

GREATROCK NORTH WATER AND SANITATION DISTRICT

8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
(P) 303-779-5710 (F) 303-779-0348
www.colorado.gov/greatrocknorthwsd

Mission: To provide the highest quality of water at the most affordable price for current customers and to provide for the expansion of the District as growth occurs.

NOTICE OF REGULAR MEETING AND AGENDA

DATE: Tuesday, September 5, 2023
TIME: 4:30 P.M.
LOCATION: Reverse Osmosis Water Treatment Plant
16373 Rayburn Street
Hudson, CO 80642

AT LEAST ONE INDIVIDUAL, INCLUDING CERTAIN BOARD MEMBERS AND CONSULTANTS OF THE DISTRICT WILL BE PHYSICALLY PRESENT AND WILL ATTEND THIS MEETING IN PERSON AT THE ABOVE-REFERENCED LOCATION. HOWEVER, CERTAIN OTHER BOARD MEMBERS AND CONSULTANTS OF THE DISTRICT MAY ATTEND THIS MEETING VIA TELECONFERENCE, OR WEB-ENABLED VIDEO CONFERENCE. MEMBERS OF THE PUBLIC WHO WISH TO ATTEND THIS MEETING MAY CHOOSE TO ATTEND VIA TELECONFERENCE OR WEB-ENABLED VIDEO CONFERENCE USING THE INFORMATION BELOW.

ACCESS: You can attend the meeting in any of the following ways:

1. To attend via MS Teams videoconference use the below link –
https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZGQyNTRmMTAtYjlkNS00N2YzLTg4YjctMmVjYzJiMDViNjdk%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%227e78628f-89cd-4e97-af6c-60df84b55ffe%22%7d
2. Or by calling 1-720-547-5281 & entering the following Phone Conference ID: **261 755 479#**

<u>Board of Directors:</u>	<u>Office</u>	<u>Term Expires</u>
John D. Wyckoff	President	May, 2025
Robert W. Fleck	Vice President	May, 2027
Lisa Jacoby	Treasurer	May, 2025

Greatrock North Water and Sanitation District
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Brian K. Rogers	Secretary	May, 2027
Brenda Adams	Assistant Secretary	May, 2025

Consultants:

Lisa A. Johnson	District Manager
Jennifer Gruber Tanaka, Esq.	District General Counsel
Allison Fogg, Esq.	
Nicholaus Marcotte, PE	District Engineer
Mike Murphy	District Operator in Responsible Charge

- I. ADMINISTRATIVE MATTERS (Action Items Status Matrix – enclosure - 002).
 - A. Present Disclosures of Potential Conflicts of Interest.
 - B. Approve Agenda.
 - C. Board of Director’s Report.
 - D. District Manager’s Report (enclosure – 003).

- II. CONSENT AGENDA
 - A. These items are considered to be routine and will be approved by one motion. There will be no separate discussion of these items unless requested; in which event, the item will be removed from the Consent Agenda and considered in the Regular Agenda.
 1. Approve the Minutes of the August 1, 2023 special meeting (enclosure – 004).
 2. Ratify approval of the payment of claims for the period ending August 24, 2023, in the amount of \$67,059.17 (enclosure – 005).
 3. Acceptance of unaudited financial statements for the period ending July 31, 2023, Schedule of Cash Position updated as of August 24, 2023, and Inclusion Summaries (enclosure - 006).
 4. Operations and Maintenance Activities Report (enclosure – 007).
 5. Review meter installation report (enclosure – 008).

- III. FINANCIAL MATTERS
 - A. Review and consider acceptance of 2022 audit and approval of representation letter (enclosures – 009a and 009b).

- IV. ENGINEER’S REPORT (enclosure – 010)
 - A. Capital Projects Update
 1. Third Alluvial Well
 2. Evaporation Pond
 3. Reverse Osmosis Treatment Facility

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- V. OPERATIONS AND MAINTENANCE MATTERS (ORC Report – enclosure – 011).
- VI. LEGAL MATTERS
- VII. OTHER MATTERS
- VIII. COMMUNITY COMMENTS (ITEMS NOT ON THE AGENDA ONLY. COMMENTS LIMITED TO 3 MINUTES PER PERSON AND TAKEN IN ORDER LISTED ON SIGN UP SHEET).
- IX. ADJOURNMENT

**THE NEXT MEETING IS SCHEDULED
for Tuesday, October 3, 2023
at 4:30 p.m.**

Greatrock North Water and Sanitation District Action Items Status Matrix—2023

Action Items	Date of Meeting	Assigned To	Deadline	Priority	Not Started	In Process	Reoccurring	Follow up Required	Complete	Notes
INCLUSION AND DEVELOPMENT MATTERS										
Homestead Heights Development (a/k/a Country Club Ranchettes Filing No. 1)	12/6/16	Nick	N/A	2		X				<p>12/15/2020: Brad is reviewing submittals for the off-site water connections and requested information on the RHF check valve vault from Manhard Consulting.</p> <p>1/7/2021: New list started. Items preceding 12/2020 on prior action items lists.</p> <p>1/17/2021: Brad emails Laurie at Manhard re: the revised information Blanco needs to resubmit on the RHF check valve vault.</p> <p>1/20/2021: Blanco emails revised submittal for RHF check valve vault to Brad. Brad to review and comment.</p> <p>2/10/2021: Jay Skolnick indicates he has selected a different contractor to perform the work. Brad advised Jay the District needs a schedule and requires a pre-construction meeting.</p> <p>2/18/2021: Brad emailed Jay to request a pre-construction meeting.</p> <p>4/13/21: Jay Skolnick emails inquiry on status of construction observations on Blanco by Bryan Dalrymple; Brad forwards email to Bryan</p> <p>4/19/21: MMI meeting with Bryan Dalrymple to review inspection and testing records cancelled due to weather forecast.</p> <p>05/10/2021: A pre-construction meeting scheduled for May 11 for the on-site water system improvements was postponed since the developer does not have plans approved by Adams County therefore no work can be performed within the new rights-of-way.</p> <p>05/10/2021: Adams County cannot approve the plans or issue any permits until the County has received and approved the surety for the SIA.</p> <p>9/7/21: Nick is working with the developer to relocate fire hydrants per County requirements.</p> <p>12/28/2021 – District notified that the County has potentially provided a variance on the relocation of hydrants.</p> <p>02/23/2022 – water line and well easements approved by BOD.</p> <p>3/25/2022 – 11 SDF’s collected to date.</p> <p>06/01/2022 – 13 SDF’s collected to date.</p> <p>06/28/2022- initial punch list provided to Jay.</p> <p>7/26/2022 – 15 SDF’s collected to date. Lisa requested additional funds from developer to cover inclusion costs.</p>

Greatrock North Water and Sanitation District Action Items Status Matrix—2023

Action Items	Date of Meeting	Assigned To	Deadline	Priority	Not Started	In Process	Reoccurring	Follow up Required	Complete	Notes
										08/29/2022 – Jay is working with Nick and Mike on punch list items. 10/05/2022 – 17 SDF’s paid to date. 02/28/2023 – Jay has provided all documents necessary for staff to finalize the initial acceptance of water improvements. 03/28/2023 – Amended Warranty Agreement was transmitted to Jay for his review and execution. 4/25/2023 – LOC received. Board to ratify warranty agreement at the May meeting. 7/4/2023 – final acceptance scheduled for Spring of 2024. 07/21/2023 – HHII amendment approved by the Board in July.
Ridgeview Estates	3/3/2020	Nick	N/A	2		X				12/10/2020: Brad meets w/ Blanco Inc. at site of water tie-in at Great Rock Way to review layout and design. 1/7/2021: New list started. Items preceding 12/2020 on prior action items lists. 1/7/2021: Met yesterday with Blanco regarding tie in at tank site. 1/13/2021: GN residents report brown water following tie-in in Great Rock Way. Bryan flushes fire hydrants. 2/18/2021: Brad talked with David Moore and emailed DM a request for an updated schedule for coordination with REC and testing required. 5/4/2021: onsite water improvements in process and project is almost complete. 7/19/21: Offsite water improvements was completed by REC. Onsite water system improvements initial acceptance will be provided after onsite surface improvements (asphalt, curb, gutter) have been placed. Element has notified the developer of this requirement on 7/6/21. 8/19/21: An initial walkthrough and punch list was generated and forwarded to the developer’s engineer. A response to the punch list is expected when items are complete. After completion a letter recommending initial acceptance will be generated. 9/7/21: Developer requested waiver of lien. Board discussed and denied request. Lisa to communicate to Developer. 12/28/2021 – Nick drafted initial acceptance letter and transmitted to developer. 2/23/2022 – Nick followed up with David Moore in February. 3/25/2022 – 7 SDF’s collected to date.

Greatrock North Water and Sanitation District Action Items Status Matrix—2023

Action Items	Date of Meeting	Assigned To	Deadline	Priority	Not Started	In Process	Reoccurring	Follow up Required	Complete	Notes
										06/01/2022 – 10 SDF’s collected to date. 06/28/22 – 11 SDF’s collected to date. 7/26/2022 – 12 SDF’s collected to date. Lisa requested additional funds from developer to cover inclusion costs. 8/29/2022 – David Moore provided information requested. Nick to draft letter of review and acceptance. 10/05/2022 – Nick provided letter to Jennifer. Jennifer to review and confirm documents and recommend the Board consider preliminary acceptance of the improvements. 10/25/2022 – The Board accepted the improvements subject to final review by counsel and President Wyckoff. 02/28/2023 – Erin is working with the developer’s bank to acquire LOC and then documents to finalize initial acceptance will be finalized. 4/25/2023 – LOC received. Board to ratify warranty agreement at May meeting. 07/04./2023 – final acceptance due in Spring of 2024.
CAPITAL PROJECT MATTERS										
Third Alluvial Well	2/5/19	Chris	N/A	2		X				1/5/2021: Brad received memo from Tim Crawford regarding ALV-5. Quantity from well site is favorable. Quality less favorable than other locations but better from monitoring well. Memo summarizing results sent to Brad to review for comment. 1/7/2021: New list started. Items preceding 2021 on prior action items lists. 1/11/2021: Brad meets w/ Tony Lopez re: well site easement and pipeline easement. Brad to work up exhibit and discuss w/ Brian at Manhard. 2/18/2021: Brad talked with Tim Crawford regarding the well site and pipeline easement needs. 4/6/21: Brad emails proposed easements layout to Tim/Chris and requests information from Jay Skolnick and Brian Pfohl 4/9/21: Jay indicates easements should be on title work. 8/6/21: A meeting was held at Element offices to discuss the third alluvial well. Element is to generate a cost estimate to connect sites 3 and 4 to the existing raw water lines.

Greatrock North Water and Sanitation District Action Items Status Matrix—2023

Action Items	Date of Meeting	Assigned To	Deadline	Priority	Not Started	In Process	Reoccurring	Follow up Required	Complete	Notes
Evaporation Pond Matters	1/1/19	Nick	N/A	1		X				<p>1/5/2021: Profile has not changed. Brad to submit to CDPHE again. Need to finalize easement with Jay. If cannot be finalized in 2 weeks, Board to consider moving forward with condemnation proceedings.</p> <p>1/7/2021: New list started. Items preceding 2021 on prior action items lists.</p> <p>1/7/2021: Brad to review options available to expedite process through CDPHE.</p> <p>1/20/2021: Lisa emailed Jody and Jennifer to schedule call related to condemnation efforts to acquire final easement needed to construct pond.</p> <p>2/2/2021: Brad working to finalize easement agreement and legal description. Brad to send to Lisa for next steps when complete.</p> <p>2/2/2021: Brad will provide updated cost estimate.</p> <p>4/9/2021: Brad asked to schedule a meeting with the committee to review additional information / may ask Nick to assist with Evaporation Pond project.</p> <p>5/4/2021: Brad informed the Board that he is no longer able to continue with this project. The Board asked Lisa to gather a list of qualified firms and contact them to solicit interest and a proposal.</p> <p>7/6/2021: Nick to start working on the evaporation pond and prepare a new exhibit related to final easement with Jay Skolnick.</p> <p>7/19/21: Board has approved Element to complete the evaporative pond design. Work is ongoing.</p> <p>8/13/21: Design work on the evaporation pond and EDOP report is ongoing. Element is finalizing the easement with direct correspondence between Element and Jay’s engineer for CCR Filing 2.</p> <p>9/7/21: Nick is preparing an alternatives analysis regarding pond location and will present his findings at the October board meeting.</p> <p>1/24/22: The board selected the western pond location with the concentrate line in Hudson Mile Road. The design is now being completed in that location.</p> <p>1/24/22: Element requested quotes for utility potholing to confirm utility location and depth for crossings.</p> <p>2/23/2022 – Element working on permit requirements with Adams County.</p>

Greatrock North Water and Sanitation District Action Items Status Matrix—2023

Action Items	Date of Meeting	Assigned To	Deadline	Priority	Not Started	In Process	Reoccurring	Follow up Required	Complete	Notes
										<p>3/25/2022 – Public Meeting will be held on April 5th. Property owners were notified via mail.</p> <p>06/01/2022 – Element to finalize reports to submit to CDPHE and ADCO the week of May 30, 2022.</p> <p>6/28/22 – reports and submittals made to CDPHE and ADCO.</p> <p>10/25/2022 – Nick responded to comments from Adams County.</p> <p>02/28/2023 – Board determined to use CMAR process. Nick is working with Jennifer and Erin to document process for bidding, contract docs. etc.</p> <p>05/19/2023 – invitation to bid will be published the week of 5/29/2023. Bids are due by 6/23/2023. Board to take action at the July meeting.</p> <p>8/18/2023 – Nick is finalizing the contract and will send for execution, Kick-off meeting scheduled next week.</p>
RO Treatment Plant Upgrade	2/19/19	Nick	N/A	1		X				<p>12/1/2020: Nick provided updated to Board. Finalizing 95% plans. Followed up with CDPHE to get comments. No comments or questions received to date. Ran into issue with the concentrate line which was discussed with the Board.</p> <p>1/5/2021: No comments received from CDPHE yet.</p> <p>1/7/2021: New list started. Items preceding 12/2020 on prior action items lists.</p> <p>4/9/2021: Nick will follow up with CDPHE on status of final project approval. Bids are due by April 16, 2021.</p> <p>5/4/2021: BOD awarded contract to Moltz Construction. Nick to draft Notice of Award etc. BOD to review CM proposal and provide comments to Rob by 5/12/2021.</p> <p>7/6/2021: Nick to prepare major PUD amendment and process through Adams County</p> <p>7/19/21: Major PUD amendment notifications were sent out to required residences. The required public meeting will be held on 8/3. The application will be submitted to Adams County shortly after.</p> <p>8/5/21: PUD Application submitted to Adams County.</p> <p>8/20/21: Contractor requested permission to mobilize onsite. Permission granted.</p> <p>9/16/21: Pre-construction meeting held to discuss access and begin site stage.</p>

Greatrock North Water and Sanitation District Action Items Status Matrix—2023

Action Items	Date of Meeting	Assigned To	Deadline	Priority	Not Started	In Process	Reoccurring	Follow up Required	Complete	Notes
										<p>12/28/2021 – Nick and John attended planning commission meeting. Planning Commission approved the plan and recommends approval by BOCC in January.</p> <p>1/11/22 – Nick and John attended the BOCC meeting. The project was approved at this meeting.</p> <p>1/24/22 – Design to remove the sump by lowering the concentrate line in Rayburn are being finalized. This will be issued to the contractor as Field Order No. 1.</p> <p>2/23/2022 – Project began in February.</p> <p>3/25/2022 – Pay Apps 1-3 have been submitted and CO#1 has been submitted.</p> <p>06/01/2022 – CO’s 2-5 have been approved and pay apps 1-6 as well.</p> <p>7/26/2022 – CO’s 2-6 have been approved and pay apps 1-7 as well.</p> <p>8/29/2022 CO’s 1-7 have been approved and pay apps. 1-8 as well.</p> <p>10/05/2022 – punchlist walk is scheduled for 10/06/2022.</p> <p>10/25/2022 – Substantial completion was provided to Moltz.</p> <p>02/28/2023 – furniture has been installed. Staff is working with CMIT on IT proposal and agreement with Comcast for internet service.</p> <p>3/28/2023 – MSA/SOW received from CMIT and transmitted to Erin for review.</p> <p>4/25/2023 – CMIT fully executed and equipment ordered. Open Path up and running and Shauna is working on tutorial.</p> <p>5/19/2023 – electrician to do the work on 5/31/2023. CMIT to schedule the IT installation shortly thereafter.</p> <p>07/04/2023 – IT installed, television installed. Final IT to be installed on 7/12/2023.</p> <p>7/21/2023 – REC received a proposal from NCC to provide exploratory digging services in order to determine the source of back pressure to the old building and to replace the south tank isolation valve. BOD to consider at August meeting.</p> <p>8/18/2023 – Moltz to inspect gap in door as warranty item.</p>
OPERATIONAL MATTERS										
Rocks in Brine Discharge Pipe	6/4/19	Mike	N/A	3		X				<p>1/7/2021: New list started. Items preceding 10/2020 on prior action items lists.</p> <p>1/7/2021: Rocks not causing issues right now. Cannot push them out</p>

