

**Minutes of the Regular Meeting of the Board of Directors of the
Sunshine Fire Protection District
May 9, 2023**

Call to Order

The meeting was held at Station 1.

The meeting was called to order at 6:30 PM and a quorum was established.

Attendance

Board Members Present: Cathy Shoenfeld, Dan Fischer, Dick Smith, John Bauer,

Board Members Absent: Jean Gatz

Others Present: Chief Michael Schmitt, Assistant Chief Henry Ballard, Fire Marshal Michael Johnson, Assistant Fire Marshal Paul Hourihan, Pat Noyes, Eric Bader, Alan Kirton

Approval of Minutes

- Minutes from the April Board meeting were reviewed.

MOTION: A motion was made to approve April Board Minutes as amended. Motion was seconded and carried unanimously.

Treasurer's Report

Treasurer's report was reviewed. Discussion included:

- Board reviewed the checks, credit card charges, profit & loss budget vs actual and balance sheet. There was a charge for hoodies from community event. It was noted that profit from the hoodie sales was rather small but dealing with them turned into large hassle. Other charges were for lights on the new truck. The P&L indicates that non-equipment charges are getting close to the budget for the year. Also, it was noted that the next budget will need to reflect the equipment and building depreciation from the audit. That amount was ~\$970K decrease in December 2022 for SFPD fixed assets.

MOTION: A motion was made to approve the treasurer's report, seconded and carried unanimously.

- Audit. The revised audit was reviewed. Alan noted that the capital reserve was included twice as different numbers and will need to be revised.

MOTION: A motion was made to approve the audit with the one change that Alan noted. Motion was seconded and carried unanimously.

Fire Chief's Report – see attached

- Thanks to Alan for the successfully obtaining the Forest Service Grant.
- 4505 was out for warranty repair and is now back on line
- 4545 is a new tank truck obtained from the State. It will be equipped with additional lights and other equipment. Training firefighters on it will start soon.
- Station 2 door replacement is almost done, only need to add some trim.
- Firefighter Powlison graduated from fire academy

Other Business

- Sunshine Fire Fighter Foundation (SFFF) – Cathy
The SFFF has been officially approved and has a tax number. Cathy has been reaching out to Boulder Rural to see how they run their non-profit. Need to determine how to

funnel donations to the Board. It was suggested that we have the SFPD Board as temporary board members for the SFFF. Will need to setup QuickBooks for both SFFF and SFPD. Cathy donated \$500 to the account to set it up, then a bank added \$125 more. There was some discussion about whether to have all community donations go to the SFFF. Most felt that we should keep community donations going directly to SFPD. It was suggested that we setup a new account in the SFPD budget to transfer the SFFF funds directly to it. Mention of the SFFF needs to be added to the SFPD web site so that folks will know about it.

- Water Supply / Cistern Plan – Michael Johnson
Michael presented a draft document for Board review. There was a lot of discussion regarding the proposed cistern policy, much of it focused on what should the required donation be? It was noted that a 10k gal cistern tank is about \$35K. Installation costs would be on top of that. There should be some parity between the cost to a home owner required to install a private cistern vs someone who is close to the road or a community cistern and required to make a cistern donation. A comment was made about possibly including a graduated requirement for the smaller scale remodel projects that invoke a Site Review from the County. It was noted that it is hard to determine what the cistern fund should be in the absence of a water supply delivery plan. The point was made that we can't put the cost for planned new cisterns entirely on new home or remodeling projects. Is the requirement attached to the property or the owner? The policy needs a bit more examples of extenuating circumstances. Alan and Michael will work together on recommended sites for new community cisterns in the next couple of weeks as we have multiple plans and need some consensus about how many and where they should be located. The challenge is to have enough water but getting the water to remote sites is difficult. Having cisterns in outbound locations is favored as we need to have water in outlying areas.
- Strategic Plan Update - Pat
Pat drafted a brief process description for the strategic planning process. The plan is located in shared board google drive. There's a new folder for the Strategic Plan. The concept is to have 5-7 folks on the initial committee. This should include some demographic and locational diversity present in our community. Then there will be focus committees for selected topics. Initial timeline is to develop the plan by Spring of 2024, though this is admittedly rather optimistic.

