

# 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:**

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[+1 323-694-0227](tel:+13236940227),[981014694#](tel:+1981014694)

Phone Conference ID: 981 014 694#

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, March 27, 2024 at 6:00 p.m. via teleconference.

**Board of Directors**

Tim Schmitt, President/Chairman

Richard Emery, Vice President/Vice Chairman

Tim Mather, Director

James Gerard, Treasurer

Chris Goemans, Director

Term Expires: May 2027

Term Expires: May 2025

Term Expires: May 2025

Term Expires: May 2027

Term Expires: May 2027

**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 February 28, 2024 Regular Meeting
- E. Adopt Resolution 24-03-01 Custodian of Records
- F. Public Comments, limited to three minutes per person.

**B. FINANCIAL MATTERS**

- A. Consideration of February 2024 Disbursements
- B. Presentation of FY 2023 Audit

**C. OPERATIONS AND MAINTENANCE MATTERS**

- A. Engineer's Report
- B. Operations Report

**D. MANAGEMENT MATTERS**

- A. Manager's Report

**E. OTHER MATTERS**

\*The next regular meeting is scheduled for April 24, 2024 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  
February 28, 2024

The Regular Meeting of the Board of Directors of Spring Canyon Water and Sanitation District was held via teleconference on Wednesday, February 28, 2024, at 6:00 p.m.

**ATTENDANCE**

Directors in Attendance

Tim Schmitt, President  
Rick Emery, Vice President  
JJ Gerard, Treasurer  
Chris Goemans, Director

Excused Absence

Tim Mather, Director

Also, In Attendance

Chris Olson, Darla Howard, Tayler Pelletier, David Cobb, SCWSD  
Others: Justin Beckner, CivilWorx

**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 6:00 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 Gerard, seconded by Director Goemans, it was unanimously

**RESOLVED** to approve the February 28, 2024 agenda as presented.

**Approval of Minutes** - Upon motion duly made by Director Gerard, seconded by Director Goemans, it was unanimously

**RESOLVED** to approve the Minutes of the January 24, 2024 Regular Meeting.

**District Administrator Introduction** – David Cobb, the new District Administrator, introduced himself to the Directors

**Public Comments** – There were no public comments.

**FINANCIAL  
MATTERS**

**Disbursements** – The Directors reviewed the January 2024 Disbursements. Upon motion duly made by Director Emery, seconded by Director Goemans, it was unanimously

**RESOLVED** to ratify January 2024 Disbursements identified by check number 3974-4008 in the amount of \$52,347.49.

**Review December 2024 Financials** - Manager Olson presented the December 2024 Financials prepared by Rodahl and Company. No action was taken.

**OPERATIONS  
AND**

**Engineer's Report** – Mr. Beckner discussed the status of the Sewer Over Inlet Canal project and the Sandstone Tank Replacement projects.

**MAINTENANCE  
MATTERS**

**Operations Report** – The Directors reviewed the Operations Report prepared by Mr. Pelletier.

**MANAGEMENT  
MATTERS**

**Manager's Report** – Manager Olson presented his report to the Directors. Mr. Olson gave congratulations to Tayler Pelletier and Anthony Cruz for leveling up on their operator certifications. After discussion and review, Director Emery duly motioned, Director Goemans seconded, and it was unanimously

**RESOLVED** to approve the 4210 Evensong Drive sewer mainline extension and waive the sewer tap fee upon completion of the extension by the customer.

**NEXT MEETING**

The next Regular Board Meeting is scheduled for Wednesday, March 27, 2024.

**ADJOURNMENT**

Upon motion duly made by Director Gerard, seconded by Director Emery, and it was unanimously  
**RESOLVED** to adjourn the meeting at 7:16 p.m.

Respectfully submitted,

*Darla Howard*

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Darla Howard, Secretary

**SPRING CANYON WATER AND SANITATION DISTRICT**

**RESOLUTION 24-03-01 DESIGNATING THE  
OFFICIAL CUSTODIAN OF RECORDS AND ADOPTING A  
POLICY ON RESPONDING TO OPEN RECORDS REQUESTS**

WHEREAS, pursuant to §32-1-1001(1)(h), C.R.S., the Board of Directors of the Spring Canyon Water District ("District") is responsible for the management, control and supervision of all of the business and affairs of the District; and

WHEREAS, pursuant to §32-1-1001(1)(i), C.R.S., the Board of Directors of the District has the authority to appoint an agent; and

WHEREAS, the Board of Directors of the District has determined that it is appropriate to designate an official custodian of the District's records- for the protection of such records and in order to permit their inspection by persons entitled to examine and copy such records in an orderly fashion; and

WHEREAS, the Board of Directors of the District has determined that it is appropriate to adopt a policy on responding to open records requests; and

WHEREAS, the Board of Directors fully supports, and complies with, all Federal and State laws relating to the retention, protection and disclosure of District records including, but not limited to, the Colorado Open Records Act, Title 24, Article 72, Part 2, C.R.S. ("CORA"), the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and the Privacy Rule promulgated by the U.S. Department of Health and Human Services which interprets and implements HIPAA; and

WHEREAS, it is the policy of the District that all public records shall be open for inspection by any person at reasonable times, except as otherwise provided by law; and

WHEREAS, public records are defined by CORA as all writings made or maintained by the District, regardless of the format or medium of the records, subject to certain exceptions and public records expressly include e-mail communications; and

WHEREAS, the District maintains an archive of all e-mail messages for emergency backup purposes only; such archived e-mail communications are not individually retrievable and are specifically not intended to create a public record;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Spring Canyon Water and Sanitation District that:

1. Official Custodian.

(a) David Cobb, the Administrator of the District, is hereby designated as the Primary Official Custodian responsible for the maintenance, care and keeping of all records of the District, except as provided herein.

