

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

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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, October 23, 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 from September 25, 2024
- E. Public Comments, limited to three minutes per person.

### **B. FINANCIAL MATTERS**

- A. Consideration of September 2024 Disbursements
- B. Draft FY 2025 Budget Presentation
- C. Review and Approval of Fiscal Focus Partners Proposal and Letter of Engagement

### **C. OPERATIONS AND MAINTENANCE MATTERS**

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

### **D. OTHER BUSINESS**

\*The next regular meeting is scheduled for November 20, 2024 at 6:00 p.m.

By/s/ David Cobb, District Administrator

MINUTES OF THE REGULAR MEETING OF  
SPRING CANYON WATER AND SANITATION DISTRICT  
HELD  
September 25, 2024

The Regular Meeting of the Board of Directors of Spring Canyon Water and Sanitation District was held via teleconference on Wednesday, September 25, 2024, at 6:00 p.m.

**ATTENDANCE**

Directors in Attendance

Tim Schmitt, President

Chris Goemans, Director

Tim Mather, Director

Absent and Excused

Rick Emery, Vice President

JJ Gerard, Treasurer

Also, In Attendance

Chris Olson, Tayler Pelletier, David Cobb, Anthony Cruz, SCWSD

Others: Darla Howard, Secretary, 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 6:01 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 Goemans, seconded by Director Mather, it was unanimously

**RESOLVED** to approve the September 25, 2024 agenda as presented.

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

**RESOLVED** to approve the Minutes of the August 28, 2024 Regular Meeting.

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

**MANAGEMENT  
MATTERS**

***Review and Consideration of Resolution 24-09-01 District Reserve Fund*** – Manager Olson and the Directors present reviewed the resolution. They agreed to table the discussion until the October meeting with the full board to determine the amount of the Capital Reserve Fund and proceed with adoption of the resolution.

***Review and Consideration of Resolution 24-09-02 Authorizing Redetermination of Equivalent Units Attached to Tap at 4801 West County Road 38E*** – Manager Olson advised the Directors that a customer request for Reassessment of Tap Equivalencies at 4801 West County Road 38E had been received. The customer is requesting that their billing be adjusted from 30 equivalents to the current five (5) equivalent units. As homes are sold, the equivalencies will increase until the park is full at 28 units. Upon motion duly made by Director Mather, seconded by Director Goemans, it was unanimously

**RESOLVED** to adopt Resolution 24-09-02 Reassessment of 4801 West County Road Equivalents.

***Review and Consideration of Rodahl & Company Engagement Letter*** – After consideration and review and upon recommendation from Manager Olson, a motion to approve and authorize renewal of contract with Rodahl & Company for accounting services for October 2024 – December 2025 was made by Director Goemans, seconded by Director Mather and unanimously

**RESOLVED** to approve the Rodahl & Company engagement letter through FY 2025.

***Manager's Report*** – Manager Olson presented his report to the Directors. He outlined the Budget process over the next several meetings. After discussion, Director Mather nominated Director Goemans to work with the District as Budget Officer for FY 2025 Budget. Director Goemans accepted.

**OPERATIONS  
AND  
MAINTENANCE  
MATTERS**

***Engineer's Report – Sewer Over Inlet Canal*** - Mr. Beckner advised the Directors that the Sewer Over Inlet Canal Project application was submitted to CDPHE for review. He stated Blue Mountain Environmental has been contracted to determine if area is in fact wetlands and to assist the District with the mitigation requirements if it is.

***Sandstone Tanks*** - The Directors reviewed Mr. Beckner's update of the Project. After discussion of the options for moving forward with the project, it was Mr. Beckner and Manager Olson's recommendation to have the District and CivilWorx take on more of the coordination efforts and continue working with Gerrard Excavating through the IDP process.

***Review and Consideration of CivilWorx Task Order 2024-04 Sandstone Tank Project Coordination and Construction*** – Upon motion duly made by Director Goemans, seconded by Director Mather, it was unanimously

**RESOLVED** to approve CivilWorx Task Order 2024-04 Sandstone Tank Project Coordination and Construction not to exceed \$29,000.

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

**FINANCIAL  
MATTERS**

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

**RESOLVED** to ratify August 2024 Disbursements identified by check number 4268 - 4303 in the amount of \$75,960.72.

**NEXT MEETING**

The next Regular Board Meeting is scheduled for Wednesday, October 23, 2024.

**ADJOURNMENT**

Upon motion duly made by Director Goemans, seconded by Director Mather, and it was unanimously **RESOLVED** to adjourn the meeting at 8:22 p.m.