Greatrock North Water and Sanitation District Action Items Status Matrix—2023

Action Items	Date of Meeting	Assigned To	Deadline	Priority	Not Started	In Process	Reoccurring	Follow up Required	Complete	Notes
										at any point. Would need to cut pipe, clean out and replace area. Do work with pond liner possibly. Not a current emergency. Mike to obtain pricing from Blanco and Dan LaCoe for doing work so can be incorporated into budget. 12/26/21: Site visit schedule first week of January to get Element Engineering updated on this project. 1/21/22: Element met with REC onsite to discuss potential remedies for this issue. 5/19/2023 – this will be addressed once the new pond is constructed and the existing ponds can be taken off line and maintained.
GBFPD – Emergency Response Plan	01/04/2022	Mike Lisa	N/A	2		X				Mike and Lisa to contact GBFPD to discuss emergency response plan in the event of a fire. 06/28/2022 – Mike to discuss with GBFPD and HFPD. 7/26/2022 – Mike confirmed GBFPD is the service provider and will schedule a meeting to discuss a plan. 7/21/2023 – Mike makes contact with GBFPD weekly and no one has yet to return a phone call to him. 8/18/2022 – Mike received a contact person and is trying to coordinate a meeting.
Rocking Horse Farms Control Valves	5/19/2023	Nick Mike		2	X					Automatic fill valve replacement. Nick to draft an exhibit and solicit bids from the District’s contractors. 8/18/2023 -Nick to finalize schematic and send to Mike by end of August.
SDF analysis and capacity analysis for CC#2	5/19/2023	Nick		2		X				Work in process.
ALV2 VFD replacement	7/20/2023	Mike	N/A	1					X	Replace ALV2 VFD scheduled for the week of July 24 th ,
Liquid End Replacement of Pump #1 in BECR	7/20/2023	Mike	N/A	1		X				Work will be scheduled once parts are delivered by REC. 8/18/2023 – parts were shipped the week of 8/14/2023.
Replace leaking suction pipe for fire pump at RHF	7/20/2023	Mike	N/A	1					X	Work scheduled for the week of July 24 th .
Valve Replacement	8/02/2023	Mike	N/A	1	X					Addendum with NCC prepared and sent to Mike on 8/18/2023.
Exploratory Potholing	8/02/2023	Mike	N/A	1	X					Addendum with NCC prepared and sent to Mike on 8/18/2023.

Greatrock North Water and Sanitation District Action Items Status Matrix—2023

Action Items	Date of Meeting	Assigned To	Deadline	Priority	Not Started	In Process	Reoccurring	Follow up Required	Complete	Notes
Check Valve replacement at Pump 5 at RHF	8/18/2023	Mike	N/A			X				Parts are on order
Main PRV from RHF	8/18/2023	Mike	N/A			X				Parts are on order
WELL AND WATER MATTERS										
FINANCIAL MATTERS										
ADMINISTRATIVE MATTERS										
2022 Audit	7/20/2023	CLA	N/A	1		X				Audit to be presented at the September meeting.



Date: August 23, 2023

To: Greatrock North Water and Sanitation District, Board of Directors

From: Lisa A. Johnson, District Manager

Re: September 5, 2023 Manager's Report

Agenda Action Items

II.A. Consent Agenda

1. Approve the Minutes of the August 1, 2023 special meeting regular meeting.
2. Ratify approval of the payment of claims for the period ending August 31, 2023.
3. Acceptance of unaudited financial statements for the period ending July 31, 2023, Schedule of Cash Position updated as of July, 2023, and Inclusion Summaries.
4. Operations and Maintenance Activities Report.
5. Review meter installation report.

I recommend approval of the consent agenda items.

III.A 2022 Audit

Neil Schilling will attend the meeting virtually to present the 2022 audit.

I recommend acceptance of the 2022 audited financial statements.

Review of monthly Water Resumes and Other Water Related Matters

Attorney Poznanovic has reviewed the June resume and did not find any cases he would recommend the district oppose.

Update on other District Related Matters and/or Committee Meetings

Ms. D'Amato continues to work with Director Wyckoff on several action items related to the

new facility. She also filed an insurance claim regarding the potential roof damage to the facilities due to hailstorms experienced earlier in the year. Mr. Marcotte, Mr. Murphy and I met to review and update the Action Items Matrix and discuss work in progress. Attorney Poznanovic, Mr. Sanchez and I met this month to discuss an update on our water rights case as well as other water rights matters. They will both plan to attend the October Board meeting to give the Board an update in executive session.

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE GREATROCK NORTH WATER AND SANITATION DISTRICT AUGUST 1, 2023

A regular meeting of the Board of Directors (referred to hereafter as “Board”) of the Greatrock North Water and Sanitation District (referred to hereafter as “District”) was convened on Tuesday, August 1, 2023, at 4:30 p.m. at the Reverse Osmosis Water Treatment Plant, 16373 Rayburn Street, Hudson, CO 80642. This District Board meeting was also held virtually via Microsoft Teams and by conference call. The meeting was open to the public.

ATTENDANCE

Directors in attendance:

John D. Wyckoff
Robert W. Fleck
Brenda Adams
Brian Rogers

Director Jacoby was absent and excused.

Also in attendance were:

Lisa Johnson, Michael Jensen and Shauna D’Amato; CliftonLarsonAllen LLP (“CLA”)
Mike Murphy; Ramey Environmental Compliance, Inc. (“REC”)
Nicholaus Marcotte, PE; Element Engineering
Justin Whitaker; CGRS, Inc.

ADMINISTRATIVE MATTERS

Disclosures of Potential Conflicts of Interest: The meeting was called to order. Ms. Johnson advised the Board that, pursuant to Colorado law, certain disclosures may be required prior to taking official action at the meeting. The Board reviewed the Agenda for the meeting, following which Directors Wyckoff, Adams, Rogers, and Fleck each confirmed that they had no conflicts of interest in connection with any of the matters listed on the Agenda. Director Adams noted that she serves on the HOA Board for Box Elder Creek Ranch.

Agenda: Ms. Johnson distributed for the Board’s review and approval a proposed Agenda for the District’s regular meeting. Following discussion, upon a motion duly made by Director Fleck, seconded by Director Wyckoff, and, upon vote, unanimously carried, the Board approved the Agenda, as presented, and excused the absence of Director Jacoby.

Board of Director’s Report: None.

District Manager’s Report: The Board reviewed the monthly Manager’s Report. There were no questions. A copy of the report is attached hereto and incorporated herein by this reference.

RECORD OF PROCEEDINGS

CONSENT AGENDA

The Board considered the following actions:

1. Approve the Minutes of the July 17, 2023 special meeting.
2. Ratify approval of the payment of claims for the period ending July 24, 2023, in the amount of \$74,763.34.
3. Acceptance of unaudited financial statements for the period ending June 30, 2023, Schedule of Cash Position updated as of July 12, 2023, and Inclusion Summaries.
4. Operations and Maintenance Activities Report.
5. Review meter installation report.

Following discussion, upon a motion duly made by Director Adams, seconded by Director Wyckoff and, upon vote, unanimously carried, the Board approved the Consent Agenda items.

FINANCIAL MATTERS

Status of 2022 Audit: The 2022 Audit will be presented at the September Board meeting.

ENGINEER'S REPORT

Mr. Marcotte reviewed his Engineer's Report with the Board. A copy of the report is attached hereto and incorporated herein by this reference.

CAPITAL PROJECTS UPDATES:

Third Alluvial Well: No new update.

Evaporation Pond:

Bid Summary and Award of Construction Manager at Risk ("CMAR") Contract: Mr. Marcotte presented his memo and recommendation. Director Wyckoff provided his comments on the memo and recommendation and provided his support. Other members of the Board asked clarifying questions.

Following review and discussion, upon a motion duly made by Director Wyckoff, seconded by Director Adams and, upon vote, unanimously carried, the Board approved to award the CMAR contract to Performance Energy Services. Mr. Marcotte will work with Attorney Tanaka to finalize the agreement.

Reverse Osmosis Treatment Facility: Mr. Marcotte is working with Moltz Construction Inc. on some warranty items. Ms. D'Amato reported that she has requested a quote from Greeley Lock and Key to install a card reader on the door to the treatment portion of the building.

OPERATIONS / MAINTENANCE MATTERS

Operator in Responsible Charge ("ORC") Report: Mr. Murphy presented his report and provided updates. He discussed new PFAS regulations and a notice that he has prepared that will need to be mailed to all water users. He will provide the final notice to Mr. Johnson to coordinate its insertion with the next water billing

RECORD OF PROCEEDINGS

invoices. A copy of the report is attached hereto and incorporated herein by this reference.

Proposal from Northern Colorado Constructors, Inc. for Replacing of a Leaking Valve on the South Storage Tank and Pricing for Exploratory Digging to Determine Where the Back Pressure is Coming from on the Old Reverse Osmosis System: Following review and discussion, upon a motion duly made by Director Fleck, seconded by Director Wyckoff and, upon vote, unanimously carried, the Board approved the proposal, and directed Ms. Johnson to request an addendum to the current contract from legal counsel.

**LEGAL
MATTERS**

None.

OTHER MATTERS

None.

**COMMUNITY
COMMENTS**

None.

ADJOURNMENT

There being no further business to come before the Board at this time, upon a motion duly made by Director Rogers, seconded by Director Adams and, upon vote, unanimously carried, the meeting was adjourned at 5:27 p.m.

Respectfully submitted,

By _____
Secretary for the Meeting

Greatrock North Water & Sanitation District
Interim Claims List
August 25, 2023

Vendor	Invoice Number	Process Date	Amount
*My Asset Map LLC	E5F5CDB-0066	7/28/2023	\$ 199.99
*United Power Inc	23129500Jul23	8/24/2023	1,604.31
*Xcel Energy	Multiple	8/17/2023	101.26
		Auto Pay	1,905.56
CliftonLarsonAllen LLP	3798804	7/31/2023	7,761.08
CMIT Solutions Of Boulder	32043	7/31/2023	149.50
Eric & Traci Berger	Refund	7/31/2023	316.33
Maidpro	Multiple	7/31/2023	128.00
United Site Services, Inc	INV-01766591	7/31/2023	224.00
Utility Notification Center of Colorado	223060703	7/31/2023	39.99
Comcast	1974476Jul23	8/16/2023	243.11
Badger Meter, Inc.	80133661	8/25/2023	468.14
Bishop Brogden Associates, Inc	Multiple	8/25/2023	4,436.25
CDPHE	FGD20230193	8/25/2023	220.00
CliftonLarsonAllen LLP	Multiple	8/25/2023	18,709.00
Diversified Underground	28102	8/25/2023	275.00
Element Engineering, LLC	Multiple	8/25/2023	4,920.00
Elite Industries, Inc.	22193	8/25/2023	1,075.00
Firstbank Treasury Management	Jun-23	8/25/2023	539.12
Hayes Poznanovic Korver LLC	Multiple	8/25/2023	1,330.00
Maidpro	Multiple	8/25/2023	448.00
Pest Predator	3819	8/25/2023	240.00
Ramey Enviromental Compliance, Inc	Multiple	8/25/2023	17,535.32
Treatment Technology	189766	8/25/2023	859.80
USA Blue Book	Multiple	8/25/2023	871.13
Utility Notification Center of Colorado	223070698	8/25/2023	36.12
White & Jankowski LLP	19076	8/25/2023	704.00
White Bear Ankele Tanaka & Waldron	29124	8/25/2023	3,624.72
		Bill.com	65,153.61
		Total	\$ 67,059.17

GREATROCK NORTH WATER & SANITATION DISTRICT
FINANCIAL STATEMENTS
JULY 31, 2023

GREATROCK NORTH WATER & SANITATION DISTRICT
Statement of Net Position - Enterprise Fund
JULY 31, 2023

	Enterprise
CURRENT ASSETS	
First Bank - Checking	\$ 23,037
First Bank - Lockbox	382,961
Colotrust	3,960,656
Accounts Receivable - Customers	35,496
Accounts Receivable - Certified with County	1,374
Receivable from County Treasurer	16,854
AR - Horse Creek Retreat	2,429
AR - Inclusions	56,050
Total Current Assets	4,478,857
CAPITAL ASSETS	
Water Distribution System	9,625,966
Land	94,243
Water Rights	980,105
Easements	152,989
Construction in Progress	3,897,589
Accumulated Depreciation	(4,054,576)
Net Capital Assets	10,696,316
OTHER ASSETS	
Prepaid Bond Insurance, Net	17,744
Deferred Loss on Refunding	60,038
Other Assets	77,782
TOTAL ASSETS	\$ 15,252,955
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
CURRENT LIABILITIES	
Accounts Payable	\$ 47,442
Due to County Treasurer	2,912
Deposit - Refundable Water Meter	850
Accrued Interest Payable	16,683
Loan Series 2020 - Current Portion	190,000
Total Current Liabilities	257,887
LONG - TERM LIABILITIES	
Loan - Series 2020	1,565,000
GO Bonds - Series 2017	4,375,000
Bond Premium, Net	223,605
Total Long-Term Liabilities	6,163,605
DEFERRED INFLOWS OF RESOURCES	
Unearned Service Fees	4,892
Total Deferred Inflows of Resources	4,892
NET POSITION	
Net Position	8,826,571
Total Net Position	8,826,571
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES	
AND NET POSITION	\$ 15,252,955

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

GREATROCK NORTH WATER & SANITATION DISTRICT
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE SEVEN MONTHS ENDED JULY 31, 2023

ENTERPRISE FUND

	Year to Date Actual
OPERATING REVENUES:	
Service Charges - Greatrock	\$ 79,223
Service Charges - Rocking Horse	57,865
Service Charges - Box Elder	116,626
Service Charges - Hayasmount	11,831
Inspection Fees	5,040
Transfer Fees	2,625
Utility Penalties	1,899
Box Elder - Water Lease Irrigation	7,500
SDF - Country Club Ranchettes	52,560
TOTAL OPERATING REVENUES	335,169
OPERATING EXPENSES:	
Utilities	27,795
Customer Billing	27,960
Distribution System Mntc	12,225
Engineering - Administration	2,820
Engineering - Operations	2,577
Equipment and Tools	360
Facility Maintenance & Repair	18,859
Generator Preventative Mntc	3,168
GIS	1,400
Locates	10,020
Operator Services	68,575
Plant Supplies	8,256
Testing and Reporting	5,996
Water Meters - Cap	150
Water Rights Dev - Eng.	28,511
Water Rights Dev - Legal	13,159
TOTAL OPERATING EXPENSES	231,831
NET INCOME (LOSS)	103,338
OTHER REVENUES AND (EXPENDITURES)	
Property Taxes	1,006,999
Specific Ownership Taxes	39,246
Interest Income	106,489
Other Revenue	600
Available of Service Fees	3,510
Accounting	(27,483)
County Treasurer's Fee	(15,139)
Directors' Fees	(3,300)
District Management	(60,309)
Dues and Membership	(1,238)
Election	(2,516)
Insurance and Bonds	(26,215)
Legal	(27,987)
Miscellaneous	(10,549)
Website	(8,567)

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

GREATROCK NORTH WATER & SANITATION DISTRICT
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE SEVEN MONTHS ENDED JULY 31, 2023

ENTERPRISE FUND

Bond Interest - 2017	(86,122)
Loan Interest - 2020	<u>(11,583)</u>
TOTAL OTHER REVENUES AND (EXPENDITURES)	<u>875,836</u>
 CHANGE IN NET POSITION	 <u>979,174</u>
BEGINNING NET POSITION	<u>7,847,398</u>
ENDING NET POSITION	<u><u>\$ 8,826,572</u></u>

