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	1.00%	>	1.71%	0
2a: County Job Loss	0	>	21.64%	0
2b: County Unemployment	7.10%	<	4.30%	
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	\$75,231	>	\$72,953	1
	\$94,039	<		
4: Rates to MHI	1.39%	<	2.09%	1
5: Project addresses removal of lead or emerging contaminants	Yes		No	0
6: % Minority	25%	<	13%	0
7: % Households Housing Burdened	30%	<	35%	1
8: % Population under 200% Poverty Level	35%	<	19%	0
9: % Population under 200% Poverty Level + % Population over 65 years old	50%	<	45%	0
<b>Total Points Scored:</b>				<b>3</b>

The District is eligible for BIL principal forgiveness and may receive a portion of their loan as principal forgiveness, subject to funding availability and any applicable principal forgiveness caps. This determination is effective a loan application received within 18-months from the date of the pre-qualification meeting. If the loan application is received after 18-months, the District’s eligibility will be re-evaluated at that time using current criteria.



## Pre-Application Meeting – Sign-in Sheet

State Revolving Fund

Spring Canyon Water & Sanitation District, Collection System Repairs & Upgrades

January 17, 2023, 11:00 am

Name	Affiliation	Email	Phone
Aly Ulibarri	CDPHE Grants and Loans Unit	<a href="mailto:aly.ulibarri@state.co.us">aly.ulibarri@state.co.us</a>	720-295-9634
Matt Alms	CDPHE Grants and Loans Unit	<a href="mailto:matt.alms@state.co.us">matt.alms@state.co.us</a>	
Andrea Sestokas	CDPHE Engineering Section	<a href="mailto:andrea.sestokas@state.co.us">andrea.sestokas@state.co.us</a>	
Desiree Santerre	DOLA	<a href="mailto:desiree.santerre@dola.state.co.us">desiree.santerre@dola.state.co.us</a>	303-864-7733
Kevin Carpenter	CWRPDA		
Amy Schultz	CDPHE Grants and Loans Unit	<a href="mailto:amy.schultz@state.co.us">amy.schultz@state.co.us</a>	720-213-6155
Chris La May	DOLA	<a href="mailto:chris.la.may@state.co.us">chris.la.may@state.co.us</a>	970-679-7679
Justin C Beckner	Civilworx - District Engineer Spring Canyon	<a href="mailto:justin.beckner@civilworxeng.com">justin.beckner@civilworxeng.com</a>	970-214-5035
Margaret Talbott	CDPHE Infrastructure Unit (funding)	<a href="mailto:margaret.talbott@state.co.us">margaret.talbott@state.co.us</a>	720-951-2783



Name	Affiliation	Email	Phone
Chris Olson	Spring Canyon District Manager	<a href="mailto:ChrisO@springcanyonwsd.com">ChrisO@springcanyonwsd.com</a>	970-217-2456