Respectfully submitted,

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Darla Howard, Secretary

# Spring Canyon Water Sanitation District Disbursements

September 2024

Num	Name	Descriptions	Paid Amount
E-pay	United States Treasury	941 Payroll Taxes	\$2,706.44
4304-4308, 4310-4311, and 4313	Payroll	9/2 Board and Staff Payroll	\$9,061.91
4309	Voided Payroll	Void	-
4312	Great West Life & Annuity	Deferred Comp. Contributions	\$405.03
4314	Amazon Capital Services	Fertilizer, American Flag and Double Eye Bolt	\$90.06
4315	American Water Works Association	Annual Membership Renewal	\$412.00
4316	Dana Kepner - Voided	Void	-
4317	Extreme Plumbing LLC	Water Heater Install	\$3,120.00
4318	Frontier Printing	S.O.I.C Signage	\$385.00
4319	Grainger	Anode for the Water Heater	\$30.78
4320	Verizon	Phone Bill	\$260.79
4321	Dana Kepner	Meter Pit Setter	\$450.00
4322-4326	Payroll	9/16 Payroll	\$8,979.69
4327	First Bank	Office Supplies, Lunch, Fuel Auger Rental, Water Heater Soil and Potted Shrubs, Monthly Software Renewals	\$1,025.77
4328	Great West Life & Annuity	Deferred Comp. Contributions	\$405.03
4329	InvisionGIS	GIS Mapping	\$525.00
4330	USG Water Solutions	Tank Recoating	\$43,971.00
4331	Poudre Valley REA	Electricity Bill	\$3,397.79
4332	CEBT Payments	Health Insurance Premiums	\$4,796.65
4333	Cintas Fire	Fire Extinguisher Inspection	\$527.41
4334	Civil Worx	General Services, Sandstone Meetings, Coordination, and Planning, S.O.I.C Meetings, Planning and Coordination	\$5,138.24
4335	Colorado Underground Detection LLC	Locate for 38E Water Main	\$700.00
4336	Dana Kepner - Voided	Void	-
4337	Fort Collins Loveland Water District	Water treatment Contract	\$13,194.24
4338	South Fort Collins Sanitation District	Sewer Treatment Contract	\$7,631.25
4339	TPC Training	Electical Training	\$1,495.00
4340	USPS	9/27 Billing	\$222.88
		<b>Total</b>	<b>\$108,931.96</b>

Statement of Revenues & Expenditures w/ Budget (Summary)	2023 Audited Actual	2024 Adopted Budget	2024 Projected Actual	2025 Proposed Budget	Actual Through 9/30/2024	Budget Remaining 9/30/2024	% Budget Remaining 9/30/2024
Restricted Operating (Water Resource Reserve)	\$ -	\$ 429,013	\$ 429,013	\$ 429,013			
Debt Service Reserve (25% of Budgeted O&M Expenses)	\$ 244,245	\$ 254,383	\$ 271,145	\$ 271,145			
Operating Reserve (9 Months O&M & Emergency Capital)	\$ 1,619,848	\$ 1,884,066	\$ 2,169,623	\$ 2,444,742			
<b>Beginning Fund Balance</b>	<b>\$ 1,864,093</b>	<b>\$ 2,567,462</b>	<b>\$ 2,869,781</b>	<b>\$ 3,144,900</b>			
<b>Revenues &amp; Other Funding Sources</b>							
Water Operations	\$ 603,106	\$ 603,025	\$ 595,500	\$ 576,736	\$ 461,957	\$ 141,068	23.39%
Sewer Operations	\$ 469,169	\$ 477,478	\$ 466,000	\$ 443,000	\$ 356,098	\$ 121,380	25.42%
Interest Income	\$ 161,554	\$ 135,000	\$ 195,000	\$ 100,000	\$ 164,983	\$ (29,983)	-22.21%
Miscellaneous Income	\$ 50,964	\$ 20,500	\$ 20,500	\$ 20,500	\$ 14,138	\$ 6,362	31.03%
Sale of Land (Gain)	\$ 906,802	\$ -	\$ -	\$ -	\$ -	\$ -	-
General Property Tax	\$ 74,206	\$ 78,466	\$ 78,500	\$ 83,230	\$ 75,582	\$ 2,884	3.68%
Specific Ownership Tax	\$ 4,987	\$ 5,493	\$ 4,200	\$ 4,000	\$ 3,180	\$ 2,313	42.11%
<b>Total Operating &amp; Non Operating Revenues</b>	<b>\$ 2,270,788</b>	<b>\$ 1,319,962</b>	<b>\$ 1,359,700</b>	<b>\$ 1,227,466</b>	<b>\$ 1,075,938</b>	<b>\$ 244,024</b>	<b>18.49%</b>
<b>Total of Beginning Funds &amp; Revenues</b>	<b>\$ 4,134,881</b>	<b>\$ 3,887,424</b>	<b>\$ 4,229,481</b>	<b>\$ 4,372,366</b>			
<b>Expenditures</b>							
Administrative	\$ 503,143	\$ 559,046	\$ 537,741	\$ 602,302	\$ 388,317	\$ 170,729	30.54%
Water Maintenance	\$ 196,370	\$ 251,224	\$ 214,161	\$ 239,236	\$ 141,611	\$ 109,613	43.63%
Sewer Maintenance	\$ 137,159	\$ 167,200	\$ 156,200	\$ 179,000	\$ 114,169	\$ 53,031	31.72%
<b>Operating Expenditures Before Debt</b>	<b>\$ 836,672</b>	<b>\$ 977,470</b>	<b>\$ 908,102</b>	<b>\$ 1,020,538</b>	<b>\$ 644,097</b>	<b>\$ 333,373</b>	<b>34.11%</b>
<b>Debt Service Expenditures</b>							
Principal	\$ 137,585	\$ 140,350	\$ 140,350	\$ 143,171	\$ 69,826	\$ 70,524	50.25%
Interest	\$ 38,894	\$ 36,129	\$ 36,129	\$ 33,308	\$ 18,413	\$ 17,716	49.04%
<b>Total Debt Service Expenditures</b>	<b>\$ 176,479</b>	<b>\$ 176,479</b>	<b>\$ 176,479</b>	<b>\$ 176,479</b>	<b>\$ 88,239</b>	<b>\$ 88,240</b>	<b>50.00%</b>
Transfers to Capital	\$ 906,802	\$ -	\$ -	\$ -		\$ -	-
<b>Total Operating &amp; Debt Service Expenditures &amp; Capital Transfers</b>	<b>\$ 1,013,151</b>	<b>\$ 1,153,949</b>	<b>\$ 1,084,581</b>	<b>\$ 1,197,017</b>	<b>\$ 732,336</b>	<b>\$ 421,613</b>	<b>36.54%</b>
<b>Net Revenues Before Capital Transfers</b>	<b>\$ 1,257,638</b>	<b>\$ 166,013</b>	<b>\$ 275,119</b>	<b>\$ 30,449</b>	<b>\$ 343,602</b>	<b>\$ (177,589)</b>	<b>-106.97%</b>
<b>Net Revenues After Capital Transfers</b>	<b>\$ 350,836</b>	<b>\$ 166,013</b>	<b>\$ 275,119</b>	<b>\$ 30,449</b>	<b>\$ 343,602</b>	<b>\$ (177,589)</b>	<b>-106.97%</b>
Restricted Operating (Water Resource Reserve)	\$ 407,264	\$ 429,013	\$ 429,013	\$ 441,000			
Debt Service Reserve (25% of budgeted O&M)	\$ 253,288	\$ 288,487	\$ 271,145	\$ 299,254			
Operating Reserve (9 Months O&M & Emergency Capital)	\$ 1,961,641	\$ 2,015,975	\$ 2,444,742	\$ 2,447,082			
<b>Ending Fund Balance</b>	<b>\$ 2,622,193</b>	<b>\$ 2,733,475</b>	<b>\$ 3,144,900</b>	<b>\$ 3,187,336</b>			