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SUPPLEMENTARY INFORMATION

GREATROCK NORTH WATER & SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE SEVEN MONTHS ENDED JULY 31, 2023

ENTERPRISE FUND

	Annual Budget	Year to Date Actual	Variance	YTD Actual / Annual Budget
REVENUES				
Service Charges - Greatrock	\$ 225,310	\$ 79,223	\$ (146,087)	35.16 %
Service Charges - Rocking Horse	165,803	57,865	(107,938)	34.90 %
Service Charges - Box Elder	262,287	116,626	(145,661)	44.47 %
Service Charges - Hayesmout	35,272	11,831	(23,441)	33.54 %
Inspection Fees	2,000	5,040	3,040	252.00 %
Transfer Fees	3,000	2,625	(375)	87.50 %
Utility Penalties	5,000	1,899	(3,101)	37.98 %
Water Meters	4,000	-	(4,000)	- %
Dev Fees - Hayesmout Estates	25,560	-	(25,560)	- %
Box Elder - Water Lease Irrigation	7,500	7,500	-	100.00 %
SDF - Country Club Ranchettes	-	52,560	52,560	- %
Property Taxes	1,022,556	1,006,999	(15,557)	98.48 %
Specific Ownership Taxes	71,579	39,246	(32,333)	54.83 %
Interest Income	30,000	106,489	76,489	354.96 %
Other Revenue	-	600	600	- %
Available of Service Fees	24,480	3,510	(20,970)	14.34 %
TOTAL REVENUES	1,884,347	1,492,013	(392,334)	79.18 %
EXPENDITURES				
Administrative	299,388	183,302	116,086	61.23 %
Operations	874,609	231,832	642,777	26.51 %
Capital	3,658,054	33,657	3,624,397	0.92 %
Debt Service	386,610	97,705	288,905	25.27 %
TOTAL EXPENDITURES	5,218,661	546,496	4,672,165	10.47 %
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	- %
REVENUES OVER (UNDER) EXPENDITURES - BUDGET BASIS				
	(3,334,314)	945,517	4,279,831	
BEGINNING FUNDS AVAILABLE				
		3,460,559		
ENDING FUNDS AVAILABLE				
		\$ 4,406,076		
ADJUSTMENTS TO RECONCILE BUDGET BASIS TO GAAP BASIS				
Capital Assets, Net		10,696,316		
Debt Obligation, Net		(6,270,932)		
Deferred Inflow of Resources		(4,891)		
ENDING NET POSITION		\$ 8,826,569		

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GREATROCK NORTH WATER & SANITATION DISTRICT
SCHEDULE OF EXPENDITURE DETAIL
FOR THE SEVEN MONTHS ENDED JULY 31, 2023

ENTERPRISE FUND

	Annual Budget	Year to Date Actual	Variance	YTD Actual / Annual Budget
Administrative				
Accounting	\$ 50,000	\$ 27,483	\$ 22,517	54.97 %
Audit	13,000	-	13,000	-
County Treasurer's Fee	15,338	15,139	199	98.70 %
Directors' Fees	6,000	3,300	2,700	55.00 %
District Management	90,000	60,309	29,691	67.01 %
Dues and Membership	1,400	1,238	162	88.43 %
Election	50,000	2,516	47,484	5.03 %
Insurance and Bonds	21,000	26,215	(5,215)	124.83 %
Legal	44,150	27,987	16,163	63.39 %
Miscellaneous	8,000	10,549	(2,549)	131.86 %
Payroll Taxes	500	-	500	-
Website	-	8,567	(8,567)	-
Total Administrative	299,388	183,303	116,085	61.23 %
Operations				
Utilities	75,000	27,795	47,205	37.06 %
Contingency	70,000	-	70,000	-
Customer Billing	36,000	27,960	8,040	77.67 %
Distribution System Mntc	22,900	12,225	10,675	53.38 %
Engineering - Administration	20,100	2,820	17,280	14.03 %
Engineering - Operations	33,000	2,577	30,423	7.81 %
Equipment and Tools	5,000	360	4,640	7.20 %
Facility Maintenance & Repair	53,600	18,859	34,741	35.18 %
Generator Preventative Mntc	15,000	3,168	11,832	21.12 %
GIS	3,000	1,400	1,600	46.67 %
Locates	9,000	10,020	(1,020)	111.33 %
Meter Reading	1,000	-	1,000	-
Operator Services	129,524	68,575	60,949	52.94 %
Plant Supplies	22,000	8,256	13,744	37.53 %
Rules and Regulations	2,000	-	2,000	-
Testing and Reporting	12,400	5,996	6,404	48.35 %
Treatment - Maintenance & Repair	82,085	-	82,085	-
Water Meters - Cap	4,000	150	3,850	3.75 %
Water Rights Dev - Eng.	54,000	28,511	25,489	52.80 %
Water Rights Dev - Legal	135,000	13,159	121,841	9.75 %
Well - Rehab & Repair	90,000	-	90,000	-
Total Operations	874,609	231,831	642,778	26.51 %
Capital				
Concentrate Pond	3,658,054	28,573	3,629,481	0.78 %
Reverse Osmosis Unit Upgrade	-	5,084	(5,084)	-
Total Capital	3,658,054	33,657	3,624,397	0.92 %
Debt Service				
Bond Interest - 2017	172,244	86,122	86,122	50.00 %
Loan Interest - 2020	23,166	11,583	11,583	50.00 %
Loan Principal - 2020	190,000	-	190,000	-
Paying Agent Fees	1,200	-	1,200	-
Total Debt Service	386,610	97,705	288,905	25.27 %
TOTAL	\$ 5,218,661	\$ 546,496	\$ 4,672,165	10.47 %

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

GREATROCK NORTH WATER & SANITATION DISTRICT
Schedule of Cash Position
July 31, 2023
Updated as of August 24, 2023

	<u>Enterprise Fund</u>
<u>Bank - Checking Account (7792)</u>	
Balance as of July 31, 2023	\$ 23,036.57
Subsequent activities:	
01/23 - Deposit	235.03
02/23 - Deposit	475.20
03/23 - Deposit	1,092.14
04/23 - Deposit	607.53
04/23 - Director Fees	(430.60)
07/23 - Deposit	2,308.01
08/23 - Deposit	27,018.55
09/23 - Deposit	200.00
15/23 - Deposit	295.00
15/23 - Deposit	300.00
16/23 - Comcast ACH	(1.31)
17/23 - Xcel Energy ACH	(101.26)
18/23 - Deposit	26,935.00
18/23 - Lockbox Fees	(551.86)
21/23 - Deposit	1,869.92
21/23 - Transfer from Colotrust	25,000.00
22/23 - Deposit	1,013.33
22/23 - Centurylink ACH	(382.87)
23/23 - Deposit	601.55
Anticipated Bill.com Payments	(58,440.27)
<i>Anticipated balance</i>	<u>51,079.66</u>
 <u>Bank - Lockbox Account (3070)</u>	
Balance as of July 31, 2023	382,960.66
Subsequent activities:	
03/23 - Paymentech Fee	(30.00)
24/23 - Deposits to Date	36,708.52
<i>Anticipated balance</i>	<u>419,639.18</u>
 <u>Trust - General (8001)</u>	
Balance as of July 31, 2023	3,960,656.09
Subsequent activities:	
10/23 - Property Tax	18,872.88
21/23 - Transfer to 1st Bank	(25,000.00)
<i>Anticipated balance</i>	<u>3,954,528.97</u>
<i>Grand Total</i>	<u>\$ 4,425,247.81</u>
 <u>Additional information as of 07/31/23</u>	
Bank Lockbox - 1.0000%	
Trust - 5.2860%	

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GREATROCK NORTH WATER AND SANITATION DISTRICT
Property Taxes Reconciliation
2023

	Current Year							Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
							Monthly	Y-T-D		Monthly	Y-T-D
Beg Balance											
January	\$ -	\$ -	\$ 5,611.48	\$ -	\$ -	\$ 5,611.48	0.00%	0.00%	\$ 13,788.83	0.82%	0.82%
February	395,156.90	-	5,613.70	-	(5,927.35)	394,843.25	38.64%	38.64%	56,379.08	4.99%	5.81%
March	83,224.41	-	5,819.26	15.49	(1,248.59)	87,810.57	8.14%	46.78%	412,070.07	40.24%	46.06%
April	88,092.25	20,128.58	(129.49)	0.09	(1,623.31)	106,468.12	10.58%	57.37%	57,333.50	5.67%	51.73%
May	24,012.82	196.00	10,788.52	42.35	(360.84)	34,678.85	2.37%	59.73%	60,849.73	5.48%	57.21%
June	385,561.69	-	5,443.72	45.94	(5,784.10)	385,267.25	37.71%	97.44%	407,442.84	39.80%	97.01%
July	10,623.14	3.29	6,099.02	323.41	(194.52)	16,854.34	1.04%	98.48%	21,786.28	0.79%	97.80%
August	-	-	-	-	-	-	0.00%	98.48%	17,995.76	1.13%	98.93%
September	-	-	-	-	-	-	0.00%	98.48%	9,522.00	0.20%	99.13%
October	-	-	-	-	-	-	0.00%	98.48%	6,640.52	0.02%	99.15%
November	-	-	-	-	-	-	0.00%	98.48%	6,304.56	0.02%	99.17%
December	-	-	-	-	-	-	0.00%	98.48%	6,036.26	0.00%	99.17%
Total	\$ 986,671.21	\$ 20,327.87	\$ 39,246.21	\$ 427.28	\$ (15,138.71)	\$ 1,031,533.86	98.48%	98.48%	\$ 1,076,149.43	99.17%	99.17%

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
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Assessed Valuation	Mill Levy
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Property Tax

General Fund	\$ 663,577.00	64.89%	\$ 653,481.50	98.48%
Debt Service Fund	358,979.00	35.11%	353,517.58	98.48%
Total	\$ 1,022,556.00	100.00%	\$ 1,006,999.08	98.48%

	31.323
	16.945
Total	\$ 21,184,980
	48.268

Specific Ownership Tax

General Fund	\$ 46,450.00	64.89%	\$ 25,468.17	54.83%
Debt Service Fund	25,129.00	35.11%	13,778.04	54.83%
Total	\$ 71,579.00	100.00%	\$ 39,246.21	54.83%

Treasurer's Fees

General Fund	\$ 9,953.00	64.89%	\$ 9,823.68	98.70%
Debt Service Fund	5,385.00	35.11%	5,315.03	98.70%
Total	\$ 15,338.00	100.00%	\$ 15,138.71	98.70%

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Greatrock North Water and Sanitation District
Inclusion Detail Report
 As of July 31, 2023

Type	Date	Num	Name	Memo	Debit	Credit	Balance
401255 - AR - Country Club Ranch #2 Inclusion							
2019 Totals					31,269.51	28,351.10	2,918.41
2020 Totals					36,503.23	32,000.00	4,503.23
2021 Totals					30,810.75	41,939.76	(11,129.01)
2022 Totals					14,131.71	10,000.00	4,131.71
Bill	01/31/2023	0005-09	Element Engineering, LLC	Inclusion Costs	1,200.00	-	1,624.34
Bill	01/31/2023	47490	Hayes Poznanovic	Inclusion Costs	700.00	-	2,324.34
Bill	02/15/2023	51427	Bishop Brogden Associates, Inc	Inclusion Costs	198.75	-	2,523.09
Bill	02/28/2023	47608	Hayes Poznanovic	Inclusion Costs	1,675.00	-	4,198.09
Bill	02/28/2023	3594165	CliftonLarsonAllen LLP	Inclusion Costs	60.00	-	4,258.09
Bill	03/31/2023	3647778	CliftonLarsonAllen LLP	Inclusion Costs	630.00	-	4,888.09
Bill	03/31/2023	3594165	CliftonLarsonAllen LLP	Inclusion Costs	60.00	-	4,948.09
Bill	04/30/2023	0007-03	Element Engineering LLC	Inclusion Costs	75.00	-	5,023.09
Bill	04/30/2023	3724101	CliftonLarsonAllen LLP	Inclusion Costs	1,350.00	-	6,373.09
Bill	04/30/2023	51790	Bishop Brogden Associates, Inc	Inclusion Costs	1,373.00	-	7,746.09
Bill	04/30/2023	47988	Hayes Poznanovic	Inclusion Costs	3,225.00	-	10,971.09
Bill	05/15/2023	52023	Bishop Brogden Associates, Inc	Inclusion Costs	1,656.25	-	12,627.34
Deposit	05/24/2023	1180	Premier Community Development	Depositt	-	10,000.00	2,627.34
Bill	05/31/2023	0007-04	Element Engineering LLC	Inclusion Costs	720.00	-	3,347.34
Bill	5/31/23	28233	White Bear Ankele Tanaka & Waldronn	Inclusion Costs	3,173.40	-	6,520.74
Bill	05/31/2023	48177	Hayes Poznanovic	Inclusion Costs	3,100.00	-	9,620.74
Bill	05/31/2023	3766407	CliftonLarsonAllen LLP	Inclusion Costs	780.00	-	10,400.74
Bill	06/15/2023	52162	Bishop Brogden Associates, Inc	Inclusion Costs	3,776.25	-	14,176.99
Bill	06/30/2023	0005-10	Element Engineering LLC	Inclusion Costs	2,805.00	-	16,981.99
Bill	06/30/2023	0007-05	Element Engineering LLC	Inclusion Costs	1,680.00	-	18,661.99
Bill	06/30/2023	28668	White Bear Ankele Tanaka & Waldronn	Inclusion Costs	5,332.43	-	23,994.42
Bill	06/30/2023	48335	Hayes Poznanovic	Inclusion Costs	2,000.00	-	25,994.42
Bill	06/30/2023	48350	Hayes Poznanovic	Inclusion Costs	175.00	-	26,169.42
Bill	06/30/2023	807915	CliftonLarsonAllen LLP	Inclusion Costs	420.00	-	26,589.42
Bill	07/15/2023	52345	Bishop Brogden Associates, Inc	Inclusion Costs	1,656.25	-	28,245.67
Bill	07/31/2023	0007-09	Element Engineering LLC	Inclusion Costs	1,740.00	-	29,985.67
Bill	07/31/2023	29124	White Bear Ankele Tanaka & Waldronn	Inclusion Costs	2,347.25	-	32,332.92
2023 Totals					41,908.58	10,000.00	31,908.58
Total 401255 - AR - Country Club Ranch #2 Inclusion					154,623.78	122,290.86	32,332.92
401256 - AR - Ridgeview Estates Inclusion							
2019 Totals					3,833.01	3,500.00	333.01
2020 Totals					7,726.69	8,000.00	(273.31)
2021 Totals					7,485.21	6,000.00	1,485.21
2022 Totals					5,775.44	4,000.00	1,775.44
Total 401256 - AR - Ridgeview Estates Inclusion					24,820.35	21,500.00	3,320.35
401258 - AR - Homestead Heights/CC#1 Inclusion							
2019 Totals					2,929.50	-	2,929.50
2020 Totals					5,924.31	5,000.00	924.31
2021 Totals					20,183.98	21,625.00	(1,441.02)
2022 Totals					2,325.00	-	2,325.00
Bill	03/31/2023	51573	Bishop Brogden Associates, Inc	Inclusion Costs	927.50	-	5,665.29
Bill	05/24/2023	1180	Premier Community Developments, LTD.	Deposit	-	10,000.00	(10,000.00)
2023 Totals					927.50	10,000.00	(9,072.50)
Total 401258 - AR - Homestead Heights/CC#1 Inclusion					32,290.29	36,625.00	(4,334.71)
401259 - AR - Epic Estates Inclusion							
2021 Totals					1,969.25	5,000.00	(3,030.75)
2022 Totals					4,818.62	10,000.00	(5,181.38)
Bill	04/30/2023	0006-03	Element Engineering, LLC	Inclusion Costs	75.00	-	(8,137.13)
Bill	04/30/2023	47990	Hayes Poznanovic	Inclusion Costs	375.00	-	(7,762.13)
Bill	04/30/2023	47990	CliftonLarsonAllen LLP	Inclusion Costs	300.00	-	(7,462.13)
Bill	05/15/2023	52024	Bishop Brogden Associates, Inc	Inclusion Costs	1,153.63	-	(6,308.50)
Bill	05/31/2023	0006-04	Element Engineering, LLC	Inclusion Costs	750.00	-	(5,558.50)
Bill	05/31/2023	48178	Hayes Poznanovic	Inclusion Costs	750.00	-	(4,808.50)
Bill	05/31/2023	3766407	CliftonLarsonAllen LLP	Inclusion Costs	540.00	-	(4,268.50)
2023 Totals					3,943.63	-	3,943.63
Total 401259 - AR - Epic Estates Inclusion					10,731.50	15,000.00	(4,268.50)
401261 - AR - Horse Creek Retreat Inclusion							
2022 Totals					2,428.75	3,000.00	(571.25)
Total 401261 - AR - Horse Creek Retreat Inclusion					2,428.75	3,000.00	(571.25)

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**GREATROCK NORTH WATER AND SANITATION DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Greatrock North Water and Sanitation District (District), was organized on May 27, 1998, as a quasi-municipal corporation and a political subdivision of the State of Colorado, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Adams County, Colorado. The District's purpose is to design, financing, acquisition and construction of certain infrastructure improvements necessary to provide public water and stormwater drainage and detention to the property owners and residents of the District.