(b) The Official Custodians shall have the authority to designate such agents as they shall determine appropriate to perform any and all acts necessary to enforce and execute the provisions of this Resolution.

2. Policy on Responding to Open Records Request. The following are general policies concerning the release of records:

(a) All public records of the District shall be open for inspection at the times designated herein, unless prohibited by the provisions of CORA or policies adopted by the Board of Directors in conformance with CORA.

(b) Upon receipt, requests by a citizen, entity, Federal or State agency, District member, subpoena, Administrative or Court Order, or other legal process, to inspect and/or copy any District record (collectively referred to as a "Records Request") should be immediately sent to the Official Custodian.

(c) Every Records Request shall be submitted to the District's Official Custodian in writing and be specific as to the information desired.

(d) If any question arises as to the propriety of fully complying with a Records Request, the Official Custodian shall immediately forward it to the District's legal counsel.

(e) The District's legal counsel shall determine the District's obligations under the applicable Federal and/or State law(s). If the District is permitted to comply with the Records Request in whole or in part, the District's legal counsel will so notify the District's Official Custodian, who will assemble the disclosable requested documents for inspection and/or copying in accordance with applicable Federal or State law.

(f) If the District's legal counsel determines the District is not permitted by Federal or State law to comply with the Records Request in whole or in part, legal counsel shall provide a written response to the party submitting the Records Request stating the legal basis upon which the Records Request in whole or in part is being denied.

(g) Pursuant to CORA, all records must be made available for inspection within three (3) working days, unless extenuating circumstances exist. The deadline may be extended by seven (7) working days if extenuating circumstances exist and the requesting party is notified of the delay within the statutory period. The Official Custodian may set the time during normal office hours and the place for records to be inspected and require that the Official Custodian or a delegated employee be present while the records are examined. Inspection of the District's public records shall be made, where permitted by law, during normal business hours, Monday, Wednesday, and Friday, except on holidays, at an hour specifically set by the appropriate Official Custodian for each particular request for inspection

(h) A person granted the right to inspect District records may also be furnished copies requested at a cost of twenty-five cents (\$.25) per standard page. The charge for providing a copy, printout, or photograph of a public record in a format other than a standard page will be assessed at the actual cost of production. Additionally, in those cases where the location or existence of specific documents must be researched, and the documents must be retrieved, sorted or reviewed for applicability to the request, and such process requires more than one hour of staff time, the Custodian may charge a research and retrieval fee not to exceed thirty (\$30.00) dollars per hour. The Custodian will not impose a charge for the first hour of time expended in connection with the research and retrieval of public records.

(i) The District may require a deposit to cover the estimated cost to produce the records, including the cost of the copies and the research and retrieval fee, prior to commencing

work to produce such records. Payment of any actual costs exceeding the deposit must be made at the time of release of the final work product or copies.

0) When practical, the copy, printout, or photograph of the requested record will be made in the place where the record is kept, but if it is impractical to do so, the Official Custodian may allow arrangements to be made for the copy, printout, or photograph to be made at other facilities. If other facilities are necessary, the cost of providing requested records will be paid by the person making the request.

(k) No person shall be permitted to inspect or copy any records of the District if, in the opinion of the Official Custodian after consultation with the District's general counsel, such inspection or copying would come within the prohibition of one or more exemptions set forth in CORA.

3. Severability. If any part, section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

4. Effective Date. This Resolution shall take effect and be enforced immediately upon its approval by the Board of Directors of the District.

The foregoing Resolution was approved and adopted this \_\_\_\_ day of \_\_\_\_\_, 2024

SPRING CANYON WATER AND SANITATION  
DISTRICT

By:

Attest:

## Spring Canyon Water Sanitation District Disbursements February 2024

Check No.	Name	Description	Paid Amount
E-Pay	United States Treasury	941 Taxes	\$ 3,449.42
4009	Amazon Capital Services	Office Supplies, Tools	\$ 301.97
4010	Civil Worx	General Engineering	\$ 3,355.13
4011	Comcast	Internet	\$ 225.04
4012	Continental Utility Solutions, Inc.	Billing Software Annual Renewal	\$ 2,000.00
4013	eAnalytics Laboratory LLC	Water Lab Analysis	\$ 80.00
4014	FCLWD	December Consumption	\$ 7,587.07
4015	Frontier Printing	Business Cards	\$ 78.00
4016	Gerrard Excavating Inc.	Pay Application #4	\$ 5,049.25
4017	Poudre Valley REA	Water, Sewer, and Admin Electricity	\$ 4,106.99
4018	Schrader Propane	Water, Sewer, and Admin Utilities	\$ 1,581.42
4019	SFCSD	Sewage Collection	\$ 7,631.25
4020 - 4029	Board and Staff Payroll	Payroll	\$ 11,009.82
4030	Amazon Capital Services	Water Sampling Materials	\$ 15.75
4031	Great West Life & Annuity	Retirement Contributions	\$ 346.57
4032	UNCC	Water and Sewer Utilities	\$ 38.70
4033	Verizon	Cellular plan	\$ 181.87
4034	Anthony Cruz	Voided Check Correction	\$ -
4035	Anthony Cruz	Payroll Correction	\$ 24.00
4036	Amazon Capital Services	Office Supplies	\$ 159.13
4037	eAnalytics Laboratory LLC	Water Lab Analysis	\$ 80.00
4038	First Bank	Gas, Office Supplies, Training, Dist. & Col. Materials	\$ 2,066.75
4039	InvisionGIS	GIS Mapping	\$ 2,030.00
4040	Nathan Webb	IT Support	\$ 425.00
4041	Schrader Propane	Office and Water Transmission Utilities	\$ 1,539.70
4042	Amazon Capital Services	Office Supplies	\$ 84.96
4043	CEBT Payments	Health Insurance	\$ 5,652.46
4044	Colorado Analytical Labs Inc.	Water Lab Analysis	\$ 48.00
4045	Frontier Business Products	Copier Service Contract	\$ 145.75
4046 - 4050	Payroll	Payroll - Staff	\$ 10,701.93
4051	Great West Life & Annuity	Deferred Compensation Contributions	\$ 346.57
4052	J & J Construction Concepts	Holiday Drive Emergency Repair	\$ 2,142.50
4053	USPS	News Letter Poastage	\$ 357.68
4054	USPS	February Billing Postage	\$ 262.35
4055	Amazon Capital Services	Office Suplies, Safety Equipment, Tools	\$ 999.59
4056	CEGR Law	Legal Services	\$ 652.50
4057	Colorado Analytical Labs Inc.	Water Lab Analysis	\$ 235.00
4058	Colorado Special District Pool	Workers Compensation Insurance	\$ 290.00
4059	Comcast	Internet Service	\$ 225.04
4060	Darla N. Howard	Mileage Reimbursement	\$ 86.05
4061	FCLWD	January Consumption	\$ 9,522.43
4062	Frontier Printing	News Letter Printing	\$ 598.00
4063	Poudre Valley REA	January Electricity	\$ 4,409.30

# Spring Canyon Water Sanitation District Disbursements February 2024

4064	SFCSD	Sewer Treatment Contract - February	\$ 7,631.25
4065	USA Bluebook	Lab Sampling	\$ 290.02
		Total February 2024 Disbursements	\$ 98,044.21



**Spring Canyon Water and Sanitation District  
Larimer County, Colorado**

**FINANCIAL STATEMENTS**

**With Independent Auditor's Report**

**December 31, 2023**

DRAFT

**Spring Canyon Water and Sanitation District**

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**December 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Spring Canyon Water and Sanitation District  
Larimer County, Colorado

### ***Opinions***

We have audited the accompanying financial statements of Spring Canyon Water and Sanitation District (the District), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 District, 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.

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 District'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 GAAS 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 GAAS, 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 District'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 District'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***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinions on the basic financial statements are not affected by this missing information.

### ***Supplemental Information***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information as identified in the table of contents is presented for purposes of additional analysis and legal compliance 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 supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Arvada, Colorado  
March \_\_\_\_, 2024

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**BASIC FINANCIAL STATEMENTS**

Spring Canyon Water and Sanitation District

STATEMENT OF NET POSITION

DECEMBER 31, 2023

**ASSETS**

**Current assets**

Cash and investments	\$ 3,664,481
Cash and investments - restricted	285,781
Accounts receivable - service fees	130,767
Prepaid expenses	21,143
Property taxes receivable	78,466
<b>Total current assets</b>	<u>4,180,638</u>

**Capital assets**

Capital assets being depreciated, net	5,105,625
<b>Total capital assets, net</b>	<u>5,105,625</u>

<b>Total assets</b>	<u>9,286,263</u>
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**LIABILITIES**

**Current liabilities**

Accounts payable	40,709
Accrued interest payable	3,020
Current portion of long-term debt	138,013
Accrued salaries and benefits	20,001
<b>Total current liabilities</b>	<u>201,743</u>

**Long-term obligations**

Loan payable	1,705,649
Accrued compensated absences	14,211
<b>Total long-term obligations</b>	<u>1,719,860</u>

<b>Total liabilities</b>	<u>1,921,603</u>
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**DEFERRED INFLOWS OF RESOURCES**

Property tax revenue	78,466
<b>Total deferred inflows of resources</b>	<u>78,466</u>

**NET POSITION**

Net investment in capital assets	3,261,963
Restricted	
Emergency reserve	30,685
Debt reserve requirement	255,096
Unrestricted	3,738,450
<b>Total net position</b>	<u>\$ 7,286,194</u>

DRAFT - SUBJECT TO REVISION - NO ASSURANCE PROVIDED  
The accompanying Notes to Financial Statements are an integral part of these statements.