MOTION: A motion was made to approve the proposed strategic planning process as described in the shared document dated April 27, 2023. The motion was seconded and passed unanimously.

- Oaths of Office - Dan, Dick, and Pat took their oaths of office as newly elected board members. We thanked Cathy for her time and commitment, as this was her last meeting as a board member.
- Dry Gulch Grant – Alan
SFPD was awarded a CSFS grant that was submitted in April for the Dry Gulch mitigation grant. The total project cost was estimated at \$249,200 and the grant award was for \$124,600. Mitigation of the 70 acres will start the summer of 2023. The project will be completed in 2 stages. It will start on the west side first. There are 9 parcels of private

land and 4 houses in the mitigation area. There was discussion whether we are going to ask for property owner donations for these types of mitigation projects. As we're getting into these larger, landscape-scale mitigation projects, it's hard to ask the property owner to contribute 10% of the cost. In the Dry Gulch case, the mitigation is happening several hundred feet away from landowner houses and most of the contribution cost would fall to 2 or 3 property owners. The Board decided to not charge the home owners for the mitigation being done on their individual properties. A resolution was made to designate Alan Kirton as the agent for implementing the Dry Gulch South mitigation project and dealing with CSFS for grant related activities.

RESOLUTION: Resolution 2023-03 to designate Alan Kirton as the SFPD Agent for the Dry Gulch Mitigation project. A motion was made to pass the resolution. It was seconded and passed unanimously.

- New motion for revised joint CWPP document - Alan
In January, the Board passed a motion to approve the IGA establishing the Boulder West Wildfire Authority (BWVA). Since that time, BWVA has revised the agreement. Revisions were minor but the BWVA requested that we approve this final version. SFPD appointments of Alan and Abby to the group don't need a new motion.

MOTION: A motion was made to approve the modified final Intergovernmental Agreement establishing the Boulder West Wildfire Authority as presented to SFPD Board. The motion was seconded and passed unanimously.

- Events and Fund-raising roles- John
Good progress has been made on finding the 2 committee chairs. Emily Gebhart has volunteered for the Special Events committee chair. The other position is the Fund-raising chair. There are a couple of folks who might be interested, but still waiting for them to decide on whether they might want to volunteer.

MOTION: A motion was made to approve Emily Gebhart as chair of the Special Events committee for 2023. The motion was seconded and passed unanimously.

- Commemorative Plaques – Want to include individuals who have made significant contributions. The Chief will put together a list of potential candidates. We should also reach out to community for other suggestions. Maybe choose honorees before community fest and announce them then.

The meeting was adjourned at 8:40 PM.

Attest: Richard Smith
Richard Smith, Secretary

Attachments: Audit, Chief's report, Draft Cistern Plan, Draft Strategic Plan, Resolution 2023-03, IGA with Boulder West Wildfire Authority



SUNSHINE FIRE PROTECTION DISTRICT

Boulder County, Colorado

FINANCIAL REPORT

December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Sunshine Fire Protection District
Boulder, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of Sunshine Fire Protection District (SFPD), Colorado as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise SFPD's basic financial statements as listed in the table of contents.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sunshine Fire Protection District as of December 31, 2022, and the changes in its financial position and, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sunshine Fire Protection District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sunshine Fire Protection District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sunshine Fire Protection District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

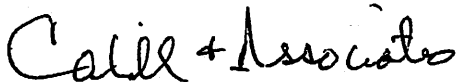
Management Discussion and Analysis - Unaudited

The Management's Discussion and Analysis on pages 3 through 6 is presented to supplement the basic financial statements and to provide operational, economic and historical context to the financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion or any other form of assurance.

Individual Fund Statements

The Schedule of Revenues, Expenditures, Expenses and Changes in Fund Balance Budget and Actual - for the General Fund on page 13, with related notes on page 14, is presented to supplement the basic financial statements by providing general fund operational results (Non-GAAP Budgetary Basis) for the year.