The District has no employees and all operations and administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. For financial statements reporting under generally accepted accounting principles (GAAP), the District uses the full accrual basis of accounting. Consequently, the terminology of "Funds Available" is used in the budget to distinguish the difference from GAAP accounting for Fund Balance. Funds Available represents each fund's current assets less its current liabilities except for the current portion of long-term debt. In addition, the budget separates individual funds, which are included as one entity in the GAAP presentation.

The budget provides for the annual debt service on the District's general obligation debt as well as the general operation of the District and capital improvements.

Revenues

Property Taxes

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

The calculation of the taxes levied is displayed on the Property Tax Summary Information page of the budget using the adopted mill levy imposed by the District.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected by the General Fund and Debt Service Fund.

Water Service Charges

The District bills its customers monthly for water services. Revenue for water service is comprised of billings to residential customers. Fees are based upon a base fee and water meter readings at established rates.

Availability of Service Fees

The District anticipates collecting approximately \$3,000 in availability of service fees. Availability of service fees are imposed on properties in need of future services.

Water Lease Irrigation

The District anticipates collecting \$7,500 from Box Elder Creek Ranch Water Company for the option to lease a portion of its Laramie-Fox Hills aquifer ground water available for specific uses.

Net Investment Income

Interest earned on the District's available funds has been estimated based on historical interest earnings.

Expenditures

Administrative and Operating Expenditures

Administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, and meeting expense. Operating and maintenance expenditures are estimated expenditures related to the operation, repair and maintenance of the District water plant and systems.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Capital Outlay

The budget anticipates construction activity during 2023, primarily for infrastructure improvements within the development. These expenditures are detailed within the budget.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (continued)

Debt Service

Principal and interest payments in 2023 are provided based on the debt amortization schedule from the \$4,750,000 Series 2017 General Obligation Refunding and Improvement Bonds and the \$1,970,000 Series 2020 Loan Agreement (discussed under Debt and Leases).

Debt and Leases

Series 2017

On December 21, 2017, the District issued \$4,750,000 in Series 2017 General Obligation Refunding and Improvement Bonds, which bears average interest of 2.950%, maturing on December 1, 2044. The Series 2017 Bonds refunded the Series 2007 Bonds and provided \$2,000,000 for capital infrastructure projects.

The bonds are secured by and payable from the levy of ad valorem taxes consisting of monies derived by the District from the following sources, net of any collection costs (1) revenues from an ad valorem mill levy imposed upon all taxable property of the District each year, and (2) the portion of the specific ownership tax which is collected as a result of the imposition of the mill levy. The District is required to levy an ad valorem tax to pay the principal of, and interest on, the bonds without limitation as to rate and in an amount sufficient to pay the bonds when due. The adopted mill levies imposed the District, are displayed on the Property Tax Summary Information page of the budget.

Series 2020

On September 10, 2020, the District issued \$1,970,000 of debt under the Series 2020 Loan Agreement, which bears interest of 1.320%, maturing on December 1, 2030. The Series 2020 Loan refunded the Series 2010 Bonds.

The bonds are secured by and payable from the levy of ad valorem taxes consisting of monies derived by the District from the following sources, net of any collection costs (1) revenues from an ad valorem mill levy imposed upon all taxable property of the District each year, and (2) the portion of the specific ownership tax which is collected as a result of the imposition of the mill levy. The District is required to levy an ad valorem tax to pay the principal of, and interest on, the bonds without limitation as to rate and in an amount sufficient to pay the bonds when due. The adopted mill levies imposed the District, are displayed on the Property Tax Summary Information page of the budget.

The District has no capital or operating leases.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending as defined under TABOR.



Greatrock North Water & Sewer District Monthly Activities Report July 17th, 2023 – August 14th, 2023

Daily Operations Summary

Greatrock North (GRN): Record LFH Well #1, UKA Well #1, and distribution flow totalizers. Visual inspection of generator to record run hours and check for any active faults. Collect and analyze chlorine residual sample each visit. Collect entry point sample to analyze for pH and conductivity weekly. Complete walk through of pump station to inspect distribution pumps, distribution pressure/tank level, and verify operation of PRV.

Rocking Horse Farms (RHF): Record LFH Well #2, UKA Well #3, and distribution flow totalizers. Visual inspection of generator to record run hours and check for any active faults. Collect and analyze chlorine residual sample each visit. Collect entry point sample to analyze for pH and conductivity weekly. Complete walk through of pump station to inspect distribution pumps, distribution pressure/tank level, and verify operation of PRV.

Box Elder (BE): Check SCADA for any active alarms and record process numbers. Record flow totalizers for wells, RO skid, and distribution meters. Visual inspection of generator to record run hours and check for any active faults. Collect and analyze chlorine residual sample each visit. Collect entry point sample to analyze for pH and conductivity weekly. Complete walk through of pump station to inspect distribution pumps, distribution pressure/tank level, and verify operation of PRV. Complete walk through of RO building to verify proper operation and record equipment run hours. Check chemical feed systems for proper operation and refill day tanks, as necessary.

07/17/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility. Daily rounds, operations, and data recordings for BE, RHF, and GRN. Reset ALV-Well 1 communication to SCADA.

07/18/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility.

07/19/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility. Working on monthly work orders.

07/20/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility.

07/21/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility. Checked for a water meter leak at 16170 Rayburn St. Placed an order for Chlorine from Treatment Tech.

07/23/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility.

07/24/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility.

07/25/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility.

07/26/23(4.0hr) Routine site visit. Regular rounds and checks of each facility. ESD onsite replacing VFD for ALV-Well 2. ESD also replaced step-down transformer in the PLC to restore power to the PLC.

07/27/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility. Since Alv well 2 VFD is replaced, PLC has power, and it operated the whole day switched to RO scenario 1

07/28/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility. Started augmentation from LFH 1-3 and UKA-2.

07/31/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility. Finished monthly work orders.

08/01/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility. Collected monthly compliance samples and process control samples then dropped them off at the lab.

08/02/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility.

08/03/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility. Collected TTHM's and HAA5's samples and dropped them off at the lab.

08/04/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility. Installed meters at 30000 E 161 E 162nd and 30015 E 161st then sent over meter information to CLA to add them to their system.

08/07/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility. Working on and cleaning chlorine injection system. Working with ESD on RHF pump station issues.

08/08/2023 (4.0hr) Routine site visit. Regular rounds and checks of each facility. Started manual meter reads.

08/09/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility. Continued manual meter readings. Ordered chlorine from Treatment Tech to fill up the day tank.

08/10/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility. Finished manual meter reads and sent them to CLA Connect billing for processing.

08/11/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility.

08/14/23 (4.0hr) Routine site visit. Regular rounds and checks of each facility. Replaced prefilters for RO A and B.

July 17th – August 14th, 2023

RO Run Time	58 hours
RO Concentrate Flow: 1 Pond (South)	223,740 gallons

Date	Permeate Flow (gpm)	Concentrate Flow (gpm)	% Recovery	Permeate Conductivity (µSeimens)	Hour Meter
07/27/23	201	53	79	11.5	761.6
07/28/23	202	50	80	13	763.9
08/02/23	199	52	79	11.6	776.4
08/03/23	201	52	79	11.3	778.7
08/04/23	200	52	80	11.3	780.8
08/07/23	200	50	80	14.6	788.4
08/08/23	203	54	78	10.7	790.6
08/09/23	202	52	79	12.7	792.8
08/10/23	196	54	78	11	795.3
08/14/23	202	52	80	12.7	805.3

Installed From: 07/12/23 To: 08/12/23

Current Account	Name	Location	Service Address	SVC	Svc Size	Svc Type	User Type	Flat Chg Amount	Last Bill Amount	Last Bill Date	Install Date	Line Code	Meter Status
660503	JOSE SILVA	660241	29151 E 165th Ave	GB	0	FLAT	RESI	1.00			08/01/23		
660503	JOSE SILVA	660241	29151 E 165th Ave	GW	75	METER	RESI	0.00			08/01/23		On
660644	KARINA & JORGE LOYA	660535	30000 E 162nd Ave	GB	0	FLAT	RESI	1.00			08/04/23		
660644	KARINA & JORGE LOYA	660535	30000 E 162nd Ave	GW	75	METER	RESI	0.00			08/04/23		On
660651	RAMON ZAMBRANO	660547	30015 E 161st Ave	GB	0	FLAT	RESI	1.00			08/04/23		
660651	RAMON ZAMBRANO	660547	30015 E 161st Ave	GW	75	METER	RESI	0.00			08/04/23		On

GB Services Count: 3
 GW Services Count: 3
 Total Count: 6

**GREATROCK NORTH WATER AND
SANITATION DISTRICT
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2022 AND 2021

**GREATROCK NORTH WATER AND SANITATION DISTRICT
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INSERT INDEPENDENT AUDITOR'S REPORT

(1)

**GREATROCK NORTH WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022 AND 2021**

The management of Greatrock North Water and Sanitation District (the District) offers the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2022 and 2021.

Financial Highlights

- Net position increased \$1,018,744 in 2022 (15.0%).
- Operating loss increased from \$(277,811) in 2021 to \$(336,422) for 2022, due to an increase in water operating expenses in 2022.
- Operating revenue increased \$43,162 (7.7%) from the prior year. This net increase is mainly due to an increase in system development fees.
- Total operating expenses, exclusive of depreciation, increased \$110,771 (19.3%) from 2021 to 2022.
- Funds available (current assets, less deferred inflow of resources, less current liabilities exclusive of the current portion of long-term obligations and unspent loan proceeds) decreased from \$4,962,523 to \$3,439,059 at December 31, 2022, a decrease of \$1,523,464 or 30.7%.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of financial statements and notes to financial statements. This report also contains other supplemental information and continuing disclosure annual financial information in addition to the basic financial statements themselves.

The financial statements of the District are presented as a special purpose government engaged only in business-type activities - providing water utility services.

The statements of net position present information on all of the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statements of revenues, expenses, and changes in net position present information that reflects how the District's net position changed during the past year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenue and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

The statements of cash flows report the District's cash flows from operating, noncapital financing, capital, and investing activities.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022 AND 2021**

Overview of the Financial Statements (Continued)

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The supplementary information contained in this report provides a schedule of expenses, budget and actual information, debt service requirements and assessed valuation, mill levy, and property tax information.

	December 31,		
	2022	2021	2020
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current Assets	\$ 4,732,926	\$ 6,359,566	\$ 5,753,405
Capital Assets, Net	10,662,659	8,317,830	8,019,666
Other Assets, Net	17,745	18,551	19,357
Deferred Outflows of Resources	60,038	66,166	72,294
Total Assets and Deferred Outflows of Resources	15,473,368	14,762,113	13,864,722
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current Liabilities	267,130	366,784	83,582
Long-Term Obligations	6,353,604	6,557,917	6,757,468
Deferred Inflows of Resources	1,026,737	1,030,259	959,681
Total Liabilities and Deferred Inflows of Resources	7,647,471	7,954,960	7,800,731
NET POSITION			
Net Investment in Capital Assets	4,386,838	2,426,641	2,501,308
Restricted	27,191	55,451	99,224
Unrestricted	3,411,868	4,325,061	3,463,459
Total Net Position	<u>\$ 7,825,897</u>	<u>\$ 6,807,153</u>	<u>\$ 6,063,991</u>

Current assets decreased by \$1,626,640 or 25.6% from 2021 to 2022. Mainly due to the purchase/construction of capital assets. Additionally, there was only a slight decrease in property taxes receivable due to a minor decrease in the District assessed valuation for taxes levied for 2023 collection.

Current assets increased by \$606,161 or 10.5% from 2020 to 2021. Mainly due to a positive change in net position. Additionally, property taxes receivable increased by \$67,349 due to a 7.0% increase in the District assessed valuation for taxes levied for 2022 collection.

Total liabilities and deferred inflows of resources decreased \$307,489 from 2021 to 2022, primarily due to \$190,000 of principal payments made on the outstanding bonds along with a \$99,654 decrease in current liabilities. Total liabilities increased \$83,651 from 2020 to 2021, primarily due to \$185,000 of principal payments made on the outstanding bonds offset by a \$283,202 increase in current liabilities.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022 AND 2021**

Overview of the Financial Statements (Continued)

	December 31,		
	2022	2021	2020
REVENUES			
Operating Revenue:			
Charges for Services	\$ 580,069	\$ 546,366	\$ 568,125
Available for Service Fee	3,050	3,370	4,175
Irrigation Lease	7,500	7,500	7,500
Inspection Fees	630	515	2,532
Miscellaneous	14,893	5,229	15,225
Total Operating Revenues	<u>606,142</u>	<u>562,980</u>	<u>597,557</u>
NONOPERATING REVENUES			
Tax Revenue	1,090,813	1,032,222	997,850
Investment Income	53,290	3,048	33,966
CONTRIBUTIONS			
System Development Fees	416,100	197,100	63,900
Total Revenues	<u>2,166,345</u>	<u>1,795,350</u>	<u>1,693,273</u>
EXPENSES			
Operating Expenses:			
Water and Sewer Operations	489,652	360,711	401,560
Depreciation	255,286	267,284	267,145
General and Administrative	194,626	212,796	253,988
Total Operating Expenses	<u>939,564</u>	<u>840,791</u>	<u>922,693</u>
NONOPERATING EXPENSES			
Interest and Debt Related Charges	208,037	211,397	391,820
Total Expenses	<u>1,147,601</u>	<u>1,052,188</u>	<u>1,314,513</u>
CHANGES IN NET POSITION	1,018,744	743,162	378,760
Net Position - Beginning of Year	<u>6,807,153</u>	<u>6,063,991</u>	<u>5,685,231</u>
NET POSITION - END OF YEAR	<u>\$ 7,825,897</u>	<u>\$ 6,807,153</u>	<u>\$ 6,063,991</u>

The District's net position increased from 2021 to 2022 by \$1,018,744. Charges for services increased 6.2%, from 2021 to 2022. The District also collected \$219,000 more in system development fees in 2022 compared to 2021 as development in the Ridgeview Estates and County Club Ranchettes areas progresses. The District had increased interest earnings due to the increase in interest rates. Water and Sewer Operations expenses increased \$128,941 (35.7%) from 2021 to 2022 due primarily to increased maintenance costs and higher operator services costs.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022 AND 2021**

Overview of the Financial Statements (Continued)

The District's net position increased from 2020 to 2021 by \$732,142. Charges for services decreased 3.8%, from 2020 to 2021. The District also collected \$133,200 more in system development fees in 2021 compared to 2020 as development in the Ridgeview Estates and County Club Ranchettes areas progresses. The District had decreased interest earnings due to the decline in interest rates. Water and Sewer Operations expenses decreased \$40,849 (10.2%) from 2020 to 2021.

Budgetary Highlights

The budget was not amended in 2022. Total expenditures for 2022 were under budget \$2,546,121.

Capital Assets

The activity related to capital assets during 2022, 2021, and 2020 is as follows:

	December 31, 2020	Net Changes	December 31, 2021	Net Changes	December 31, 2022
Land	\$ 94,243	\$ -	\$ 94,243	\$ -	\$ 94,243
Water Rights	980,105	-	980,105	-	980,105
Easements	152,989	-	152,989	-	152,989
Construction in Progress	699,755	564,062	1,263,817	(691,253)	572,564
Water Distribution System	9,624,580	1,386	9,625,966	3,291,368	12,917,334
Total Assets	<u>11,551,672</u>	<u>565,448</u>	<u>12,117,120</u>	<u>2,600,115</u>	<u>14,717,235</u>
Accumulated Depreciation	<u>(3,532,006)</u>	<u>(267,284)</u>	<u>(3,799,290)</u>	<u>(255,286)</u>	<u>(4,054,576)</u>
Net Capital Assets	<u>\$ 8,019,666</u>	<u>\$ 298,164</u>	<u>\$ 8,317,830</u>	<u>\$ 2,344,829</u>	<u>\$10,662,659</u>

The District's capital assets at December 31, 2022, 2021, and 2020, amounted to \$10.66 million, \$8.32 million, and \$8.02 million (net of accumulated depreciation), respectively. This investment in capital assets includes water distribution infrastructure, water rights, easements, land, and on-going capital projects.