**Spring Canyon Water and Sanitation District**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>OPERATING REVENUES</b>	
Water and sewer services	\$ 1,072,275
Late fees and penalties	11,988
Miscellaneous income	36,052
<b>Total operating revenues</b>	<u>1,120,315</u>
<b>OPERATING EXPENSES</b>	
General and administrative	509,019
System operations	337,807
Depreciation	175,999
<b>Total operating expenses</b>	<u>1,022,825</u>
<b>OPERATING INCOME (LOSS)</b>	<u>97,490</u>
<b>NONOPERATING REVENUES</b>	
Property taxes	74,206
Specific ownership taxes	4,987
System improvement charges	446,963
Interest income	161,554
Tap fees	112,275
Gain on asset sale	845,341
<b>Total nonoperating revenues</b>	<u>1,645,326</u>
<b>NONOPERATING EXPENSES</b>	
Loan interest	<u>(34,684)</u>
<b>Total nonoperating expenses</b>	<u>(34,684)</u>
<b>CHANGE IN NET POSITION</b>	1,708,132
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>5,578,062</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 7,286,194</u></u>

DRAFT - SUBJECT TO REVISION - NO ASSURANCE PROVIDED  
The accompanying Notes to Financial Statements are an integral part of these statements.



**Spring Canyon Water and Sanitation District**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 1,119,338
Payments to suppliers for goods and services	(510,960)
Payments to employees for services	(363,447)
<b>Net cash provided by operating activities</b>	<b>244,931</b>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Net property and specific ownership taxes	79,193
<b>Net cash provided by noncapital financing activities</b>	<b>79,193</b>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition of capital assets	(304,955)
Proceeds from capital asset sale	906,802
Tap fees	112,275
System improvement charges	446,963
Debt principal payments	(135,295)
Interest paid on debt	(38,261)
<b>Net cash provided by capital and related financing activities</b>	<b>987,529</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest earnings received	161,554
<b>Net cash provided by investing activities</b>	<b>161,554</b>

**NET INCREASE IN CASH AND CASH EQUIVALENTS** 1,473,207

**CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR** 2,477,055

**CASH AND CASH EQUIVALENTS - END OF YEAR** \$ 3,950,262

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 97,490
Adjustments to reconcile operating income to net cash (used) by operating activities	
Depreciation	175,999
Change in assets and liabilities	
(Increase) decrease in:	
Accounts receivable	(977)
Prepaid expense	(340)
Increase (decrease) in:	
Accounts payable for operating activities	(16,223)
Accrued salaries and benefits	(11,018)
Total adjustments	147,441
<b>Net cash provided by operating activities</b>	<b>\$ 244,931</b>

# Spring Canyon Water and Sanitation District

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

### **Note 1 – Definition of reporting entity**

Spring Canyon Water and Sanitation District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado (the State), is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District is governed by a five-member Board of Directors pursuant to the provision of the Colorado Special District Act. The District's service area is located in Larimer County, Colorado.

The District's primary function is to provide water and sanitation services for the benefit of the residents of the District.

The District is financially accountable for organizations within the legal entity of the District, provided that they satisfy the criterion for reporting entities per the guidance of the Governmental Accounting Standards Board (GASB) accounting pronouncements. The definition of the reporting entity is based primarily on financial accountability. 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 and a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

### **Note 2 – Summary of significant accounting policies**

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

The accounting policies of the District conform to generally accepted accounting principles (GAAP) applicable to governmental units defined as proprietary enterprise funds. The enterprise fund is used because the District's powers operate in a manner similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

### **Basis of Accounting**

The District's financial statements are reported using the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and payments on long-term obligations are recorded as reductions in liabilities. Tap fees are recorded as capital contributions when received or collectible.

# Spring Canyon Water and Sanitation District

## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

### Operating revenues and expenses

The District distinguishes between operating revenues and expenses from nonoperating items in the Statements of Revenues, Expenses and Changes in Net Position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's purpose of providing water and sanitation services to its customers. Operating revenues consist of charges to customers for service provided. Operating expenses include the cost of service, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

### Budgets

In accordance with the State Budget Law, the District's Board of Directors (the Board) holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements.

### Cash equivalents

For purposes of the Statement of Cash Flows, the District considers cash deposits and highly liquid investments with original maturities of three months or less from the date of acquisition to be cash equivalents.

### Accounts receivable, allowance for doubtful accounts

User fees and tap fees constitute a perpetual lien on or against property served until paid. Such liens may be foreclosed upon as provided by the State of Colorado. Therefore, no provision for uncollectible receivables has been made in the financial statements.

### Property Taxes

Property taxes are levied by the Board 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 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 District.

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

# Spring Canyon Water and Sanitation District

## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

### Capital assets

Capital assets include land, water rights, water and sanitation plants and systems, equipment and vehicles. Capital assets are defined by the District as those assets with an initial, individual cost of \$5,000 or greater. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Building and improvements	35 years
Water distribution system	5-50 years
Wastewater collection system	15-50 years
Equipment and software	3-7 years

### Compensated absences

District employees earn a general leave benefit at the rate of 30 to 42 days per year based on length of service which is to be used for vacations, medical leave and holidays. Employees are generally allowed to accrue and carryover 20 days of vacation and 20 days of sick leave each year. Compensated absences are recognized as current salary expense when earned.

### Contributed capital

Tap fees and are generally recorded as capital contribution revenue when received. Lines contributed to the District by developers are recorded as capital contributions and additions to the systems at the developer's cost which approximates estimated fair market value at the date of donation.