Statement of Revenues (Detail)	2023 Audited Actual	2024 Adopted Budget	2024 Projected Actual	2025 Proposed Budget	Actual Through 9/30/2024	Budget Remaining 9/30/2024	% Budget Remaining 9/30/2024
<b>Water Revenues</b>							
Active Installed Water	\$ 598,723	\$ 598,703	\$ 591,000	\$ 572,736	\$ 457,876	\$ 140,827	23.52%
Water Active Uninstalled	\$ 4,383	\$ 4,322	\$ 4,500	\$ 4,000	\$ 4,081	\$ 241	5.58%
<b>Total Water Operating Revenues</b>	<b>\$ 603,106</b>	<b>\$ 603,025</b>	<b>\$ 595,500</b>	<b>\$ 576,736</b>	<b>\$ 461,957</b>	<b>\$ 141,068</b>	<b>23.39%</b>
<b>Sewer Revenues</b>							
Sewer Active Installed	\$ 457,623	\$ 462,978	\$ 458,000	\$ 435,000	\$ 349,547	\$ 113,431	24.50%
Sewer Active Uninstalled	\$ 11,546	\$ 14,500	\$ 8,000	\$ 8,000	\$ 6,551	\$ 7,949	54.82%
<b>Total Sewer Operating Revenues</b>	<b>\$ 469,169</b>	<b>\$ 477,478</b>	<b>\$ 466,000</b>	<b>\$ 443,000</b>	<b>\$ 356,098</b>	<b>\$ 121,380</b>	<b>25.42%</b>
<b>Total Operating Revenues</b>	<b>\$ 1,072,275</b>	<b>\$ 1,080,503</b>	<b>\$ 1,061,500</b>	<b>\$ 1,019,736</b>	<b>\$ 818,055</b>	<b>\$ 262,448</b>	<b>24.29%</b>
<b>Non Operating Revenues</b>							
Property Taxes, Delinquent Taxes & Interest	\$ 74,206	\$ 78,466	\$ 78,500	\$ 83,230	\$ 75,582	\$ 2,884	3.68%
Specific Ownership Taxes	\$ 4,987	\$ 5,493	\$ 4,200	\$ 4,000	\$ 3,180	\$ 2,313	42.11%
Interest Income	\$ 161,554	\$ 135,000	\$ 195,000	\$ 100,000	\$ 164,983	\$ (29,983)	-22.21%
Miscellaneous Income	\$ 38,526	\$ 9,000	\$ 6,000	\$ 6,000	\$ 3,008	\$ 5,992	66.58%
Penalties	\$ 11,988	\$ 11,000	\$ 14,000	\$ 14,000	\$ 10,780	\$ 220	2.00%
Sale of Land	\$ 906,802	\$ -	\$ -	\$ -	\$ -	\$ -	-
Transfer Fees	\$ 450	\$ 500	\$ 500	\$ 500	\$ 350	\$ 150	30.00%
<b>Total Non-Operating Revenues</b>	<b>\$ 1,198,513</b>	<b>\$ 239,459</b>	<b>\$ 298,200</b>	<b>\$ 207,730</b>	<b>\$ 257,883</b>	<b>\$ (18,424)</b>	<b>-7.69%</b>
<b>Total Operating &amp; Non Operating Revenues</b>	<b>\$ 2,270,788</b>	<b>\$ 1,319,962</b>	<b>\$ 1,359,700</b>	<b>\$ 1,227,466</b>	<b>\$ 1,075,938</b>	<b>\$ 244,024</b>	<b>18.49%</b>