We have applied certain limited procedures to the information presented on pages 13 - 14, which consisted principally of inquiries of management regarding the methods of measurement and presentation of these individual fund statements; however, we did not audit the information and express no opinion or any other form of assurance on them.



CAHILL & ASSOCIATES, P.C.

February 14, 2023

**SUNSHINE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Sunshine Fire Protection District (SFPD) covers approximately four square miles in the foothills west of Boulder, Colorado. The district was established in 1969 with community-donated work and surplus equipment. The district provides protection to a wildland urban interface community in the foothills of the Rocky Mountains. The district currently has two fire stations with thirty active firefighters, EMR/EMT and fire support personnel.

This discussion and analysis of Sunshine Fire Protection District's (SFPD) financial performance provides an overview of SFPD's financial activities for the fiscal year ended December 31, 2022. This section is a summary of financial activities based on currently known facts, decisions, or conditions. The Management's Discussion and Analysis section is an introduction and should be read in conjunction with the financial statements that follow this section.

FINANCIAL HIGHLIGHTS

The net assets of SFPD exceeded the liabilities at December 31, 2022, by \$1,294,184. Of this amount, \$909,608 represents net assets that are invested in capital assets, \$130,687 is restricted for the Community Wildfire Protection Plans Program, \$144,710 is restricted for capital improvements, \$100,000 is restricted for emergencies and \$9,179 is restricted for the Cistern Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Discussion and Analysis is intended to serve as an introduction of SFPD's basic financial statements.

The financial statements of SFPD report information about SFPD using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term information about SFPD's overall financial status. The Statement of General Fund Balance reconciled to the Statement of Net Assets presents information on SFPD's assets and liabilities, with the difference between the two reported as general fund balance and net assets. The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances reconciled to the Changes in Net Assets presents information showing how SFPD's General Fund Balance and Net Assets changed during the year. The basic financial statements can be found on pages 6-8 of this report.

The financial statements also include notes that further discuss information in the statements and provide more detailed data. The notes to the financial statements can be found on pages 9-12. The notes are followed by a section of required and other supplemental information.

**SUNSHINE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

FINANCIAL ANALYSIS

For the year ended December 31, 2022, assets exceeded liabilities by \$1,294,184. Firefighting is a capital-intensive enterprise, and approximately 70 percent of the net assets are invested in capital assets. The following is a summary of SFPD's net assets.

	<u>2022</u>
Assets	
Current Assets	\$ 601,486
Capital Assets (Net of Depreciation)	<u>909,608</u>
Total Assets	1,511,094
Liabilities	
Current Liabilities	<u>216,910</u>
Net assets	
Invested in Capital Assets net of Related Debt	909,608
Restricted for Emergencies	100,000
Restricted for Capital Improvements	144,710
Temporarily Restricted for Community Wildfire Protection Plan Program	130,687
Cistern Fund	<u>9,179</u>
Total Net Assets	<u><u>\$ 1,294,184</u></u>

SFPD's General Fund balances decreased by \$236,889 in 2022. The following Summary Statement of Revenues, Expenses and Changes in General Fund Balances shows components of the 2022 changes.

Summary Statement of Revenues, Expenses and Changes in Fund balances - General Fund

	<u>2022</u>
Revenues	\$ 641,360
Expenditures	<u>878,249</u>
Excess of Expenditures Over Revenues	<u><u>\$ (236,889)</u></u>

Revenue in 2022 includes \$422,394 for contracted firefighting services provided outside the district; expenditures include \$351,143 in payments to firefighters for these services.

Operating Revenues

As shown below, firefighting income from outside the district accounted for 65.8% of total revenue, while 27.3% came from property taxes assessed in 2021 and collected by the county in 2022.