### Use of estimates

The preparation of financial statements in conformity with GAAP requires that District management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

# Spring Canyon Water and Sanitation District

## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

### Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement classification represents an acquisition of net position that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until then. The District has one item that qualifies for reporting in this category. Accordingly, deferred property tax revenue is deferred and recognized as an inflow of resources in the period that the amounts become available.

### Note 3 – Cash and investments

Cash and investments are reflected on the Statement of Net Position at December 31, 2023 as follows:

Cash and investments	\$ 3,664,481
Cash and investments - restricted	<u>285,781</u>
Total cash and investments	<u>\$ 3,950,262</u>

Cash and investments as of December 31, 2023 consist of the following:

Cash on hand	\$ 115
Deposits with financial institutions	252,726
Investments	<u>3,697,421</u>
Total cash and investments	<u>\$ 3,950,262</u>

At December 31, 2023, the District's cash deposits had bank balances of \$289,551 and a carrying balance of \$ 252,726

### Deposits with financial institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. As of December 31, 2023, the federal insurance limit was \$250,000. 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 State Commissioners 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.

# Spring Canyon Water and Sanitation District

## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

### Custodial credit risk - deposits

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to the District. The District follows state statute regarding custodial credit risk for deposits. As of December 31, 2023, none of the District's bank balances were exposed to custodial credit risk, as amounts were either insured or collateralized. The District carried bank balances in excess of federally insured amounts of \$ 2,726 at December 31, 2023. All amounts not federally insured are fully collateralized as required under PDPA.

### **Investments**

The District has not adopted a formal investment policy; however the District follows the State statutes regarding investments. The District generally limits its investments to certain U.S. government agency securities, money market funds and local government investments pools, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to 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 Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest including the following:

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

### **Fair Value Measurement and Application**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series); money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee); CSAFE which records their investments at amortized cost, and COLOTRUST which is recorded at net asset value.

# Spring Canyon Water and Sanitation District

## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

As of December 31, 2023, the District had the following investments, respectively, recorded at fair value:

<u>Investment</u>	<u>Maturity</u>	
Colorado Liquid Asset Trust (Colostrust)	Weighted average under 60 days	<u>\$ 3,697,421</u>

### COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (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 offers shares in three portfolios, COLOTRUST PRIME (PRIME), COLOTRUST PLUS+ (PLUS), and COLOTRUST EDGE (EDGE). The Trust operates similarly to a money market fund and each share of PRIME and PLUS is equal in value to \$1.00, and EDGE shares are approximately equal to \$10.00. Each portfolio may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. PLUS and Edge may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. 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. PRIME and PLUS are rated AAAM by Standard & Poor's, and EDGE is rated AAAF/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**Spring Canyon Water and Sanitation District**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**December 31, 2023**

**Note 4 – Capital assets**

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance at January 1, 2023	Additions	Deletions	Balance at December 31, 2023
<b>Capital assets not being depreciated:</b>				
Construction in progress	\$ 533,162	\$ 310,234	\$ (843,396)	\$ –
<b>Total capital assets not being depreciated</b>	<u>533,162</u>	<u>310,234</u>	<u>(843,396)</u>	<u>–</u>
<b>Capital assets being depreciated:</b>				
Buildings and improvements	47,200	–	–	47,200
Water distribution system	5,806,463	844,446	(796,928)	5,853,981
Wastewater collection system	1,997,834	–	–	1,997,834
Equipment	110,266	7,967	–	118,233
<b>Total capital assets being depreciated</b>	<u>7,961,763</u>	<u>852,413</u>	<u>(796,928)</u>	<u>8,017,248</u>
<b>Accumulated depreciation</b>				
Buildings and improvements	(26,627)	(851)	–	(27,478)
Water distribution system	(1,835,997)	(133,926)	735,467	(1,234,456)
Wastewater collection system	(1,535,441)	(32,063)	–	(1,567,504)
Equipment	(73,026)	(9,159)	–	(82,185)
<b>Total accumulated depreciation</b>	<u>(3,471,091)</u>	<u>(175,999)</u>	<u>735,467</u>	<u>(2,911,623)</u>
<b>Net capital assets being depreciated</b>	<u>4,490,672</u>	<u>676,414</u>	<u>(61,461)</u>	<u>5,105,625</u>
<b>Total capital assets, net</b>	<u>\$ 5,023,834</u>	<u>\$ 986,648</u>	<u>\$ (904,857)</u>	<u>\$ 5,105,625</u>



# Spring Canyon Water and Sanitation District

## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

### Note 5 – Long term obligations

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance at January 1, 2023	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
2015 Loan	\$ 1,533,464	\$ –	\$ (106,843)	\$ 1,426,621	\$ 108,990
2016 Loan	219,003	–	(14,283)	204,720	14,569
2017 Loan	226,490	–	(14,169)	212,321	14,454
Total long-term obligations	<u>\$ 1,978,957</u>	<u>\$ –</u>	<u>\$ (135,295)</u>	<u>\$ 1,843,662</u>	<u>\$ 138,013</u>

### Loan Agreements

#### 2015 Loan

On April 15, 2015, the District entered into a \$ 2,200,000 loan agreement (the 2015 Loan) with Colorado Water Resources and Power Development Authority (CWRPDA), for the purpose of financing the construction of a permanent connection to the Fort Collins-Loveland Water District (the Project) as discussed in note 8.