Statement of Expenditures (Detail)	2023 Audited Actual	2024 Adopted Budget	2024 Projected Actual	2025 Proposed Budget	Actual Through 9/30/2024	Budget Remaining 9/30/2024	% Budget Remaining 9/30/2024
<b>Administrative Expenditures</b>							
Auditing	\$ 6,200	\$ 8,500	\$ 8,250	\$ 8,500	\$ 8,250	\$ 250	2.94%
District Accounting	\$ 26,346	\$ 12,000	\$ 13,098	\$ 16,464	\$ 8,883	\$ 3,117	25.98%
Election	\$ 289	\$ -	\$ -	\$ 500	\$ -	\$ -	-
Rate Analysis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Legal	\$ 2,446	\$ 10,000	\$ 8,000	\$ 5,000	\$ 3,957	\$ 6,043	60.43%
<b>Employee Compensation</b>							
Salaries & Wages & Other	\$ 248,332	\$ 269,368	\$ 269,000	\$ 284,999	\$ 196,190	\$ 73,178	27.17%
Director Fees	\$ 5,700	\$ 5,400	\$ 4,800	\$ 5,250	\$ 3,225	\$ 2,175	40.28%
Employer Deferred Compensation	\$ 5,901	\$ 6,605	\$ 6,600	\$ 9,789	\$ 4,776	\$ 1,829	27.69%
Employer Social Security & Medicare	\$ 20,160	\$ 20,000	\$ 19,000	\$ 20,500	\$ 13,394	\$ 6,606	33.03%
Employee Health Insurance	\$ 52,178	\$ 53,500	\$ 53,500	\$ 42,000	\$ 40,531	\$ 12,969	24.24%
Employer Unemployment	\$ 335	\$ 500	\$ 500	\$ 500	\$ 318	\$ 182	36.40%
On-Call Compensation	\$ 8,379	\$ 10,400	\$ 10,400	\$ 10,400	\$ 7,828	\$ 2,572	24.73%
Employer Faml	\$ 1,139	\$ 1,400	\$ 1,400	\$ 1,400	\$ 841	\$ 559	39.93%
<b>Insurance</b>							
Liability Insurance	\$ 20,803	\$ 21,143	\$ 21,143	\$ 22,650	\$ 17,619	\$ 3,524	16.67%
Workers' Comp Insurance	\$ 4,316	\$ 4,380	\$ 4,380	\$ 4,600	\$ 290	\$ 4,090	93.38%
<b>Other</b>							
Bad Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Computer Software - License & Maintenance	\$ 15,129	\$ 15,000	\$ 15,000	\$ 37,550	\$ 7,689	\$ 7,311	48.74%
Dues & Publications	\$ 2,784	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,203	\$ 297	8.49%
General Engineering	\$ 9,984	\$ 20,000	\$ 15,000	\$ 15,000	\$ 10,697	\$ 9,303	46.52%
GIS Mapping	\$ 2,493	\$ 7,500	\$ 8,520	\$ 4,000	\$ 8,520	\$ (1,020)	-13.60%
Miscellaneous - Bank Service Charges	\$ 2,174	\$ 1,850	\$ 1,400	\$ 2,200	\$ 1,082	\$ 768	41.51%
Office Supplies & Other	\$ 10,263	\$ 10,500	\$ 13,000	\$ 12,500	\$ 10,875	\$ (375)	-3.57%
Parts Inventory	\$ 433	\$ 2,500	\$ 2,500	\$ 1,500	\$ -	\$ 2,500	100.00%
Repair & Maintenance-Admin	\$ 16,056	\$ 20,000	\$ 5,000	\$ 15,000	\$ 2,988	\$ 17,012	85.06%
Tools	\$ 11,616	\$ 4,000	\$ 4,000	\$ 4,000	\$ 1,552	\$ 2,448	61.20%
Arc Flash Assessment	\$ -	\$ 19,500	\$ 13,550	\$ -	\$ 13,550	\$ 5,950	30.51%
Training & Travel	\$ 4,167	\$ 4,500	\$ 5,000	\$ 5,000	\$ 4,328	\$ 172	3.82%
Treasurer's Fees / Collection Fees	\$ 2,825	\$ 1,500	\$ 1,700	\$ 3,000	\$ 1,212	\$ 288	19.20%
Uniforms & Safety Equipment	\$ 7,160	\$ 7,500	\$ 7,500	\$ 4,500	\$ 2,496	\$ 5,004	66.72%
Utilities	\$ 9,956	\$ 12,000	\$ 12,000	\$ 12,000	\$ 7,736	\$ 4,264	35.53%
Vehicle Expense	\$ 5,579	\$ 6,000	\$ 10,000	\$ 50,000	\$ 6,287	\$ (287)	-4.78%
<b>Total Administrative Expenses</b>	\$ 503,143	\$ 559,046	\$ 537,741	\$ 602,302	\$ 388,317	\$ 170,729	30.54%