	<u>2022</u> <u>Amount</u>	<u>Percent</u> <u>of Total</u>
General Property Taxes	\$ 123,503	19.3%
Community Wildfire Protection Plan Property Taxes	51,848	8.0%
Grants/Donations	33,114	5.1%
Investment Earnings	3001	0.4%
Firefighting Income	422,394	65.8%
Gain on Disposal of Asset	7,500	1.4%
	<u><u>\$ 641,360</u></u>	<u><u>100.0%</u></u>

**SUNSHINE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

FINANCIAL ANALYSIS (Continued)

	2022 Amount	Percent Of Total
Operating Expenses		
Capital Outlay	\$ 397,669	45.2 %
Firefighting Operations	434,672	49.4 %
Administration	45,907	5.4 %
	<u>\$ 878,248</u>	100.0 %

The District's 2022 expenses relate to fire protection, which includes fire fighting prevention and medical response. In addition to the 2022 depreciation expense and repairs and maintenance expenses the district also made the final payment of \$385,523 on the purchase of a new fire engine that has a total value of \$506,896. As a service organization providing fire protection, the majority of the expenses are for employee costs, firefighter contract payments, wildland mitigation, insurance and repairs and maintenance. Total expenses include payments of \$243,914 in contract payments to firefighters for firefighting services provided to other districts, as well as \$110,099 in wages related to these services. SFPD acts as an agent for the firefighters and collects funds from other districts for the work performed and then remits these funds to the firefighters providing the services.

Capital Assets

SFPD's investment in capital assets (original cost less accumulated depreciation) as of December 31, 2022 was \$909,608. Capital assets consist of fire trucks, support vehicles, land, buildings, and firefighting equipment. Major capital asset acquisitions totaled \$385,523 during 2022, less depreciation of \$72,294, resulting in a net decrease of \$313,229.

	2022
Land, Building and Improvements (net)	275,077
Firefighting and Other Equipment (net)	634,531
Total	<u>\$ 909,608</u>

This year's additions to firefighting equipment was \$385,523 for final payment on the purchase of a new fire engine.

Economic Factors and Future Outlook

Property tax income will decrease slightly in 2023. The operating tax mill levy stayed the same at 8.480 to mills and the Community Wildfire Protection Plan levy remained at 3.560. The assessed valuation decreased from \$14,154,334 to \$14,000,708. The result of the changes in the valuation will result in an approximate decrease in revenue of approximately \$18,000 in 2023 when compared to 2022.

The District's 2023 budget provides for general property tax revenue of \$118,780 and wildland mitigation tax revenue of \$49,789 based on an operating tax mill levy of 8.480 mills and wildland mitigation mill levy of 3.560 mills.

The District's 2023 budget also provides for grant income and donations of \$15,000 and contract income of \$5,000 from fighting fires outside the district.

In addition to the normal firefighter training, repairing and maintaining fire trucks and firefighting equipment, providing and facilitating fire mitigation, and paying other operating expenses, the District's 2023 budget also includes \$64,300 for capital improvements to the stations and new equipment for operations

**SUNSHINE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022**

FINANCIAL ANALYSIS (Continued)

The following presents revenue and expenditures on a cash basis as utilized by the District for budgeting, reporting and analysis. The category for Reserves are the amount anticipated/required from pre-existing funds.

GENERAL FUND	2022 <u>Budget</u>	2022 <u>Actual</u>	2023 <u>Budget</u>
Revenue			
General Property Taxes	120,029	123,503	118,726
Community Wildfire Protection			
Plan Program Property Taxes	50,389	51,848	49,843
Grants and Donations	20,000	33,114	15,000
Investment Income	750	3,001	5,000
Contract Firefighter Income	140,000	422,394	5,000
Other Income	-	7,500	-
	<u>\$ 331,168</u>	<u>\$ 641,360</u>	<u>\$ 193,569</u>
Expenditures			
Employee Costs	\$ 10,000	\$ 118,785	\$ 2,000
Firefighter Contract Payments	130,000	241,044	3,000
Wildland Mitigation	48,475	18,945	25,900
Equipment	22,000	23,261	10,000
Insurance	20,000	22,665	20,000
Repairs & Maintenance	15,000	20,189	12,000
Bank Charges	120	10	120
Dues and Subscriptions	1,500	3,256	2,500
Grounds/Building Maintenance	2,000	7,914	4,300
Legal and Accounting	2,000	4,804	10,000
Office Supplies	200	273	300
Printing and Reproduction	350	106	300
Utilities	6,500	6,880	8,220
Fire Fighting Expenses	4,000	7,381	4,500
Machine Hire	200	200	200
Medical Director Services	-	-	1,000
Special Event Expense	1,500	2,185	4,500
Training and Education	6,500	2,683	6,000
Capital Improvements	366,731	397,667	64,300
	<u>\$ 637,076</u>	<u>\$ 878,248</u>	<u>\$ 179,140</u>