The term of the Loan is 20 years, with principal and interest payments due semiannually on May 1 and November 1. The amount of each semiannual payment, including interest at 2.0%, is \$68,168.

#### 2016 Loan

On February 19, 2016, the District entered into an additional \$300,000 loan agreement (the 2016 Loan) with CWRPDA, for the purpose of financing additional costs for the Project. The 2016 Loan requires semiannual payments, including interest at 2.0%, of \$9,296, due on May 1 and November 1, with a final payment due on November 1, 2035.

#### 2017 Loan

On February 10, 2017, the District entered into an additional \$300,599 loan agreement (the 2017 Loan) with CWRPDA, for the purpose of financing additional costs for the Project. The 2017 Loan Agreement requires semiannual payments, including interest at 2.0%, of \$9,314, due on May 1 and November 1, with a final payment due on November 1, 2036.

# Spring Canyon Water and Sanitation District

## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

### Loan Covenants

The District is subject to certain covenants under the Loans, including pledging revenue, with a minimum rate guarantee, generated from the water delivery system, and pledging to maintain an operating reserve, defined as current assets less current liabilities equal to three months of operating expenses. The District has restricted \$255,096 in satisfaction of the reserve requirement at December 31, 2023.

Under the terms of the loan agreements, the District is required to provide CWRPDA with annual audited financial statements by July 31, extendable to September 30, of each subsequent year.

The District was in compliance with the above covenants as of December 31, 2023.

### Debt Maturities

The anticipated debt requirements for the next five years, and in 5-year increments thereafter, follows:

Year ended December 31,	Principal	Interest	Total
2024	\$ 138,013	\$ 35,542	\$ 173,555
2025	140,787	32,769	173,556
2026	143,618	29,937	173,555
2027	146,503	27,051	173,554
2028	149,450	24,106	173,556
2029-2033	790,528	77,247	867,775
2034-2036	334,763	8,019	342,782
	<u>\$ 1,843,662</u>	<u>\$ 234,671</u>	<u>\$ 2,078,333</u>

### Debt authorization

At December 31, 2023 the District had no authorized but unissued indebtedness.

### Note 6 – Net position

The District has net position consisting of three components – net investment in capital assets, restricted net position, and unrestricted net position.

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. As of December 31, 2023, the District had net investment in capital assets of \$3,261,963.

# Spring Canyon Water and Sanitation District

## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position at December 31, 2023 as follows:

Restricted Net Position:	
Emergency reserve	\$ 30,685
Debt reserve requirement	255,096
Total Restricted Net Position	<u>\$ 285,781</u>

The District's unrestricted net position as of December 31, 2023 is \$3,738,451.

### **Note 7– Deferred Compensation Plan**

The District offers employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Service Code Section 457, administered by the Special District Association. The plan is available to all full-time District employees, and permits them to defer a portion of their salaries until future years. The plan allows the District, as resolved annually by the Board, to make discretionary contributions up to 5% of each eligible employee's salary. The Board authorized a contribution rate of 5% for 2023. The District contributed \$5,901 for the year ended December 31, 2023. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency. The assets under the Plan are not property of the District and are held by a second-party administrator for the exclusive benefit of the Plan participants and their beneficiaries.

### **Note 8 – Agreements**

#### **Intergovernmental Agreement – Ft. Collins – Loveland Water District**

In February 2015, the District and Fort Collins-Loveland Water District (FCLWD) entered into an intergovernmental agreement (the Agreement) whereby the District's existing drinking water system was interconnected with that of FCLWD for the purpose of acquiring a permanent drinking water supply as a drinking water supply alternative to the District's then existing water treatment plant and to allow permanent decommissioning of the District's water treatment plant.

Under the terms of the Agreement, the District purchases treated drinking water, to a maximum of 40,000,000 gallons per year, plus or minus 10%, on a "take or pay" basis.

#### **Intergovernmental Agreement – South Fort Collins Sanitation District**

The District has an intergovernmental agreement with South Fort Collins Sanitation District for sanitary sewer treatment services.

# Spring Canyon Water and Sanitation District

## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2023

### **Note 9 – Risk management**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees or natural disasters. The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by an intergovernmental agreement to provide property, liability, public official's liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

### **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.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes its water and sewer operations, and all activities related thereto, fulfill the requirements of an enterprise within the definition of TABOR and the Enterprise Act, C.R.S. 37-45-1-01 et seq. The District's annual budget and financial statements are deemed by the District to be the annual budget and financial statements of the enterprise. The District has restricted \$30,685 as an emergency reserve under TABOR.

The District'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 and qualification as an Enterprise will require judicial interpretation.