Water Expenditures	2023 Audited Actual	2024 Adopted Budget	2024 Projected Actual	2025 Proposed Budget	Actual Through 9/30/2024	Budget Remaining 9/30/2024	% Budget Remaining 9/30/2024
<b>Water Treatment</b>							
Orc Contracted Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Lab Analysis	\$ 2,332	\$ 2,500	\$ 3,000	\$ 3,000	\$ 2,211	\$ 289	11.56%
Materials	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 186	\$ 814	81.40%
Repairs & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Utilities	\$ 739	\$ -	\$ -	\$ -	\$ -	\$ -	-
Water Treatment (Contract)	\$ 122,936	\$ 147,724	\$ 132,161	\$ 148,736	\$ 87,371	\$ 60,353	40.86%
<b>Water Transmission &amp; Distribution</b>							
Comprehensive Tank Inspections	\$ -	\$ -	\$ -	\$ 11,500	\$ -	\$ -	-
Repairs & Maintenance	\$ 42,097	\$ 65,000	\$ 45,000	\$ 45,000	\$ 31,103	\$ 33,897	52.15%
Materials	\$ 6,833	\$ 10,000	\$ 8,000	\$ 5,000	\$ 3,312	\$ 6,688	66.88%
Utilities	\$ 21,433	\$ 25,000	\$ 25,000	\$ 25,000	\$ 17,428	\$ 7,572	30.29%
<b>Total Water Operating Expenditures</b>	\$ 196,370	\$ 251,224	\$ 214,161	\$ 239,236	\$ 141,611	\$ 109,613	43.63%

Sewer Expenditures	2023 Audited Actual	2024 Adopted Budget	2024 Projected Actual	2025 Proposed Budget	Actual Through 9/30/2024	Budget Remaining 9/30/2024	% Budget Remaining 9/30/2024
<b>Collection &amp; Transmission</b>							
Materials	\$ 1,862	\$ 10,000	\$ 10,000	\$ 10,000	\$ 6,360	\$ 3,640	36.40%
Repair & Maintenance	\$ 22,346	\$ 40,000	\$ 30,000	\$ 35,000	\$ 23,290	\$ 16,710	41.78%
Utilities	\$ 22,605	\$ 25,000	\$ 24,000	\$ 24,000	\$ 15,838	\$ 9,162	36.65%
<b>Sewer Treatment</b>							
Sewer Treatment (Contract)	\$ 90,346	\$ 92,200	\$ 92,200	\$ 110,000	\$ 68,681	\$ 23,519	25.51%
<b>Total Sewer Expenditures</b>	\$ 137,159	\$ 167,200	\$ 156,200	\$ 179,000	\$ 114,169	\$ 53,031	31.72%

Statement of Revenues and Expenditures w/ Budget (Detail)	2023 Audited	2024 Adopted	2024 Projected	2025 Proposed	Actual Through	Budget Remaining	% Budget Remaining
Capital Fund	Actual	Budget	Actual	Budget	9/30/2024	9/30/2024	9/30/2024
<b>Beginning Funds Available - Capital Reserve</b>	\$ 369,731	\$ 1,453,448	\$ 1,454,766	\$ 1,714,150			
<b>Capital Contributions</b>							
Monthly Surcharge	\$ 446,963	\$ 445,380	\$ 447,000	\$ 450,000	\$ 337,428	\$ 107,952	24.24%
Tap Sales Water	\$ 89,775	\$ -	\$ -	\$ -	\$ -	\$ -	-
Transfer to Water Reserve	\$ (75,000)	\$ -	\$ -	\$ -	\$ -	\$ -	-
Tap Sales Sewer	\$ 22,500	\$ -	\$ 15,853	\$ -	\$ 15,853	\$ (15,853)	-
<b>Total Capital Contributions</b>	\$ 484,238	\$ 445,380	\$ 462,853	\$ 450,000	\$ 353,281	\$ 92,099	20.68%
<b>Capital Expenditures</b>							
Holiday Dr. Loop	\$ 304,955	\$ -	\$ 14,498	\$ -	\$ 14,498	\$ (14,498)	-
Arrowhead Exterior Coating	\$ -	\$ 43,971	\$ 43,971	\$ -	\$ 43,971	\$ -	0.00%
Sewer Over Inlet Canal	\$ 1,050	\$ 528,900	\$ 60,000	\$ 994,000	\$ 41,806	\$ 487,094	92.10%
Shoreline Dr.	\$ -	\$ 263,126	\$ 25,000	\$ 263,126	\$ -	\$ 263,126	100.00%
Minuteman Dr.	\$ -	\$ 169,574	\$ 25,000	\$ 169,574	\$ -	\$ 169,574	100.00%
Additional Valving & Air Relief	\$ -	\$ -	\$ 10,000	\$ 120,000	\$ 3,053	\$ (3,053)	-
Sandstone Tank Replacement	\$ -	\$ 172,422	\$ 25,000	\$ 172,422	\$ 12,315	\$ 160,107	92.86%
<b>Total Capital Expenditures</b>	\$ 306,005	\$ 1,177,993	\$ 203,469	\$ 1,719,122	\$ 115,643	\$ 1,062,350	90.18%
<b>Transfers from General Fund</b>	\$ 906,802	\$ -	\$ -	\$ -	\$ -	\$ -	-
<b>Net Revenues Before General Fund Transfers</b>	\$ 178,233	\$ (732,613)	\$ 259,384	\$ (1,269,122)	\$ 237,638	\$ (970,251)	132.44%
<b>Net Revenues After General Fund Transfers</b>	\$ 1,085,035	\$ (732,613)	\$ 259,384	\$ (1,269,122)	\$ 237,638	\$ (970,251)	132.44%
<b>Ending Budgetary Fund Balance - Capital Reserve</b>	\$ 1,454,766	\$ 720,835	\$ 1,714,150	\$ 445,028			