In 2022, the District additions were for meter upgrades and related construction related to the new concentrate ponds and reverse osmosis plant upgrades. In 2021, the District additions were for meter upgrades, pump replacement and related construction related to the new concentrate ponds and reverse osmosis plant upgrades.

Additional information regarding the District's capital assets can be found in Note 4.

Debt Administration

In 2020, the District refunded the Series 2010 bonds with the issuance of the Series 2020 loan. All scheduled debt service payments were made timely during 2022, 2021, and 2020.

Additional detail on the District's debt is in Note 5 of this report.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022 AND 2021**

Economic and Other Factors

For 2023, the District's property tax revenue is expected to decrease by .19% due to lower assessed valuation. The total mills levied for the District's 2023 tax collections is 48.268, an increase of 1.268 from 2022.

Total budgeted revenues for 2023 are \$1,884,347. Total appropriated expenditures for 2023 are \$5,218,661.

Request for Information

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Greatrock North Water and Sanitation District
8390 East Crescent Parkway, Suite 300
Greenwood Village, Colorado 80111

BASIC FINANCIAL STATEMENTS

**GREATROCK NORTH WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2022 AND 2021**

	2022	2021
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,588,295	\$ 4,558,476
Cash and Cash Equivalents - Restricted	27,191	637,462
Accounts Receivable	94,334	119,924
Property Taxes Receivable	1,022,556	1,024,523
Prepaid Expenses	550	19,181
Total Current Assets	4,732,926	6,359,566
CAPITAL ASSETS		
Capital Assets, Not Being Depreciated	1,799,901	2,491,154
Capital Assets, Being Depreciated	12,917,334	9,625,966
Subtotal	14,717,235	12,117,120
Less: Accumulated Depreciation	(4,054,576)	(3,799,290)
Total Capital Assets	10,662,659	8,317,830
OTHER ASSETS		
Prepaid Bond Insurance, Net	17,745	18,551
Total Other Assets	17,745	18,551
DEFERRED OUTFLOWS OF RESOURCES		
Loss on Debt Refunding, Net	60,038	66,166
Total Deferred Outflows of Resources	60,038	66,166
Total Assets and Deferred Outflows of Resources	\$ 15,473,368	\$ 14,762,113

See accompanying Notes to Basic Financial Statements.

(1)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2022 AND 2021**

	2022	2021
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 249,996	\$ 349,251
Interest Payable	16,284	16,683
Deposits	850	850
Total Current Liabilities	267,130	366,784
NONCURRENT LIABILITIES		
Bonds Payable:		
Due Within One Year	190,000	190,000
Due in More Than One Year	6,163,604	6,367,917
Total Noncurrent Liabilities	6,353,604	6,557,917
DEFERRED INFLOWS OF RESOURCES		
Property Tax Revenue	1,022,556	1,024,523
Unearned Service Fees	4,181	5,736
Total Deferred Inflows of Resources	1,026,737	1,030,259
NET POSITION		
Net Investment in Capital Assets	4,386,838	2,426,641
Restricted for Emergencies	21,300	20,300
Restricted for Debt Service	5,891	35,151
Unrestricted	3,411,868	4,325,061
Total Net Position	7,825,897	6,807,153
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 15,473,368	\$ 14,762,113

See accompanying Notes to Basic Financial Statements.

(2)

GREATROCK NORTH WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
OPERATING REVENUE		
Service Charges - Greatrock	\$ 187,205	\$ 179,501
Service Charges - Rockinghorse Farms	141,990	134,944
Service Charges - Box Elder	197,529	194,865
Service Charges - Hayesmount	29,345	32,056
Available for Service Fees	3,050	3,370
Inspection Fees	630	515
Transfer Fees	2,625	1,922
Inclusions	24,000	5,000
Horse Creek Retreat	3,000	-
Late Fees and Penalties	6,661	3,307
Irrigation Lease Revenue	7,500	7,500
Miscellaneous	2,607	-
Total Operating Revenue	606,142	562,980
OPERATING EXPENSES		
General and Administrative:		
Accounting	38,220	50,230
Audit	12,069	5,856
Director's Fees	5,400	6,100
District Management	79,822	87,148
Dues and Membership	916	1,228
Elections	4,914	630
Insurance	19,181	17,837
Legal	25,404	36,055
Miscellaneous	8,287	7,391
Payroll Taxes	413	321
Operations:		
Depreciation	255,286	267,284
Customer Billing	42,206	42,164
Engineering	38,418	42,573
GIS	2,415	4,245
Maintenance and Repairs	101,934	69,182
Meter Reading	165	6,510
Operator Services	112,868	74,688
Plant Supplies	30,138	8,446
Testing and Reporting	9,981	10,115
Utilities	73,456	65,190
Water Rights Development	78,071	37,598
Total Operating Expenses	939,564	840,791
OPERATING LOSS	(333,422)	(277,811)

See accompanying Notes to Basic Financial Statements.

(3)

GREATROCK NORTH WATER AND SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
NONOPERATING REVENUES		
Property Taxes	\$ 1,016,004	\$ 954,818
Specific Ownership Taxes	74,809	77,404
Net Investment Income	53,290	3,048
Total Nonoperating Revenues	1,144,103	1,035,270
NONOPERATING EXPENSES		
Bond Interest Expense	191,584	195,854
County Treasurer's Fees	15,247	14,337
Paying Agent Fees	400	400
Bond Insurance Cost Amortization	806	806
Total Nonoperating Expenses	208,037	211,397
INCOME BEFORE CAPITAL CONTRIBUTIONS	602,644	546,062
CAPITAL CONTRIBUTIONS		
SDF - Ridgeview Estates	219,000	65,700
SDF - Country Club Ranchettes	197,100	131,400
Total Capital Contributions	416,100	197,100
CHANGE IN NET POSITION	1,018,744	743,162
Net Position - Beginning of Year	6,807,153	6,063,991
NET POSITION - END OF YEAR	\$ 7,825,897	\$ 6,807,153

See accompanying Notes to Basic Financial Statements.

(4)

**GREATROCK NORTH WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 630,995	\$ 586,818
Payments to Suppliers	(899,703)	(305,774)
Net Cash Provided (Used) by Operating Activities	(268,708)	281,044
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property Tax Collections for Operations	1,016,004	954,818
Specific Ownership Taxes	76,420	97,126
County Treasurer's Fees	(15,247)	(14,337)
Net Cash Provided by Noncapital Financing Activities	1,077,177	1,037,607
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Asset Purchases	(2,487,116)	(553,866)
System Development Fees	438,000	153,300
Interest on Debt	(202,695)	(204,646)
Debt Principal Reduction	(190,000)	(185,000)
Paying Agent Fees and Other Debt Expenses	(400)	(400)
Net Cash Used by Capital and Related Financing Activities	(2,442,211)	(790,612)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	53,290	3,048
Net Cash Provided by Investing Activities	53,290	3,048
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,580,452)	531,087
Cash and Cash Equivalents - Beginning of Year	5,195,938	4,664,851
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,615,486	\$ 5,195,938

See accompanying Notes to Basic Financial Statements.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Loss	\$ (333,422)	\$ (277,811)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation	255,286	267,284
(Increase) Decrease in:		
Accounts Receivable	26,408	20,609
Prepaid Expenses	18,731	(1,344)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	(234,156)	269,077
Unearned Service Fees	(1,555)	3,229
Net Cash Provided (Used) by Operating Activities	\$ (268,708)	\$ 281,044

See accompanying Notes to Basic Financial Statements.

(6)

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 DEFINITION OF REPORTING ENTITY

Greatrock North Water and Sanitation District (the District), was organized on May 27, 1998, as a quasi-municipal corporation and political subdivision of the state of Colorado and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Adams County, Colorado. The District's purpose is to provide public water services and stormwater drainage and detention to the property owners and residents of the District. The District is governed by an elected Board of Directors.

The District has no employees, and all operations and administration functions are contracted.

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

The 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 as applicable to governmental units accounted for as a proprietary enterprise fund. The enterprise fund is used since the District's powers are related to those operated in a manner similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability.

Basis of Accounting

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets. Redemptions of bonds and loans are recorded as a reduction in liabilities. Tap fees and contributed assets from developers are recorded as capital contributions when received or collectible.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Expenses

The District distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. Operating expenses for enterprise funds include the cost of sales and services, 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 Local Government Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation, including the Enterprise, is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements.

For financial statement presentation purposes, the District is reported as a single enterprise fund. For 2022 budgetary purposes, the District separately budgeted for specific components of this enterprise fund. These separate budgetary components of the District are the general fund, debt service fund and capital projects fund. For budgetary reporting purposes these components are combined into a single budgetary schedule.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

Accounts Receivable

Accounts receivable consists of uncollected water service revenue. Due to the District's broad powers of collection, no allowance for uncollectible water service revenue receivables has been reported.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Equivalents

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

Capital Assets

Capital assets, which include land, water rights, buildings, distribution and collection systems, and machinery and equipment are reported by the District. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation or at the developers' cost.

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.

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

Water Distribution System	20 to 40 Years
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Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

System Development Fees (SDF) and Contributed Lines

System Development Fees are recorded as capital contributions when received. Lines contributed to the District by developers are recorded as capital contributions and additions to the systems at acquisition value plus ancillary charges, if any.

Bond Issue Costs, Original Issue Discount, and Deferred Loss on Bond Refunding

Bond issuance costs are treated as a period cost and expensed in the year incurred. The deferred loss on bond refunding and bond insurance obtained at issuance of the bonds are being amortized over the life of the refunded bonds using the straight-line method. The original issue discount and premium are being amortized over the life of the bonds using the effective interest method.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflow/Inflow of Resources

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *cost of debt refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Reclassifications

For comparability, certain 2021 amounts have been reclassified where appropriate to conform with the 2022 financial statement presentation.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022 and 2021, are classified in the accompanying financial statements as follows:

	2022	2021
Statement of Net Position:		
Cash and Cash Equivalents	\$ 3,588,295	\$ 4,558,476
Cash and Cash Equivalents - Restricted	27,191	637,462
Total Cash and Investments	\$ 3,615,486	\$ 5,195,938

Cash and investments as of December 31, 2022 and 2021, consist of the following:

	2022	2021
Deposits with Financial Institutions	\$ 175,135	\$ 1,003,688
Investments	3,440,351	4,192,250
Total Cash and Investments	\$ 3,615,486	\$ 5,195,938

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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. 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 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.

At December 31, 2022 and 2021, the District's cash deposits had a bank balance of \$173,541 and \$1,002,180, respectively; and a carrying balance of \$175,135 and \$1,003,688, respectively.

Investments

The District generally limits its concentration of investments to those noted with an asterisk (*) below, 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 or investment custodial risk disclosure requirements 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 which include:

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

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2022 and 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>2022</u>	<u>2021</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST PLUS+)	Weighted-Average Under 60 Days	<u>\$ 3,440,351</u>	<u>\$ 4,192,250</u>

COLOTRUST

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

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

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

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

Restricted Cash and Investments

As of December 31, 2022 and 2021, cash and cash equivalents in the amount of \$5,891 and \$617,162, respectively, are restricted for debt service related to the Series 2017 Improvement Bonds and the Series 2020 General Obligation Refunding Loan. Additionally, cash and cash equivalents as of December 31, 2022 and 2021, in the amounts of \$21,300 and \$20,300, respectively, are restricted for emergencies.

GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2022, follows:

	Balance at December 31, 2021	Increases	Decreases	Balance at December 31, 2022
Capital Assets, Not Being Depreciated:				
Land	\$ 94,243	\$ -	\$ -	\$ 94,243
Water Rights	980,105	-	-	980,105
Easements	152,989	-	-	152,989
Construction in Progress	1,263,817	2,600,115	3,291,368	572,564
Total Capital Assets, Not Being Depreciated	2,491,154	2,600,115	3,291,368	1,799,901
Capital Assets, Being Depreciated:				
Water Distribution System	9,625,966	3,291,368	-	12,917,334
Total Capital Assets, Being Depreciated	9,625,966	3,291,368	-	12,917,334
Less: Accumulated Depreciation for:				
Water Distribution System	3,799,290	255,286	-	4,054,576
Total Accumulated Depreciation	3,799,290	255,286	-	4,054,576
Total Capital Assets, Being Depreciated, Net	5,826,676	3,036,082	-	8,862,758
Capital Assets, Net	<u>\$ 8,317,830</u>	<u>\$ 5,636,197</u>	<u>\$ 3,291,368</u>	<u>\$ 10,662,659</u>

GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 4 CAPITAL ASSETS (CONTINUED)

An analysis of the changes in capital assets for the year ended December 31, 2021, follows:

	Balance at December 31, 2020	Increases	Decreases	Balance at December 31, 2021
Capital Assets, Not Being Depreciated:				
Land	\$ 94,243	\$ -	\$ -	\$ 94,243
Water Rights	980,105	-	-	980,105
Easements	152,989	-	-	152,989
Construction in Progress	699,755	564,062	-	1,263,817
Total Capital Assets, Not Being Depreciated	1,927,092	564,062	-	2,491,154
Capital Assets, Being Depreciated:				
Water Distribution System	9,624,580	1,386	-	9,625,966
Total Capital Assets, Being Depreciated	9,624,580	1,386	-	9,625,966
Less: Accumulated Depreciation for:				
Water Distribution System	3,532,006	267,284	-	3,799,290
Total Accumulated Depreciation	3,532,006	267,284	-	3,799,290
Total Capital Assets, Being Depreciated, Net	6,092,574	(265,898)	-	5,826,676
Capital Assets, Net	<u>\$ 8,019,666</u>	<u>\$ 298,164</u>	<u>\$ -</u>	<u>\$ 8,317,830</u>

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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, 2022:

	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022	Amounts Due Within One Year
Bonds Payable:					
2017 GO Refunding and Improvement Bonds	\$ 4,460,000	\$ -	\$ 85,000	\$ 4,375,000	\$ -
Bond Premium	237,917	-	14,313	223,604	-
Subtotal Bonds Payable	<u>4,697,917</u>	<u>-</u>	<u>99,313</u>	<u>4,598,604</u>	<u>-</u>
Debt from Direct Borrowings and Direct Placements:					
2020 GO Refunding Loan	1,860,000	-	105,000	1,755,000	190,000
Subtotal Direct Debts	<u>1,860,000</u>	<u>-</u>	<u>105,000</u>	<u>1,755,000</u>	<u>190,000</u>
Total Long-Term Obligations	<u>\$ 6,557,917</u>	<u>\$ -</u>	<u>\$ 204,313</u>	<u>\$ 6,353,604</u>	<u>\$ 190,000</u>

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2021:

	Balance December 31, 2020	Additions	Reductions	Balance December 31, 2021	Amounts Due Within One Year
Bonds Payable:					
2017 GO Refunding and Improvement Bonds	\$ 4,535,000	\$ -	\$ 75,000	\$ 4,460,000	\$ 85,000
Bond Premium	252,468	-	14,551	237,917	-
Subtotal Bonds Payable	<u>4,787,468</u>	<u>-</u>	<u>89,551</u>	<u>4,697,917</u>	<u>85,000</u>
Debt from Direct Borrowings and Direct Placements:					
2020 GO Refunding Loan	1,970,000	-	110,000	1,860,000	105,000
Subtotal Direct Debts	<u>1,970,000</u>	<u>-</u>	<u>110,000</u>	<u>1,860,000</u>	<u>105,000</u>
Total Long-Term Obligations	<u>\$ 6,757,468</u>	<u>\$ -</u>	<u>\$ 199,551</u>	<u>\$ 6,557,917</u>	<u>\$ 190,000</u>

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The detail of the District's bonds payable is as follows:

General Obligation Refunding and Improvement Bonds, Series 2017

On November 7, 2017, the District authorized the issuance of General Obligation Refunding Bonds dated December 1, 2017. The bonds refunded the General Obligation Refunding and Improvement Bonds Series 2007 and provided additional funding to construct and install certain improvements to the District's water system. The bonds bear interest at rates between 2.00% and 5.00%, payable semi-annually on each June 1 and December 1, commencing on June 1, 2018. The bonds maturing on and before December 1, 2022 are not subject to redemption prior to their respective maturity dates. The bonds maturing December 1, 2032 are subject to mandatory sinking fund redemption commencing on December 1, 2031 and each December thereafter. The Bonds maturing on and after December 1, 2032 are subject to redemption prior to maturity as a whole or in integral multiples of \$5,000, at the option of the District, on December 1, 2026, and any date thereafter, upon payment of par and accrued interest, without redemption premium.