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**SUPPLEMENTAL INFORMATION**

**Spring Canyon Water and Sanitation District**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - ENTERPRISE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Water operations	\$ 583,949	\$ 603,106	\$ 19,157
Sewer operations	399,639	469,169	69,530
Transfer fees	2,000	-	(2,000)
Late fees and penalties	8,000	11,988	3,988
Property and specific ownership taxes	79,209	79,193	(16)
Interest income	50,000	161,554	111,554
Miscellaneous income	8,000	36,052	28,052
<b>Total revenues</b>	<u>1,130,797</u>	<u>1,361,062</u>	<u>230,265</u>
<b>Expenditures</b>			
General and administrative	519,887	509,019	10,868
Water operations:			
Water treatment	155,575	126,361	29,214
Transmission and distribution	115,000	72,004	42,996
Sewer operations:			
Collection and transmission	65,000	49,096	15,904
Sewer treatment	88,830	90,346	(1,516)
Debt service:			
Principal payments	137,585	135,295	2,290
Interest paid	38,895	38,261	634
<b>Total expenditures</b>	<u>1,120,772</u>	<u>1,020,382</u>	<u>100,390</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	10,025	340,680	330,655
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to capital improvement fund	(3,358)	-	3,358
<b>Total other financing sources (uses)</b>	<u>(3,358)</u>	<u>-</u>	<u>3,358</u>
<b>NET CHANGE IN FUNDS AVAILABLE</b>	6,667	340,680	334,013
<b>FUNDS AVAILABLE - BEGINNING OF YEAR</b>	<u>1,956,645</u>	<u>2,163,454</u>	<u>206,809</u>
<b>FUNDS AVAILABLE - END OF YEAR</b>	<u>\$ 1,963,312</u>	<u>\$ 2,504,134</u>	<u>\$ 540,822</u>

DRAFT - SUBJECT TO REVISION - NO ASSURANCE PROVIDED

**Spring Canyon Water and Sanitation District**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - CAPITAL IMPROVEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
System improvement charges	\$ 438,360	\$ 446,963	\$ 8,603
Tap fees	-	112,275	112,275
<b>Total revenues</b>	<u>438,360</u>	<u>559,238</u>	<u>120,878</u>
<b>Expenditures</b>			
Capital outlay	795,000	304,955	490,045
General capital services	5,000	-	5,000
<b>Total expenditures</b>	<u>800,000</u>	<u>304,955</u>	<u>495,045</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	(361,640)	254,283	615,923
Transfer from general fund	3,358	-	(3,358)
<b>Total other financing sources (uses)</b>	<u>3,358</u>	<u>-</u>	<u>(3,358)</u>
<b>NET CHANGE IN FUNDS AVAILABLE</b>	(358,282)	254,283	612,565
<b>FUNDS AVAILABLE - BEGINNING OF YEAR</b>	<u>358,282</u>	<u>369,731</u>	<u>11,449</u>
<b>FUNDS AVAILABLE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 624,014</u>	<u>\$ 624,014</u>
<b>Total district revenues</b>	1,569,157	1,920,300	
<b>Total district expenditures</b>	<u>1,920,772</u>	<u>1,325,337</u>	
<b>Total district net change in funds available</b>	(351,615)	594,963	
<b>FUNDS AVAILABLE - BEGINNING OF YEAR</b>	<u>2,314,927</u>	<u>2,533,185</u>	
<b>FUNDS AVAILABLE - END OF YEAR</b>	<u>\$ 1,963,312</u>	<u>\$ 3,128,148</u>	

DRAFT - SUBJECT TO REVISION - NO ASSURANCE PROVIDED

**Spring Canyon Water and Sanitation District**  
**RECONCILIATION OF ACTUAL (BUDGETARY BASIS) TO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Revenues (budgetary basis)	\$	1,920,300
Gain on sale of assets		845,341
Total revenues per Statement of Revenues, Expenses and Changes in Net Position		2,765,641
 Expenditures (budgetary basis)		 1,325,337
Depreciation		175,999
Principal paid		(135,295)
Change in interest accrual		(3,577)
Capital outlay		(304,955)
Total expenses per Statement of Revenues, Expenses and Changes in Net Position		1,057,509
 Change in net position per Statement of Revenues, Expenses and Changes in Net Position	 \$	 1,708,132

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## Engineer's Report – March 21, 2024

### Sewer Over Inlet Canal

We have identified the correct contacts for the Bureau of Reclamation for the project and have been coordinating with them on the requirements to add the lift station, forcemain and gravity main around Inlet Canal. In conversations with the Bureau they are working through what parts of their standard process that we will need to go through and which parts that they can waive. They are supposed to be getting me a permit application that identifies the portions that are requirements for the District. We have also been working with a consultant who's entire engineering practice is designing and permitting lift stations through CDPHE. We are going to work in concert with him on the permitting of this lift station to facilitate getting it through the state process faster.

### Sandstone Tanks

We are still working through the sizing of the new water tank and are working with the district to collect the flow data that we need to better understand the demands in the area.

### General Engineering Services

We have been working with the District and the customer on the extension of sanitary sewer along Edith Drive to Evensong Court. We have additionally worked with the district to analyze how far into Cushman's Lakeview Development we can extend the water service without adding a pump station to the system. See the exhibit below for the limits of where we can currently extend the water service without pressure increases. If the district wishes to provide water service this area in the future we may want to look at increasing some waterline sizes and adding some looping to provide redundancy.





# Spring Canyon WSD Monthly Operations Report

Prepared by: Tayler Pelletier

Date: 3/22/2024

## Meter Pit Inspections:

Meter pit inspections for 2024 have been completed. 2 leaks were found, neither was reading on the meter. A few other deficiencies were identified and are on track to be remedied by the end of the month.