October 4, 2024

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

We are pleased to propose auditing services and to confirm our understanding of the services we are to provide Spring Canyon Water and Sanitation District (the District) for the year ended December 31, 2024.

### **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities (as applicable), the business-type activities, and each major fund, and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such 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. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with generally accepted auditing standards (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. If the District omits MD&A, as in prior years, our report will include a statement that the District has omitted MD&A and that our opinion is not affected by the missing information. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, if applicable, will be subjected to the auditing procedures applied in our audit of the financial statements.

We may also be engaged to report on supplementary and other information other than RSI that accompanies the District's financial statements. We will subject the following supplementary and other information, as applicable, to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America (GAAS), and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Revenues, Expenditures, and Changes in Funds Available – budget and actual (budgetary basis)
- 2) Reconciliation of actual (budgetary basis) to Statement of Revenues, Expenses, and Changes in Net Position

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether the District's financial statements are fairly presented, in all material respects in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement of a reasonable user made based on the financial statements.

**Fiscal Focus Partners, LLC**

### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, 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 a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

### **Audit Procedures—Internal Control**

We will obtain an understanding of the District and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

We have identified the following significant risk(s) of material misstatement as part of our audit planning. According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly we have considered these as significant risks.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Other Services**

We will prepare the financial statements of the District in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of the financial statements, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

### **Engagement Administration, Fees, and Other**

We understand that your employees or consultants will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Fiscal Focus Partners, LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to an applicable regulator or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Fiscal Focus Partners, LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to an applicable regulator or its designee. The applicable regulator or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit on a date mutually agreed to by your management and our firm, and to issue our reports no later than July 31, 2025, or September 30, 2025 if the District is eligible for, and management requests, an extension of time from state auditor. If the originally scheduled audit commencement date is not met due to delays in availability of required information and rescheduling is necessary, we will advise you of any change in anticipated report issuance dates. Heather Prewitt will be the engagement partner and will be responsible for supervising the engagement and signing the report or authorizing another individual to sign it. The designated partner may change depending on scheduling and work demands. You will be advised of any change in the designated partner. Our audit engagement commences when all information necessary to conduct the audit is available and provided to us, and ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service. This engagement agreement may be cancelled by you or by us upon written notice provided at least 45 days prior to engagement commencement.

Our fee for these services will be \$8,500 plus out-of-pocket costs (such as postage, mileage, etc.). Our invoice for these fees will be rendered upon completion of fieldwork and in-house review and is payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes thirty days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel, contractors, and professionals, and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

### **Reporting**

We will issue a written report upon completion of our audit of the District's financial statements. Our report will be address to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to Spring Canyon Water and Sanitation District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

*Fiscal Focus Partners LLC*

Fiscal Focus Partners, LLC

RESPONSE:

This letter correctly sets forth the understanding of Spring Canyon Water and Sanitation District.