General Obligation Refunding Loan, Series 2020

On September 1, 2020, the District authorized the issuance General Obligation Refunding Loan dated September 10, 2020. The loan refunded the General Obligation Refunding and Improvement Bonds Series 2010. The loan bears an interest rate of 1.32% payable semi-annually on June 1 and December 1, commencing on December 1, 2020 with the principal payment commencing on December 1, 2021. The loan matures on December 1, 2030. The loan may not be prepaid, in whole or in part, on any date, without the prior written permission of the Bank.

The District reduced its aggregate debt service payments by \$295,954 over the next 10 years and obtained an economic gain (difference between the present values of the old and new debt payments) of \$278,547.

The occurrence or existence of any one or more of the following events shall be an Event of Default:

- (a) The District fails to pay the principal and interest on the Loan when due;
- (b) The District fails or refuses to impose the Required Mill Levy;
- (c) The District materially fails in the performance or observation of any of the covenants, agreements, or conditions on the part of the District and fails to remedy the same within 30 days after notice; or
- (d) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Loan.

Acceleration shall not be an available remedy for the occurrence or continuation of an Event of Default unless the Bank has directed such acceleration.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The District's long-term obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 190,000	\$ 195,410	\$ 385,410
2024	210,000	192,902	402,902
2025	215,000	190,130	405,130
2026	215,000	187,292	402,292
2027	230,000	184,454	414,454
2027-2032	1,185,000	870,166	2,055,166
2033-2037	1,400,000	655,218	2,055,218
2038-2042	1,710,000	338,168	2,048,168
2043-2044	775,000	39,319	814,319
Total Payments	<u>\$ 6,130,000</u>	<u>\$ 2,853,059</u>	<u>\$ 8,983,059</u>

Authorized Debt

At December 31, 2022 and 2021, the District had no authorized but unissued debt.

NOTE 6 INCLUSION AGREEMENTS

Homestead Heights, LLC

On November 21, 2006, the District entered into an inclusion agreement with Homestead Heights, LLC (Homestead) associated with property known as Homestead Heights, II. The agreement calls for Homestead to pay a system development fee in the amount of \$16,000 for the first 15 units and the remaining system development fees will be due prior to the issuance of building permits. The agreement for inclusion is for approximately 56 residential lots. Homestead also agreed to post fees deposits in increments of \$10,000 as requested by the District to satisfy all District incurred costs from the start of the inclusion process to the completion of a final conveyance and acceptance agreement. Upon completion of the inclusion process, any remaining funds on deposit with the District shall be refunded to Homestead.

On January 24, 2008, the District amended the inclusion fee incremental refundable deposits to \$5,000 from \$10,000. On December 5, 2007, the District filed a statement of lien on the property owned by Homestead Heights, LLC in the amount of \$240,000 for the 15 system development fees that were to be prepaid by Homestead within 30 days of the execution of the agreement. On August 20, 2008, the District and Homestead entered into the first amendment to the inclusion agreement. In the amended agreement, the District agreed to remove the \$240,000 lien placed on the property. Additionally, the payment terms for the system development fees were modified such that Homestead is to remit the system development fees, at the District's then current system development fee rate, within certain periods following the issuance of building permits by the county. During 2022 and 2021 the District received \$-0- system development fees related to this inclusion agreement.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6 INCLUSION AGREEMENTS (CONTINUED)

Hayesmount Properties, LLC

On August 23, 2007, the District entered into an inclusion agreement with Hayesmount Properties, LLC (Hayesmount) associated with property known as Hayesmount Estates. Under the agreement, Hayesmount must pay system development fees for the first five units either within 120 days of recordation of a final plat for the Hayesmount Estates development or prior to the start of construction, whichever occurs first. The system development fees on all remaining lots shall be due and owing prior to the issuance of building permits by the County. The agreement for inclusion is for approximately 21 single-family detached lots. Hayesmount also agreed to post fees deposits in increments of \$10,000 as requested by the District to satisfy all District incurred costs from the start of the inclusion process to the completion of a final conveyance and acceptance agreement. Upon completion of the inclusion process, any remaining funds on deposit with the District shall be refunded to the Hayesmount. On January 24, 2008, the District amended the inclusion fee incremental refundable deposits to \$5,000 from \$10,000. During 2022 and 2021 the District received \$-0- and \$-0-, respectively, in system development fees related to this inclusion agreement.

Ridgeview Estates LLC

On July 24, 2008, the District entered into an inclusion agreement with Ridgeview Estates LLC (Ridgeview) associated with property known as the Ridgeview Estates Subdivision. Under the agreement, Ridgeview must provide adjudicated water rights associated with the 62.3-acre Ridgeview Estates Subdivision to the District through a Special Warranty Deed. Upon inclusion into the District, the District will provide water for 21 approximately 2.5 acre lots in the Ridgeview Estates Subdivision. Ridgeview is responsible for the construction of a single 8-inch looped water line (Water Improvements) in accordance with District specifications. Upon completion of the Water Improvements, Ridgeview shall convey the Water Improvements to the District. System development fees are to be collected on an equivalent residential unit basis on the properties within the Ridgeview Estates Subdivision. Ridgeview also agreed to post a fees deposit in increments of \$5,000 as requested by the District to satisfy all District incurred costs from the start of the inclusion process to the completion of a final conveyance and acceptance agreement. Upon completion of the inclusion process, any remaining funds on deposit with the District shall be refunded to the Ridgeview. During 2022 and 2021 the District received \$219,000 and \$65,700, respectively, in system development fees related to this inclusion agreement.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 7 WATER LEASE OPTION AGREEMENT

On January 23, 2007, the District entered into a water lease option agreement with Box Elder Creek Ranch Water Company (Box Elder). The agreement grants Box Elder an option to lease a portion of its Laramie-Fox Hills aquifer ground water available for specific uses. Each year this agreement is in effect, Box Elder shall pay to the District a reservation/lease fee of \$7,500 per year, regardless of use, on or before January 10. The reservation/lease fee shall increase by the Denver-Boulder Consumer Price Index plus 1% compounded, annually. Box Elder shall also reimburse the District for a proportional amount of the energy and administrative costs incurred by the District to pump the Laramie Water to the Box Elder stream bed for Box Elder's benefit. The District waived the CPI adjustments and collected lease revenue of \$7,500 in 2022 and \$7,500 in 2021 under this agreement.

On November 4, 2010, the agreement was amended to provide for the delivery of Laramie Water to Box Elder on a rolling three-year schedule and provisions related to the District's SCADA system. Box Elder may install and connect to the District's SCADA System in the future at its option. If Box Elder chooses this option, it shall be responsible for any hard and soft costs associated with the installation of the system at its pond and recharge pond.

Effective July 8, 2016, the District and Box Elder entered into an Amended and Restated Water Lease Option Agreement (Restated Agreement) which amended and restated the original agreement in its entirety. The District is entitled to withdraw an average annual amount of up to 105.2 acre-fee per year of Laramie-Fox Hills aquifer ground water. Pursuant to the Restated Agreement, the District granted to Box Elder an option to lease from the District up to 65 acre-fee of Laramie Water per year for augmentation purposes, as more particularly described in the Restated Agreement, subject to availability as determined solely by the District.

On an annual basis, Box Elder shall notify the District of the total amount of its anticipated need for the Reserved Laramie Water over a three-year period and the District will notify Box Elder if the amount of Reserved Laramie Water available for lease. If Box Elder chooses not to exercise its option to lease the Reserved Laramie Water, in whole or in part, then the District may lease such Reserved Laramie Water not otherwise leased to Box Elder to a third party. Any lease entered into by the District with a third party shall expire on or before March 31 of the following year. If the District determines that it does not have at least 30 acre-fee of Laramie Water available to lease to Box Elder during any year for the term of the Restated Agreement, the District shall notify Box Elder of that fact and shall not be required to lease or deliver any Laramie Water to Box Elder for that year and the fee paid for that year by Box Elder shall be refunded. However, Box Elder may, at its option, accept such lesser amount of Laramie Water in which case the fee paid will not be refunded.

On or before January 10 of each year the Restated Agreement is in effect, Box Elder shall pay to the District a reservation/lease fee in the amount of \$7,500 per year, regardless of use. To account for inflation, the fee shall increase by the Denver-Boulder Consumer Price Index, plus 1% annually. In the event that Box Elder doesn't pay the fee by dates specified in the Restated Agreement, the District shall be entitled to terminate the Restated Agreement.

GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 7 WATER LEASE OPTION AGREEMENT (CONTINUED)

If Box Elder exercises its option to lease the Reserved Laramie Water, Box Elder shall also reimburse the District for a proportional amount of the operation, maintenance, administration, and energy costs, including, but not limited to, labor and mileage of District employees or independent contractors, all incurred by the District to pump the Laramie Water to Box Elder.

The Restated Agreement shall be in effect until May 16, 2032; provided, however, that the Restated Agreement shall automatically renew for an additional five-year term unless otherwise terminated by either Party in writing at least 30 days prior to the renewal date.

NOTE 8 NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2022 and 2021, the District had net investment in capital assets, calculated as follows:

	2022	2021
Net Investment in Capital Assets:		
Capital Assets, Net	\$ 10,662,659	\$ 8,317,969
Unspent Bond Proceeds	-	576,532
Unamortized Bond Insurance, Net	17,745	18,550
Current Portion of Long-Term Obligations	(190,000)	(190,000)
Unamortized Loss on Debt Refunding, Net	60,038	71,507
Noncurrent Portion of Long-Term Obligations	(6,163,604)	(6,367,917)
Net Investment in Capital Assets	\$ 4,386,838	\$ 2,426,641

Restricted net position includes amounts 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 as of December 31, 2022 and 2021, as follows:

	2022	2021
Restricted Net Position:		
Emergencies	\$ 21,300	\$ 20,300
Debt Service	5,891	35,151
Total Restricted Net Position	\$ 27,191	\$ 55,451

The District's unrestricted net position as of December 31, 2022 and 2021, is \$3,424,463 and \$4,325,061 respectively.

GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 9 RISK MANAGEMENT

Except as provided under the Colorado Governmental Immunity Act, as may be amended from time to time, the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' 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 that apply to the state of Colorado and all local governments.

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

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

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 is of the opinion that its water activity enterprise, and all activities related thereto are carried on as an Enterprise within the meaning 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.

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and many of the provisions, including the calculation of fiscal year spending limits, growth factors, and qualification as an Enterprise, may require judicial interpretation.

On May 5, 1998, a majority of the District's voters approved the following ballot question: Shall Greatrock North Water and Sanitation District taxes be increased \$200,000 annually in the first full fiscal year by the imposition of a mill levy on all taxable property within the boundaries of the District, which mill levy shall generate not more than said annual amount in ad valorem property tax revenues for the District in the first full fiscal year for the purposes of the operation and maintenance of the District's services and facilities; and shall the revenues generated by such taxes in each year thereafter be approved as an increased levy without regard to the tax increase limitation contained in Section 29-1-301, Colorado Revised Statutes, or any other tax increase limitation under any other law; and shall the revenue changes caused by the collection and spending of such tax revenues in every year be approved, permitting such tax revenues and any investment earnings thereon be collected and spent by the District without limitation or condition, and without limiting the collection or spending of any other revenues or funds by the District under Article X, Section 20 of the Colorado Constitution or any other law?

On May 6, 2008, a majority of the District's voters approved the following ballot question: Shall Greatrock North Water and Sanitation District be authorized to retain all revenues generated by or from rates, fees, tolls, charges, specific ownership taxes, agreements with other local governments, grants from the state or from any local government, lottery distributions, and any other revenues generated or received by the District, including reduction in debt service, in 1998 and in all subsequent years (which amounts does not include revenues generated from ad valorem property taxes); and shall the District be authorized to spend such revenues and investment income thereon as a voter-approved revenue change and an exception to and spending limitations which might otherwise apply?

On May 6, 2008, a majority of the District's voters approved the following ballot question: Shall Greatrock North Water and Sanitation District taxes be increased \$300,000 annually (for collection in calendar year 2008) and by the additional amounts that are raised annually thereafter by the imposition of an ad valorem property tax levy of 35 mills for the purpose of paying the District's administration, operations and maintenance, and other similar expenses, and shall the revenue from such taxes and any investment income thereon together with all revenue received prior to calendar year 2008 from imposition of the District's operations mill levy and any investment income thereon be collected, retained, and spent by the District in each fiscal year prior to, through and including 2008 and thereafter as a voter-approved revenue changes without regard to any spending, revenue-raising, or other limitation contained within Articles X, Section 20 of the Colorado Constitution, the limits imposed on increased in property taxation by Section 29-1-301, C.R.S in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained, and spent by the District?

**GREATROCK NORTH WATER AND SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 11 ESTIMATED CLOSURE COSTS

The District utilizes two evaporation ponds (impoundments) as part of its water treatment waste management. The impoundments are classified as Type B and subject to the requirements of the Hazardous Material and Waste Management Division's (Division) Regulations Pertaining to Solid Waste Sites and Facilities (the Regulations). Section 9.3.4 (F) and Section 1.8 of the Regulations requires the District to estimate the closure costs if the impoundments owned and used by the District were to be closed.

The District's engineer has provided an estimate of the closure costs based on the closure plan presented in the Engineering, Design, and Operation Plan dated May 2013, Revision 2 submitted to the Division in May 2013. The closure plan follows a clean-in-place closure thereby eliminating the need for environmental covenant and post-closure care and costs. The closure costs were gathered from suppliers, contractors, and an internal database of historical project costs for the area. The estimates include the cost of engineering oversight, soil disposal, testing, liner removal and disposal, site grading, seeding, piping abandonment, and erosion control as well as a contingency. As of December 31, 2022, the estimated closure costs for the impoundments are \$455,580. As of the date of the audit report, the District has no plans or intentions, nor has it been ordered to close the impoundments, therefore, no liability has been recorded on the financial statements of the District in connection with the estimated costs.