## Colorado Rural Water Association Annual Conference:

Anthony and I attended the annual conference and were able to take some valuable classes. We also formed more connections with staff from both the association and vendors we will need with our maintenance programs that are planned for the year.

## Fort Collins Loveland SCADA Transition:

Fort Collins Loveland water district is changing their SCADA system. Currently both Districts' SCADA systems are tied together at Trilby. We will be working with them to facilitate a smooth transition on their end without interrupting our equipment.

## Leak Detection Training:

Micheal from Sewerin visited for his in-person training visit that was planned. We were able to learn more about the correct processes for accurate and efficient leak detection. We also will be implementing our new equipment as part of our annual system flushing by recording the minimum noise level of each hydrant.

## Cummins Generator Checks:

Cummins completed their annual generator checks for all our backup generators prior to this last storm. No issues were reported, and the generators functioned properly during a power outage with one minor communication issue that we are trying to diagnose.

**Spring Canyon Water & Sanitation District**  
**District Manager's Report**  
**March 22, 2024**  
**Prepared by: Chris Olson**

**Arc Flash Assessment** – RJS Engineering is nearly complete with Phase 2 of the Arc Flash Assessment. Following Modeling and Analysis, Phase 4 will include another site visit to meet with District staff, apply the labels, provide all deliverables, and review the processes and procedures associated with each individual station based on the analyses.

**Phase 1** - Data Collection

**Phase 2** - Modeling of Electrical System

**Phase 3** - Engineering Analysis

**Phase 4** - Project Completion & Deliverables

**Phase 5** - Post Analysis Support

Once all phases are complete, part of the deliverables will include two additional SCWSD Safety policies/procedures:

- 1.) Electrical Safety Program Policy
- 2.) Arc-Flash Safety Procedure Document

**District Administrator Training** - We are very pleased with the training and progress David and Darla have made over the last two months. Darla has trained David to the most pertinent areas of the position in which she has had extensive knowledge from her 28 years with the SCWSD. The District is very grateful for the notice provided by Darla of her retirement and dedication to training David to leave the District in the best possible position.

**Secretary of the Board: Current - December 2024** - We are grateful for Darla's willingness to continue to serve the District as Secretary to the Board through 2024. Darla has requested the Board consider increasing her per meeting fee from \$75.00 to \$100.00.

**Darla Howard Consulting** – David has proven proficient in day-to-day and operations. However, we are aware that situations may arise that were not covered in training, all internal resources have been exhausted, and additional assistance may be needed. In these specific and unforeseen instances, Darla has offered to provide as needed consulting services to the District at an hourly rate of \$60.00/Hour.

**Sanitary Sewer Mainline Extension for 4210 Evensong Ct.**- We are awaiting the contract between the developer and contractor for District review and approval. Following District approval of this contract, will finalize the Mainline Extension Agreement between SCWSD and the developer, mail out participation letters, and escrow the funds for the project.

**Scholarship for Water Fluency Program** – I was awarded one of the eight available scholarships offered by the SDA for the 2024 Water Fluency program. The scholarships ranged from 25% to 75% of the \$1,500.00 tuition. The scholarship awarded was for the maximum amount, decreasing tuition to \$375.00 for the five-day program. Included in the five program days are lectures, discussions, exclusive access to water sector leaders, a complete set of WEco's Citizen/Community Guides, homework assignments, applications of learning, site visits and networking opportunities. We will cover Colorado water legal and institutional frameworks, water resource planning and protection, and future water challenges. The first session is May 21, 2024.

**2024 In Person Work Session(s) to Discuss:**

- 1.) Reserve fund balance and policy
- 2.) SCWSD tap repurchases when uninstalled water/sewer taps transfer
- 3.) SCWSD purchased water contract (IGA), water portfolio, raw water reserve
- 4.) CIP Surcharge – water tap size / equivalent units

**Water Loss Tracking**

<b>Billing Cycle</b>	<b>Trilby Pump Station Consumption (Gal.)</b>	<b>SCWSD Sold (Gal.)</b>	<b>Non-Revenue Water (Gal.)</b>	<b>Non-Revenue Water (\$3.39/1,000Gal)2022 (\$3.66/1,000Gal)2023 (\$3.84/1,000Gal)2024</b>	<b>Non-Revenue Water (%)</b>
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%
4/20/23-5/20/23	2,547,300	1,875,900	671,400	\$2,457.32	26.36%
5/20/23-6/20/23	2,987,300	2,258,096	729,204	\$2,668.89	24.44%
6/20/23-7/20/23	3,529,400	2,897,018	632,382	\$2,314.52	17.92%
7/20/23-8/20/23	3,601,700	2,915,815	685,885	\$2,510.34	19.04%
8/20/23-9/20/23	3,224,800	2,444,121	780,679	\$2,857.29	24.21%
9/20/23-10/20/23	3,204,000	2,373,049	830,951	\$3,041.28	25.93%
10/20/23-11/20/23	2,610,100	2,007,648	602,452	\$2,204.98	23.08%
11/20/23-12/20/23	2,159,000	1,568,899	590,101	\$2,159.77	27.33%
12/20/23-01/20/24	2,275,600	1,659,277	616,323	\$2,366.68	27.08%
01/20/24-02/20/24	2,430,200	1,809,121	621,079	\$2,384.94	25.56%
02/20/24-03/20/24	TBD				