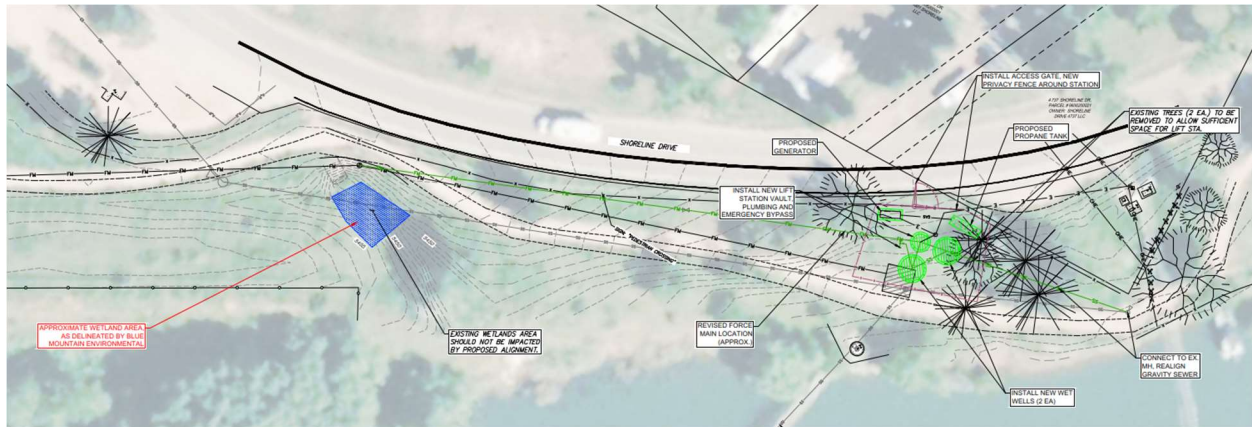
Authorized signature: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Engineer’s Report – October 17th, 2024

### Sewer Over Inlet Canal

The site application and permit applications for the proposed lift station have been completed and the application package will be submitted to the CDPHE to start the initial review. We are looking at a slight revision to the layout and location of the components for the lift station on the north side of the inlet canal. Lift Station permitting requires that this station include storage to hold overflow in an emergency event. The lift station site will be designed in a compact manner as space is limited in this location, however it is likely that we will need to remove a few trees in order to meet the spatial requirements of this site.



We are engaged with the geotechnical engineer on the project and working to finalize boring locations and move towards completing the geotechnical field investigation. We will also plan to install a piezometer at the planned location of the lift station which will allow us to track water levels throughout the season and with the rising and falling water levels in Horsetooth. Understanding groundwater levels in this location will be critical to plan for construction of the station. We aim to minimize or possibly even eliminate the potential need to dewater the excavations during construction of the lift station.

Blue Mountain Environmental has completed their wetlands delineation in our project location and found a small wetlands area, see image below. In general this delineated area is significantly smaller than what is shown on the national wetland area map.. The plan is to modify the force main alignment to avoid this area altogether.

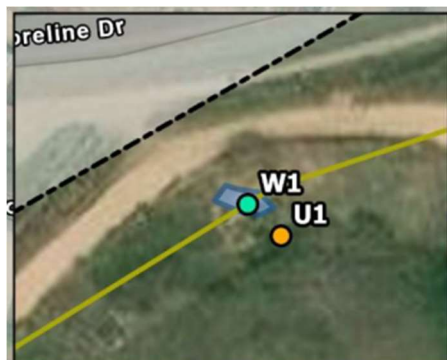


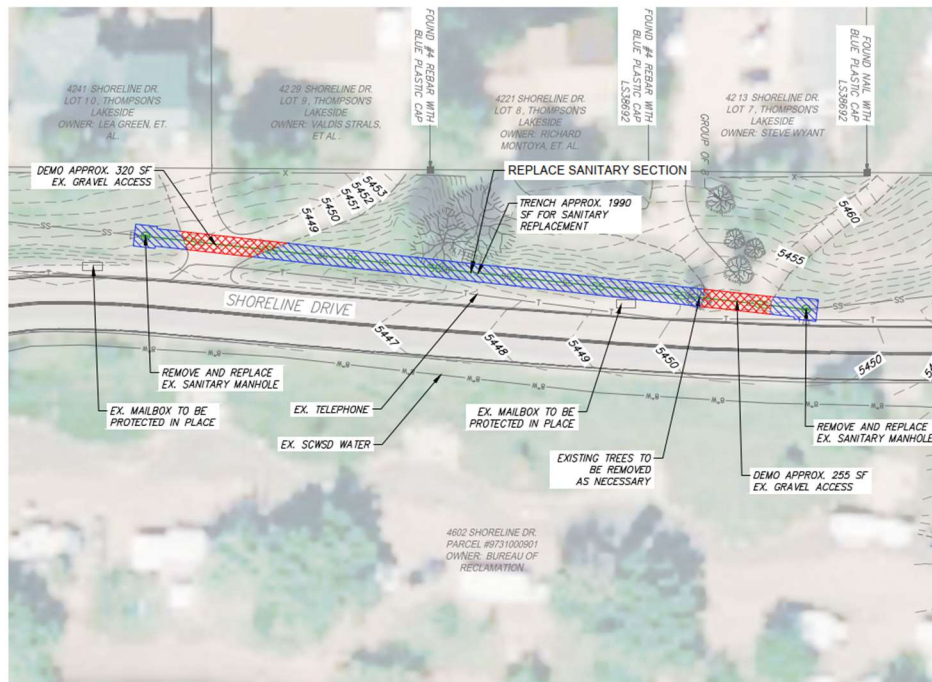
Photo 3. View to the west looking downstream at a small wetland area in the channel just below outfall of the culvert passing under Shoreline Drive. Wetland sample plot W1 is indicated by the shovel. Upland sample plot U1 is indicated by the yellow clipboard (yellow arrow).