SUPPLEMENTARY INFORMATION

**GREATROCK NORTH WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN
FUNDS AVAILABLE –
BUDGET AND ACTUAL (BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2022**

	Budget Original and Final	Actual Amounts	Variance with Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 1,024,523	\$ 1,016,004	\$ (8,519)
Specific Ownership Taxes	71,717	74,809	3,092
Interest Income	3,000	53,290	50,290
Miscellaneous	-	2,607	2,607
Service Charges - Greatrock	163,723	187,205	23,482
Service Charges - Rocking Horse	120,355	141,990	21,635
Service Charges - Box Elder	198,813	197,529	(1,284)
Service Charges - Hayesmount	25,676	29,345	3,669
Available of Service Fees	3,000	3,050	50
Inspection Fees	2,000	630	(1,370)
Transfer Fees	3,000	2,625	(375)
Water Meters	3,000	-	(3,000)
SDF - Ridgeview Estates	350,400	219,000	(131,400)
SDF - Country Club Ranchettes	-	197,100	197,100
SDF - Hayesmount Estates	42,600	-	(42,600)
Inclusion - County Club Ranch #2	-	10,000	10,000
Inclusion - Ridgeview Estates	-	4,000	4,000
Inclusion - Epic Estates	-	10,000	10,000
Horse Creek Retreat	-	3,000	3,000
Irrigation Lease Revenue	7,500	7,500	-
Late Fees and Penalties	5,000	6,661	1,661
Total Revenues	2,024,307	2,166,345	142,038
EXPENDITURES			
General and Administrative:			
Accounting	48,000	38,220	9,780
Audit	10,000	12,069	(2,069)
County Treasurer's Fee	15,368	15,247	121
Directors' Fees	6,000	5,400	600
District Management	90,000	79,822	10,178
Dues and Membership	1,300	916	384
Election	50,000	4,914	45,086
Insurance and Bonds	19,621	19,181	440
Legal	64,350	25,404	38,946
Miscellaneous	7,000	8,287	(1,287)
Payroll Taxes	500	413	87
Operations:			
Customer Billing	30,700	42,206	(11,506)
Distribution System Mntc	4,700	21,452	(16,752)
Engineering - Administration	35,550	30,100	5,450
Engineering - Operations	35,550	8,318	27,232
Equipment and Tools	5,000	982	4,018
Facility Maintenance & Repair	10,000	18,136	(8,136)
Generator Preventative Mntc	12,600	11,097	1,503
GIS	7,000	2,415	4,585

**GREATROCK NORTH WATER AND SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN
FUNDS AVAILABLE –
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

	Budget Final	Actual Amounts	Variance with Budget Positive (Negative)
EXPENDITURES (CONTINUED)			
Operations (Continued):			
Locates	\$ 8,000	\$ 5,390	\$ 2,610
Meter Reading	3,600	165	3,435
Operator Services	104,543	112,868	(8,325)
Plant Supplies	19,000	30,138	(11,138)
Project Mgmt / Oper Admin	11,200	-	11,200
Rules and Regulations	1,000	-	1,000
Testing and Reporting	12,267	9,981	2,286
Treatment - Maintenance & Repair	100,570	40,729	59,841
Water Meters - Cap	1,000	4,148	(3,148)
Water Rights Dev - Eng.	41,500	53,493	(11,993)
Water Rights Dev-Legal	80,000	24,578	55,422
Well - Rehab & Repair	90,000	-	90,000
Utilities	65,000	73,456	(8,456)
Contingency	75,000	-	75,000
Debt Service:			
Bond Interest - 2017	175,644	175,361	283
Loan Interest - 2020	24,552	24,408	144
Bond Principal - 2017	85,000	85,000	-
Loan Principal - 2020	105,000	105,000	-
Paying Agent Fees	1,200	400	800
Capital Outlay:			
Alluvial Well	102,000	-	102,000
Concentrate Pond	2,500,000	16,902	2,483,098
Reverse Osmosis Unit Upgrade	2,176,615	2,583,213	(406,598)
Total Expenditures	<u>6,235,930</u>	<u>3,689,809</u>	<u>2,546,121</u>
NET CHANGE IN FUNDS AVAILABLE	(4,211,623)	(1,523,464)	2,688,159
Funds Available - Beginning of Year	<u>5,081,718</u>	<u>4,962,523</u>	<u>(119,195)</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ 870,095</u>	<u>\$ 3,439,059</u>	<u>\$ 2,568,964</u>

**GREATROCK NORTH WATER AND SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENTS OF
REVENUES, EXPENSES, AND CHANGE IN NET POSITION
YEAR ENDED DECEMBER 31, 2022**

	<u>Actual Amounts</u>
FUNDS AVAILABLE DEFINED AS FOLLOWS:	
Current Assets	\$ 4,732,926
Less Current Liabilities	(267,130)
Less Deferred Inflow of Resources	(1,026,737)
Funds Available	<u>\$ 3,439,059</u>
 RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	
Revenues (Budgetary Basis)	<u>\$ 2,166,345</u>
Total Revenues per Statement of Revenues, Expenses, and Changes in Net Position	2,166,345
 Expenditures (Budgetary Basis)	 3,689,809
Depreciation	255,286
Capital Outlay	(2,600,115)
Bond Principal Payments	(190,000)
Amortization of Bond Premium	(14,313)
Amortization of Deferred Loss on Debt Refunding Costs	6,128
Amortization of Prepaid Bond Insurance Premium	806
Total Expenses per Statement of Revenues, Expenses, and Changes in Net Position	<u>1,147,601</u>
 Change in Net Assets per Statement of Revenues, Expenses, and Changes in Net Position	 <u>\$ 1,018,744</u>

**GREATROCK NORTH WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
YEAR ENDED DECEMBER 31, 2022**

Year Ending	\$4,730,000 General Obligation Refunding and Improvement Bonds - Series 2017 Dated November 14, 2017 Interest Rate - 2.00% - 5.00% Interest Due June 1 and December 1 Principal Due December 1			\$1,970,000 General Obligation Refunding Loan Series 2020 Dated December 1, 2020 Interest Rate - 1.32% Interest Due June 1 and December 1 Principal Due December 1		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ -	\$ 172,244	\$ 172,244	\$ 190,000	\$ 23,166	\$ 213,166
2024	-	172,244	172,244	210,000	20,658	230,658
2025	-	172,244	172,244	215,000	17,886	232,886
2026	-	172,244	172,244	215,000	15,048	230,048
2027	-	172,244	172,244	230,000	12,210	242,210
2028	-	172,244	172,244	225,000	9,174	234,174
2029	-	172,244	172,244	230,000	6,204	236,204
2030	-	172,244	172,244	240,000	3,168	243,168
2031	240,000	172,244	412,244	-	-	-
2032	250,000	162,644	412,644	-	-	-
2033	260,000	152,644	412,644	-	-	-
2034	270,000	142,243	412,243	-	-	-
2035	280,000	131,444	411,444	-	-	-
2036	290,000	120,243	410,243	-	-	-
2037	300,000	108,644	408,644	-	-	-
2038	315,000	96,643	411,643	-	-	-
2039	320,000	84,044	404,044	-	-	-
2040	345,000	68,043	413,043	-	-	-
2041	360,000	50,794	410,794	-	-	-
2042	370,000	38,644	408,644	-	-	-
2043	385,000	26,156	411,156	-	-	-
2044	390,000	13,163	403,163	-	-	-
Total	\$ 4,375,000	\$ 2,745,545	\$ 7,120,545	\$ 1,755,000	\$ 107,514	\$ 1,862,514

**GREATROCK NORTH WATER AND SANITATION DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
YEAR ENDED DECEMBER 31, 2022**

Totals for General Obligation Refunding Loans
Series 2017 and 2020

Year Ending	Totals		
	Principal	Interest	Total
2023	\$ 190,000	\$ 195,410	\$ 385,410
2024	210,000	192,902	402,902
2025	215,000	190,130	405,130
2026	215,000	187,292	402,292
2027	230,000	184,454	414,454
2028	225,000	181,418	406,418
2029	230,000	178,448	408,448
2030	240,000	175,412	415,412
2031	240,000	172,244	412,244
2032	250,000	162,644	412,644
2033	260,000	152,644	412,644
2034	270,000	142,243	412,243
2035	280,000	131,444	411,444
2036	290,000	120,243	410,243
2037	300,000	108,644	408,644
2038	315,000	96,643	411,643
2039	320,000	84,044	404,044
2040	345,000	68,043	413,043
2041	360,000	50,794	410,794
2042	370,000	38,644	408,644
2043	385,000	26,156	411,156
2044	390,000	13,163	403,163
Total	<u>\$ 6,130,000</u>	<u>\$ 2,853,059</u>	<u>\$ 8,983,059</u>

**GREATROCK NORTH WATER AND SANITATION DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
YEAR ENDED DECEMBER 31, 2022**

Levy/Collection Year	Assessed Valuation	Percent Change	Mills Levied			Total Property Taxes		Percentage Collected to Levied
			General	Debt	Total	Levied	Collected	
2014/2015	\$ 10,921,110	0.19 %	28.340	18.500	46.840	\$ 511,545	\$ 511,545	100.00 %
2015/2016	12,615,550	15.52	28.340	18.500	46.840	590,913	590,549	99.94
2016/2017	12,985,840	2.94	28.340	18.500	46.840	608,257	608,257	100.00
2017/2018	14,882,390	14.60	24.167	27.250	51.417	765,208	765,208	100.00
2018/2019	15,246,500	2.45	25.882	25.650	51.532	785,683	785,678	100.00
2019/2020	19,752,080	29.55	26.750	20.250	47.000	928,348	929,721	100.15
2020/2021	20,365,420	3.11	30.500	16.500	47.000	957,174	954,818	99.75
2021/2022	21,798,370	7.04	30.500	16.500	47.000	1,024,523	1,016,004	99.17
Estimated for:								
2022/2023	\$ 21,184,980	(2.81)	31.323	16.945	48.268	\$ 1,022,556		

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy if delinquent taxes are collected.

**CONTINUING DISCLOSURE
ANNUAL FINANCIAL INFORMATION**

**GREATROCK NORTH WATER AND SANITATION DISTRICT
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
BUDGET TO ACTUAL (NON-GAAP) COMPARISON OF RESULTS OF OPERATIONS –
WATER ENTERPRISE
YEAR ENDED DECEMBER 31, 2022**

ASSESSED AND ACTUAL VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT

Class	Assessed Valuation	Percent of Assessed Valuation	"Actual" Valuation	Percent of "Actual" Valuation
Residential	\$ 19,789,370	93.41 %	\$ 284,747,947	98.37 %
Vacant Land	428,930	2.02	1,478,592	0.51
Oil and Gas	81,230	0.38	167,690	0.06
Agricultural	25,860	0.12	98,005	0.03
State Assessed	859,590	4.06	2,964,088	1.02
Total	\$ 21,184,980	100.00 %	\$ 289,456,322	100.00 %

LARGEST TAXPAYERS WITHIN THE DISTRICT

Name	2022 Assessed Valuation	Percent of Total Assessed Valuation
Front Range Pipeline Company LLC	\$ 289,780	1.37 %
Public Service of Colorado (Xcel)	284,520	1.34
United Power Inc	273,500	1.29
Country Club Ranchettes LLC	97,070	0.46
Jeffrey Homes Inc	80,040	0.38
kp Kauffman Company Inc	74,240	0.35
Individual Homeowner	69,240	0.33
Individual Homeowner	69,240	0.33
Individual Homeowner	65,660	0.31
Individual Homeowner	64,540	0.30
Total	\$ 1,367,830	6.46 %

**GREATROCK NORTH WATER AND SANITATION DISTRICT
CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
BUDGET TO ACTUAL (NON-GAAP) COMPARISON OF RESULTS OF OPERATIONS –
WATER ENTERPRISE
YEAR ENDED DECEMBER 31, 2022**

HISTORICAL DEBT RATIOS

	Year Ended December 31,				
	2018	2019	2020	2021	2022
G.O. Debt Outstanding	\$ 6,625,000	\$ 6,485,000	\$ 6,505,000	\$ 6,320,000	\$ 6,240,000
Estimated Population	1,050	1,050	1,050	1,050	1,050
Debt Per Capita	\$ 6,310	\$ 6,176	\$ 6,195	\$ 6,019	\$ 5,943
District Assessed Value	\$ 15,246,500	\$ 19,752,080	\$ 20,365,420	\$ 21,798,370	\$ 21,184,980
Ratio of Debt to Assessed Value	43.45%	32.83%	31.94%	28.99%	29.45%
Personal Income Per Capita (Adams County) Revised	\$ 43,544 43,405	\$ 45,481 45,266	\$ 48,115 28,606	\$ 53,183	Unavailable
Ratio of Debt Per Capita to Personal Income Per Capital (Adams County)	14.49%	13.58%	12.88%	11.32%	Unavailable

Adams County revised statistics for 1998 - 2020 for personal income per capita

GREATROCK NORTH WATER AND SANITATION DISTRICT

September 5, 2023

Schilling & Company, Inc.
PO Box 631579
Highlands Ranch, CO 80163

This representation letter is provided in connection with your audits of the basic financial statements of Greatrock North Water and Sanitation District (District), which comprise the statements of as of December 31, 2022 and 2021, and the related statements of changes in financial position and cash flows for the years then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of the Independent Auditor's Report, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 5, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for the preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units, if any, required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable, including the following:
 - a) The appropriateness and consistency of the measurement processes used by management in determining accounting estimates.

- b) That the assumptions appropriately reflect management's intent and ability to carry out specific courses of action.
 - c) That the disclosures related to accounting estimates are complete and appropriate.
 - d) That no subsequent event has occurred that would require adjustment to the accounting estimates or disclosures included in the financial statements.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
 - 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
 - 8) We have reviewed the attached Exhibit of corrected misstatements and are in agreement with them. We have directed that these correcting entries be posted to the accounting records of the District.
 - 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
 - 10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the District or those designated by the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the District and involves:
 - a) Management,
 - b) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.

- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements of which we are aware.

Government—specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented, if any.
- 21) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, or equity.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 24) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 25) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 26) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 27) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any.
- 28) The financial statements include all fiduciary activities required by GASBS No. 84 , if any.
- 29) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34, as amended.
- 30) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 31) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 32) Investments are properly valued.

- 33) Provisions for uncollectible receivables have been properly identified and recorded.
- 34) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 35) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 36) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 37) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 38) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 39) We are following GASB Statement No. 54, to determine the fund balance classifications for financial reporting purposes.
- 40) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 41) With respect to the Supplementary Information as listed in the table of contents to the financial statements:
 - a) We acknowledge our responsibility for presenting the Supplementary Information in accordance with accounting principles generally accepted in the United States of America, and we believe the Supplementary Information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Supplemental Information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the Supplementary Information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 42) The District understands that TABOR (Section 20 of Article X of the Colorado Constitution) is complex and subject to interpretation and that many of the provisions will require judicial interpretation. We have reviewed the various provisions and interpretations and believe to the best of our knowledge at this time, the District is in compliance.
- 43) We have directed that all banking and savings and loan institutions be notified of our assigned number which identifies that our deposits are subject to the respective Public Deposit Protection Act.

GREATROCK NORTH WATER AND SANITATION DISTRICT

Member of the Board of Directors

District Manager

Adj. Journal Entries
Greatrock North Water & Sanitation District
December 31, 2022

Exhibit

AJE No.	Account Description	W/P Ref	Account Number	Debits	Credits
1	SDF - Country Club Ranchettes	102/AA-1	406424	21,900.00	
1	Accounts Payable		402500		21,900.00
To record accounts payable for SDF refund issued.					
2	Water Distribution System	E	401800	3,291,368.45	
2	Construction in Progress		401820		3,291,368.45
To reclassify the Reverse Osmosis Plant from CIP to depreciable assets at 12/31/22					
3	Accrued interest payable	Clnt/CC	403220	398.52	
3	Bond Interest - 2017 GO		407805		283.00
3	Loan Interest - 2020		407806		115.52
3	Amortization of Deferred Loss on Re		407835	6,128.12	
3	Bond Insurance Amortization Exp		407545		6,128.12
3	Bond Insurance Amortization Exp		407545	14,313.07	
3	Amortization of Bond Premium/Discou		407840		14,313.07
To adjust bond accrued interest and amortization of loss on refunding.					
Totals				3,334,108.16	3,334,108.16

ENGINEER'S PROGRESS REPORT

Date: September 5, 2023
To: Greatrock North Water and Sanitation District
From: Element Engineering
Job No. 0041.0001
RE: Monthly Engineers Report – **New Items Bold**

CAPITAL PROJECTS:

1. Water Treatment Plant Improvements - Construction

The Certificate of Substantial Completion has been provided to Moltz Construction. The date of Substantial Completion was set for October 6, 2022. The advertisement for final payment was posted as required and the final payment was issued. The end of the two-year warranty period is October 6, 2024.

2. Concentration Evaporation Pond

Element has reviewed all historic documents on the concentration evaporation pond and has contacted the subconsultant tasked with the concentrate line and pond grading design (CVL). The tasks necessary to complete design and permitting of the concentrate pond are as follows:

- Receive concentrate line and pond CAD files from CVL.
- Compile an Engineering Design and Operations Plan (EDOP), design plans, liner design, and specifications for the pond per CDPHE Section 9: Waste Impoundments.
- Finalize pond grading design and SWMP.
- Update concentrate line per request from developer and update easement exhibit.

Element has provided the district with a proposal to the district to complete pond design and CPDHE submittal (EDOP, plans, specifications). The EDOP, plans, and specifications will be to CPDHE for review and approval. After approval, the district will be granted approval for construction. CDPHE has strict quality control and construction documentation requirements including a construction QA/QC report that must be submitted after construction. Element can provide a proposal for pond bidding, construction observation, and construction QA/QC reporting at the appropriate time.

Element's proposal to complete the third concentrate pond and line has been approved by the district. We are currently working on the EDOP and plans. Also, we have provided a modified draft easement exhibit to Jay Scolnick for the revised concentrate line alignment.

As of August 29, 2021, Element continues to work on the concentrate pond design and EDOP. We have been coordinating with Jay on the concentrate line and have come to an agreement on the line location. We are finalizing what should be the last iteration of the concentrate line easement for signature by Jay. Our surveyor will require some field work for the easement in order to stamp the legal description. Also, there is additional survey required for the concentrate line design which will occur at the same time.

Additional survey field work was ongoing as of September 16, 2021. Element met onsite with the surveyor to confirm required items to be surveyed. Element held discussions about the potential to eliminate the proposed sump and pump in the proposed RO WTP if the concentrate line can be lowered. Element recommends any new concentrate main installation be 8-inch diameter SDR 35 PVC minimum.