## Shoreline Sanitary Replacements and CIPP Lining

Formal construction plans for the replacement or lining of various segments of sanitary sewer along the shoreline drive portion of the sanitary system. These locations had been identified as needing repair or replacement in previous CIP studies. In total there are seven sanitary manholes and 1,200 linear feet of sewer line that are identified for a full replacement. There are also three sanitary manholes to be rehabbed and coated with a corrosion resistant liner and 640 linear feet of 8-inch sewer line to be lined with a “Cured In Place Pipe” liner.

We are working to get Gerrard on board for these projects for this fall or winter. The fall/winter timing will help minimize impacts on Horsetooth campgrounds and should minimize the groundwater levels with Horsetooth’s water levels being significantly lower at this point in the season.



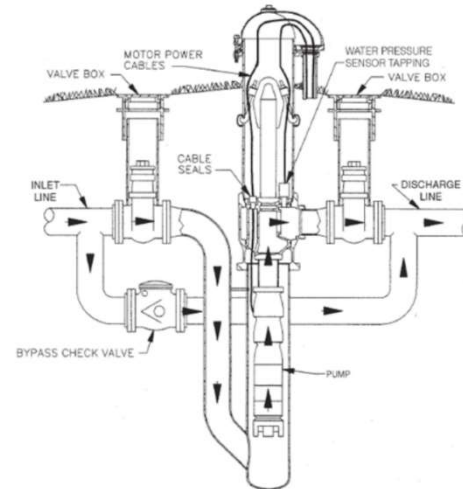
PHASE 2.1 - SANITARY REMOVAL AND REPLACEMENT



## Sandstone Tanks

This project is still on track for a start date for the project into Spring of 2025. We are continuing our coordination with pump suppliers and installers. At this time the district is leaning towards the installation of a pitless booster pump system. The construction drawings for this tank project are at 90% completion, and will be updated according to the specific requirements associated with installing these pitless booster stations.

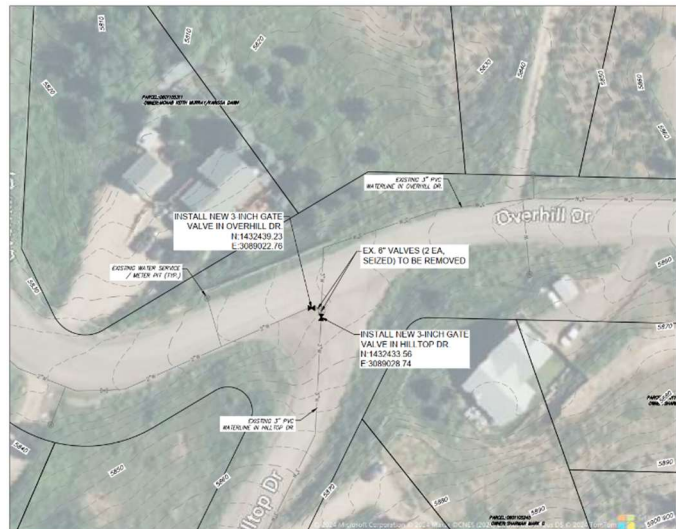
### Pitless Booster Installation



### Additional Valving, Air Relief, and Lift Station Bypass

Preliminary plans for the valving and air relief installation locations are complete. CivilWorx is working to finalize these drawings, so they are ready for distribution to contractors and for construction.

CivilWorx met with district staff to collect measurements and verify minor site details at Lift Stations 1 and 4 to verify the accuracy of the design for the emergency bypass installations.



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



Justin C. Beckner, PE  
Project Manager



Scott Nesbitt, PE  
Senior Engineer





# Spring Canyon WSD Monthly Operations Report

Prepared by: Tayler Pelletier

Date: 10/17/2024

## Lift Station 2 Check Valve Repars:

Rags were lodged in a check valve at Lift Station 2. Roll pins inside of it snapped as a result. The check valve has been repaired, and the opposite valve was also cleaned out to prevent the same damage from happening on that side.

## Water Storage Tank Inspections:

Periodic water storage tank inspections have been completed.

## Lift Station 4 Generator:

The battery in Lift Station 4's generator died and needed to be replaced due to age. We traced the failure to a loose connection on the battery charger.

## Fort Collins Loveland Scada Platform Transition:

Fort Collins Loveland Water District was previously using the same SCADA platform as we do for the water system. They are currently changing to another platform and we have been working with them to make their transition as seamless as possible in the Trilby pump station.

## Sewer Jetting and Camera Work:

The sewer system in Kano Drive, Ann Street, and the South End has been cleaned and camera work is nearing completion. Lift station wet well cleaning has also been completed. Even though we are waiting on the full report, we have been notified of a major deformity in the south end. There is some rebar penetrating the pipe in a major collection line which will need to be repaired. There is a photo of the recording on the next page

**USMH: 0-7**  
**DSMH: 0-8**

**156.4 ft.**

Value 1	Value 2	%	Joint	Clock 1	Clock 2	Grade	Remarks	Cont.	VCR Time
						0	REBAR ...	1	
						0	REBAR ...	2	
						0		3	
						0		4	
		25				2		5	
		15				0		6	
		0				0	0-7		

SAMSUNG

156.4 Ft.