Element has received the updated survey and has provided preliminary pond alternative layouts and costs as well as concentrate line profiles for the district's discussion at the October 26, 2021 work session. Upon a final decision for layout and pond location design documents will be created. Also, it is apparent that the concentrate line in Rayburn can be lowered, allowing the proposed sump in the ROWWTP to be removed and all drains go to the concentrate line.

Element was provided direction by the board to proceed with the west pond location and the gravity concentrate main running down Hudson Mile Road. Design work is ongoing with draft design documents expected to be complete in January. Element has reached out to Adams County to determine what permitting will be required for the project. A potential pre-application meeting with Adams County was requested.

Element has submitted the initial pre-application document to Adams County. A pre-application meeting with the county will be scheduled in the coming weeks based on the county's schedule. Work continues on finalization of the design. It is our goal to submit a draft of the design submitted to the board for review during the month of January.

A pre-application meeting with Adams County has been scheduled for Friday February 4, 2022 at 10:30 AM. This meeting will be held virtually. Element submitted progress plans on the concentrate pond to the district. We are now working to finalize the plans. The next step is to complete final internal edits and compile a stormwater management plan (SWMP) and finalize and submit the Section 9 Impoundment permitting report to CDPHE. This should be completed by the end of February to mid-March.

Element and CLA staff attended a pre-application meeting with Adams County. A detailed summary of submittal requirements was sent to the GNWSD board. In summary a Conditional Use Permit is required. The board approved Element to begin working on this submittal. Work is ongoing. We expect submittal of the conditional use permit and EDOP to Adams County and CDPHE in mid-March.

The public meeting for the conditional use permit is to be held at the April 5, 2022 board meeting. The required environmental study on the property is being completed by an Element

subconsultant. Upon completion of the environmental study and public meeting, Element will submit the conditional use permit application to Adams County.

Element received the ownership and encumbrance report to research mineral rights owners to notify them (as required by Adams County). Also, we received the environmental report prepared by Olsson Associates that is required with the Conditional Use Permit. Our final task is to finalize the EDOP and submit it to CPDPHE and Adams County as well as provide notifications to mineral holders. This is to be completed by the week of May 30, 2022.

The EDOP and Adams County submittal have been completed and submitted. The Adams County review fee has been paid by Element.

Element has followed up with agencies to determine who is the primary contact. We have not been assigned a planner or engineer yet, but this is likely to occur soon.

Our project has been assigned a planner at Adams County. The county has promised to expedite the review of the project. Element will be ready to answer any questions or comments on the proposed project.

We held a county comment review meeting with Adams County on September 16, 2022. Comments received are relatively minor and we are currently working on the response letter. All responses have been completed. Element is confirming the Adams County requirement for landscaping.

It is recommended that the district proceed with bidding the project under the Construction Manager at Risk (CMAR) procurement procedure. We have completed responses to all Adams County comments. Also we held a meeting with CDPHE to request either an approval letter or a list of comments to respond to. CDPHE has indicated they will send a brief list of comments. We anticipate having those during the week of January 30th, 2023.

The district approved the CMAR bidding approach at the March 7th meeting. Element is working with the district's attorney to compile an Owner-CMAR agreement. Upon completion of this agreement, the CMAR bid documents will be completed and advertised.

The bid package is complete and we have forwarded all items to the district council to review. The attorneys are working to finalize the Owner-CMAR agreement.

The county has requested some minor modifications to the grading which are being completed. We are finalizing that for final re-submittal to the county. Our next step will be the planning commission and board of county commissioners.

The district's attorney has provided both the Owner-CMAR agreement and the Owner-Contract agreement. The CMAR bid package has been advertised and the bid package has been assembled. The following is the bid schedule for the CMAR process:

RFP Release Date	June 2 nd at 4:00 PM
Non-Mandatory Pre-Bid Meeting	June 9 th at 10:00 AM
Last Day to Request Interpretations of the Documents	June 16 th at 4:00 PM
Proposals Due (via email to nmarcotte@elementengineering.net)	June 23 rd at 4:00 PM
Anticipated Design Phase CMAR Award	July Board Meeting

Element has finalized and re-submitted all documents to CDPHE and Adams County for permitting purposes. This includes all grading and drainage changes requested by Adams County.

The CMAR package for the Third Concentrate Pond advertised and bid. The district received two (2) proposals. Please see the attached summary and recommendation letter for a detailed analysis of the bids and a recommendation for award.

Element held a project kickoff meeting with PES and representatives from their subcontractor team on August 24, 2023. The meeting went well with discussion centering around the team's ideas for value engineering. While the entire project was discussed, detailed questions discussed were as follows:

- Will a 4-ft fence be acceptable rather than the currently specified 6-ft fence? This will save significant money given the length of the fence.
- Use of the existing concentrate pond water for compaction will save significantly on water haul costs from on offsite area.
- A 40-mil under liner instead of the currently specified 60-mil is requested to save money.
- A slightly re-balancing of dirt work will ensure no net import or export is required.

We are currently awaiting approval from both CDPHE and Adams County to proceed with construction. Adams County has indicated that our Conditional Use Permit Application has satisfied their requirements and they are working to schedule our project on the board of county commissioners and the planning commission meetings.

3. Third Alluvial Well

Element will report items pertaining to the third alluvial well in this section.

Element met with the district's water resources engineer on August 12, 2021. It was discussed that the location of Alluvial Well 3 and 4 would likely be the best locations for the new alluvial well. Element has been requested to complete a construction and design cost estimate to tie each of these well locations into the existing raw water lines. This work will begin shortly.

The well locations 3 and 4 were determined to be the best locations as they produce a satisfactory amount of water and have better water quality than location 5, which tested very high in nitrates (> 20 mg/L).

A Basis of Design Report (BDR) must be submitted to CDPHE to add an additional water source. This BDR must include the results of extensive water quality testing. Two separate testing batteries must be completed in two separate calendar quarters. Also, once drilled, the well will need to be tested to insure it is not under the direct influence of surface water.

No work this period.

It is suggested that the board continue discussions of adding the third alluvial well. With the construction of the new water treatment plant being finalized, both existing alluvial wells are required for operation. Currently there is no redundant alluvial source.

GENERAL ENGINEERING – ADMINISTRATION

Element has been coordinating closely with CLA to onboard general engineering services. Element, CLA and GNWSD held an initial onboarding meeting at Element offices on June 10, 2021. An additional onboarding meeting with REC has been scheduled on June 30th, 2021 at REC offices. We have received all electronic and hard copy files from MMI and have reviewed them to determine the sum of available records.

Element has completed cost estimates to support 2022 budget preparation. This included estimated general engineering (ops and admin) fees, capital project fees, and engineering construction administration fees. A meeting to review the proposed budget items was held on September 22nd at REC offices.

Element is coordinating the additional information (survey) and scoping items on the concentrate line and concentrate pond and line alternatives in the General Engineering – Administration job number.

Element presented options to the board on concentrate line and concentrate pond locations. See Third Concentrate Pond reporting for more information.

Element is working on the county permitting of the third concentrate pond. See third concentrate pond update.

Element provided draft General Engineering estimates and concentrate pond cost estimates for the 2023 budgeting period.

Element is currently working on budgeting and rate analysis updates for the 2023 calendar year. Also, we have been coordinating with the district's consultants on the Town of Castle Rock water court case.

Element is now meeting monthly with the district manager and operator to go over district related tasks, and make sure coordination and progress is ongoing.

1. Box Elder Creek Ranch Subdivision

Element will report general administrative engineering items pertaining to the Box Elder Creek Ranch subdivision in this section.

No work this period.

2. Rocking Horse Farms Subdivision

Element will report general administrative engineering items pertaining to the Rocking Horse Farms subdivision in this section.

Element has coordinated with REC to complete the recommendation for final acceptance of the Rocking Horse Farms Pump Station Replacement Project. The project was completed on July 22, 2020, and has been successfully operating since startup. The 1-year warranty period has elapsed, and Element recommends final acceptance.

Element met with REC at RHF on January 21st, 2022 to discuss replacement of the RHF control valves. It was determined that an insertion valve could be installed downstream of the control valve to shut the tank off. A new electrically actuated gate valve could then be installed in the

vault. It is recommended that two manual gate valves with wheels be installed on either side of the new actuated valve. This time was billed to General Engineering: Operations.

No work this period.

3. Greatrock North Subdivision

Element will report general administrative engineering items pertaining to the Greatrock North subdivision in this section.

No work this period.

4. Hayesmount Estates Subdivision

Element will report general administrative engineering items pertaining to the Hayesmount Estates subdivision in this section.

No work this period.

GENERAL ENGINEERING – OPERATIONS

Element will report on water accounting, use, water quality, and electrical usage, and pond levels in this section. We are working on on-boarding and coordination with REC so that we may obtain data for regular reporting.

Element met with REC on January 21st, 2022 to discuss the rocks in the concentrate line. It was determined that the line could be temporarily shut down (turn off WTP) and the line upstream of the control valve could be shut. The concentrate line could then be pumped out (water discharging to the adjacent concentrate pond) and the line could be excavated, opened, and the rocks removed. Upon removal the line would need to be replaced in the excavated area.

No work this period.

DEVELOPMENT SERVICES

1. Country Club Ranchettes Filing No. 1

Element has contacted Jay Scolnick and his contractor (Three Sons Construction) to set up a pre-construction meeting. The meeting is tentatively scheduled to be held onsite during the weeks of July 5, 2021, or July 12, 2021 depending on final construction permit issuance from Adams County. Three Sons Construction has started the submittal process with Element. We are reviewing submittals per the district's rules and regulations.

Element will discuss construction observation and management roles and responsibilities with REC and CLA to clearly define task responsibility between each entity.

Element will be responsible for onsite construction observation. Submittals have been received and reviewed. A pre-construction meeting was held on July 16th, 2021. Onsite construction work started on July 21st, 2021 Element will be providing full time observation for the first week, and scale back observation time if we feel the contractor is completing acceptable work. Element provided the district with an estimated number of hours for onsite work that included the pre-construction, observation, GPS services and final walkthrough.

Element has completed construction observation and oversight during construction. Adams County notified the developer (Jay) and their engineer (Manhard) that their fire hydrant design and installation was three feet too close to the centerline of the asphalt roadway. The hydrants are required to be moved, which will require a new pressure test. An exhibit of this relocation is attached to this board report.

Element inspected and coordinated work on the fire hydrant relocation.

Minor construction observation/coordination occurred during this reporting period. Initial acceptance will occur after the surface improvements are complete (pavement, etc).

Element was notified that paving would occur at the project during the month of December. Upon completion of surface improvements an initial acceptance walkthrough will be completed.

Element completed an initial acceptance walkthrough and compiled the attached punch list and closeout requirements. A letter was sent to the developer on June 23, 2022, and we are awaiting a response and required items.

Element has received a draft Bill of Sale and as-built documentation. We are waiting on final documents for initial acceptance.

We have final documents for Initial Acceptance and anticipate board approval during the February meeting. These documents have been submitted to the attorney for review.

Element is planning to GIS the new infrastructure in CCRF1 and upload it to the district's GIS software. Work should be completed during the month of June.

The GIS work for the Country Club Ranchettes Filing 1 work has been completed and the all linework and data added to the district's GIS system.

2. Country Club Ranchettes Filing No. 2

On Wednesday January 26th, 2022. Element met with the developer to discuss inclusion of CCR Filing 2. There were no specific engineering related action items immediately necessary at the meeting. When the inclusion packet is submitted, Element will complete necessary review tasks.

The inclusion agreement for CCR F2 has been submitted and Element is working with the district's consulting team to review and provide comments.

Element met with the district staff to review the inclusion agreement. During this review it was determined that a capacity analysis would need to be updated to document that the district has adequate capacity to serve CCR F2. This capacity analysis will be completed to ensure the inclusion can be adequately served by existing district infrastructure, or if additional infrastructure by the developer is required.

A district-wide capacity analysis is currently being worked on. This will assist in determining what, if any, capital improvements are necessary for the CCRF1 Inclusion Agreement.

3. Ridgeview Estates

This subdivision has gained Initial Acceptance.

No work this period.

4. Epic Estates

Element attended a meeting discussing water rights and potential water treatment for the proposed development.

Element attended an inclusion meeting at the CLA offices to discuss the Epic Estates inclusion process and needed information. We specifically requested water quality results from Epic's raw water wells. A sampling and testing battery of necessary information was sent to Epic Estates.

No work this period.

5. Horse Creek Retreat

No work this period.

OTHER PROJECTS:

1. 2023 Tap Fee Update

The GNWSD board approved Element to compile an updated tap fee analysis. This work is currently being assigned to our staff and is being compiled. We are completing a district-wide capacity analysis prior to finalizing this tap fee analysis.



Greatrock North Water & Sewer District
ORC Report
September 5, 2023

Rocking Horse Farms Tank Fill Valve

The RHF Tank fill valve is experiencing ongoing issues with automatic control. REC and TLECC verified the issues are not electrical or SCADA control problems. A local CLA-Valve representative was contacted to schedule a site visit to inspect the valve to determine the best course of action moving forward. In the meantime, tank fill is being manually controlled by REC.

Update – Local CLA-Valve Representative, Pipestone Equipment, onsite to access RHF fill valve. Pipestone Equipment believes the control issues are due to an internal pressure loss through the internal components of the valve. REC is coordinating with Element Engineering to develop a plan to isolate the valve for inspection. Presently there is no isolation valve within the PRV pit, and no valves are indicated on plant drawings. Repair and/or replacement will need to take place during low demand season due to the inability to fill the tank while the valve is out of service.

Update – Site walk-through is scheduled for the first week of January with Element Engineering to review site layouts and develop plans for repairs.

Update – Site walk-thru completed with Element Engineering and Moltz Construction. After reviewing of site layout and plans it is confirmed there is no known isolation valve for the RHF tank fill valve. Element Engineering and REC developing plans for repair, but it is likely an insertion-type isolation valve will need to be installed before the replacement of the RHF fill valve.

Update – Element Engineering is developing the scope of work for Moltz Construction to repair.

RO Building Decommissioning

REC, Element Engineering, and Moltz construction are working together to locate the currently unknown source of water that is supplying back-pressure to the old RO treatment building. The backpressure source will need to be located and isolated prior to being able to complete the decommissioning of the old RO building.

Update 11/16/2022 – Altitude Leak Detection onsite to determine if BECR storage tank valves are leaking water when closed. Altitude Leak Detection was able to determine the south storage tank isolation valve is leaking water by when closed.

Update 4/4/23 - American West Construction and REC completed site walk to review scope of work for American West Construction to provide an estimate.

Update 5/15/23 – Northern Colorado Constructors and REC completed site walk to review scope of work for NCC to provide an estimate.

Update 7/20/23 – Estimate from Northern Colorado Constructors submitted for approval, to be reviewed at August 1, 2023 board meeting.

Update 8/24/23 – Signed estimate sent to Northern Colorado Constructors for full execution.

Augmentation

On 8/23/23 BBA water requested augmentation be set to 150 gpm and this request was completed on 8/24/23.

Additional Activities

On 8/4/23 REC ESD completed repairs to Rocking Horse Farms fire pump piping.

The second round of semi-annual tank inspections as completed with no issues identified at this time.

Completed pressure study on E 166th Ave due to resident experiencing low pressure. Pressure loggers recorded consistent pressure at the fire hydrant indicating the low pressure to be caused by the homeowners PRV.

Water Quality

Month	ALV 1		ALV2		BECR		RHF		GRN	
	TDS mg/L	Hardness mg/L	TDS mg/L	Hardness mg/L	TDS mg/L	Hardness mg/L	TDS mg/L	Hardness mg/L	TDS mg/L	Hardness mg/L
Aug-23					223	81	212	77	251	64
Jul-23	1230	559	1265	554	303	92	217	84	340	63
Jun-23					147	17	174	22	152	14
May-23					181	36	213	30	189	139
Apr-23	1002	537	1055	537	216	36	253	34	233	134
Mar-23					229	69	505	166	442	165
Feb-23	1095	552	988	549	341	122	326	106	322	113
Jan-23					360	103	369	126	387	131
Dec-22					677	318	423	184	494	181
Nov-22					185	45	200	62	237	61
Oct-22	1080	525	924	526	385	157	449	179	456	202
Sep-22					777	309	792	302	772	308
Aug-22					778	382	758	308	762	312
Minimum	1002	503	924	497	147	17	174	22	152	14
Maximum	1230	559	1265	554	778	382	792	327	772	314
Average	1088	535	1054	533	407	155	415	148	425	164