BASIC FINANCIAL STATEMENTS

SUNSHINE FIRE PROTECTION DISTRICT
Governmental (General) Fund Balance Sheet and
Statement of Net Assets
December 31, 2022

	Primary Government - 2022		
	General Fund	Adjustments Note A	Statement of Net Assets
ASSETS			
CURRENT ASSETS			
Cash and Equivalents	\$ 430,869	\$ -	\$ 430,869
Payroll Tax Refund Receivable	2,048	-	2,048
Property Tax Receivable	168,569	-	168,569
CAPITAL ASSETS, NET OF DEPRECIATION			
Buildings & Improvements	-	275,077	275,077
Equipment	-	634,531	634,531
Total Capital Assets, Net of Depreciation	-	909,608	909,608
TOTAL ASSETS	\$ 601,486	\$ 909,608	\$ 1,511,094
LIABILITIES AND FUND BALANCES/NET ASSETS			
CURRENT LIABILITIES			
Accounts Payable	\$ 5,093	\$ -	\$ 5,093
Payroll Liabilities	43,248	-	43,248
Deferred Property Tax Revenue	168,569	-	168,569
Total Liabilities	216,910	-	216,910
FUND BALANCES			
Restricted for Emergencies	100,000	(100,000)	
Restricted for Capital Improvements	144,710	(144,710)	
Restricted for Wildfire Mitigation	130,687	(130,687)	-
Cistern Fund Balance	9,179	(9,179)	
Total Fund Balances	384,576	(384,576)	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 601,486		
NET ASSETS			
Invested in Capital Assets, Net of Related Debt		909,608	909,608
Restricted for Emergencies		100,000	100,000
Restricted for Capital Improvements		144,710	144,710
Restricted for Community Wildfire Protection Plans Program		130,687	130,687
Cistern Fund Balance		9,179	9,179
Total Net Assets		1,294,184	1,294,184
TOTAL LIABILITIES AND NET ASSETS		\$ 909,608	\$ 1,511,094

See Accompanying Notes to Basic Financial Statements

SUNSHINE FIRE PROTECTION DISTRICT
Statement of Governmental Fund Revenues
Expenditures, and Changes in Fund Balance and
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2022

	Primary Government - 2022		
	General Fund	Adjustments Note B	Statement of Activities
REVENUES			
General Property Taxes	\$ 123,503	\$ -	\$ 123,503
Community Wildfire Protection Plans Property Taxes	51,848		51,848
Grants/Donations (Net)	33,114	-	33,114
Investment Income	3,001	-	3,001
Firefighter Income	422,394	-	422,394
Gain on Disposal of Asset	7,500	-	7,500
Total General Revenues	\$ 641,360	\$ -	\$ 641,360
EXPENDITURES/EXPENSES			
Capital Outlay	397,669	(385,523)	12,146
Depreciation	-	72,294	72,294
Firefighting Operations	434,672	-	434,672
Administration	45,907	-	45,907
Total Expenditures/Expenses	878,248	(313,229)	565,019
REVENUES OVER (UNDER) EXPENDITURES	(236,888)	236,888	-
CHANGE IN NET ASSETS		\$ 76,341	\$ 76,341
FUND BALANCE/NET ASSETS			
Beginning of year	<u>621,464</u>		<u>1,217,843</u>
End of Year	<u>\$ 384,576</u>		<u>\$ 1,294,184</u>

See Accompanying Notes to Basic Financial Statements

**SUNSHINE FIRE PROTECTION DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
RECONCILIATION OF STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES D
TO STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
December 31, 2022 and the Year Then Ended**

**NOTE A
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**

GOVERNMENTAL FUND BALANCE - GENERAL FUND	\$ 384,576
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Amounts reported in governmental activities in the Statement of Net Assets are adjusted to reflect:

Capital assets of \$1,639,614 net of accumulated depreciation (\$730,006) are not financial resources and therefore are not reported in the general fund	<u>909,608</u>
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NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ <u>1,294,184</u>
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**NOTE B
RECONCILIATION OF STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES
AND CHANGES IN NET ASSETS**

EXCESS (DEFICIT) REVENUES OVER EXPENDITURES - GENERAL FUND	\$ (236,888)
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Amounts reported to arrive at the Statement of Activities are adjusted to reflect:

Governmental General Fund reports capital outlay and capital lease payments as expenditures. In the statement of activities, the cost of acquired capital assets are recoded as assets and expensed over estimated useful lives as depreciation expense. Payments on capital leases reduce the outstanding balance of the lease obligation. Adjustments are:

Capital outlays capitalized - Building Improvements and Equipment	385,523
Depreciation expense	<u>(72,294)</u>

CHANGE IN NET ASSETS	\$ <u>76,341</u>
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SUNSHINE FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Sunshine Fire Protection District (SFPD), is governed pursuant to provisions of the Colorado Special District Act, by a five member Board of Directors. The District's service area is located in the foothills west of Boulder, Colorado. The District was established in 1969 to provide fire protection, rescue, and emergency services to the citizens and property within its boundaries. The District receives a portion of its revenue from taxes assessed on the property within its boundaries.

The District is served by an all volunteer department, which usually varies between thirty and forty members. The District is the primary special purpose government responsible for all fire protection within its service areas. As a result, all significant activities have been included in the basic financial statements. The District's financial statements represent those of a stand-alone government, as there are no component units.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP and used by the District are discussed below.

Basic Financial Statements - Government Statements

The governmental financial statements report information on all activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a function or segment are offset by revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Revenues include property tax revenues, interest income, and miscellaneous revenues that are used to meet the operational and capital requirements of the function.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property tax revenue, and interest income associated with the current year are considered being susceptible to accrual, and have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the District receives cash.

Fund Accounting: The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District only uses one major governmental fund, the General Fund.

Governmental Funds: Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance or net assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds (Continued): The District reports one major government fund: The General Fund which is used to account for all financial resources of the District. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Colorado and the bylaws of the District.

Cash and Cash Equivalents

The District has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents. Highly liquid investments with a maturity of three months or less are also considered cash equivalents.

Receivables and Deferred Revenue

The District reports unearned deferred revenue in the governmental fund balance sheet. Deferral arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. The District has accrued 2022 property taxes to be collected in 2023 as deferred revenue and a receivable in the accompanying governmental funds balance sheet. (See Property Tax below).

Capital Assets

Capital assets, which include property and equipment are reported in the governmental financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are expensed. Depreciation of capital assets is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method.

Estimated useful lives for asset types are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Buildings and Improvements	17-50 years
Firefighting Equipment	10-25 years

Property Tax

Annual property taxes are levied and assessed on property as of January 1 and are certified by the County by November 1 of the current year. On January 1 of the following year, the County Treasurer bills the property owners, thus establishing an enforceable lien on the property, and collects the property taxes on behalf of the District and remits them to the District on a monthly basis. The District has accrued the 2022 taxes to be collected in 2023 in the accompanying financial statements with a corresponding offset to Deferred Revenue. Property taxes are recognized as revenue in the year in which they are intended to finance operating expenditures.

Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the governmental financial statements of net assets regardless of whether they will be liquidated with current resources or future resources. Obligations that will be paid from governmental funds are reported as a liability in the general fund to the extent that they will be paid with current resources. In general, payments made within thirty days after year-end are considered to have been made with current available financial resources. Long-term obligations against net assets are obligations to be paid by restricted funds or from future revenue.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - CASH

Custodial Credit Risk - Deposits

The custodial credit risk for deposits is the risk that the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. This risk is mitigated in that the District's deposits are subject to and in accordance with the State of Colorado's Public Deposit Protection Act ("PDPA"). Under this act, all uninsured deposits of public funds are to be fully collateralized. The eligible collateral pledged must be held in custody by any Federal Reserve Bank, or branch thereof, or held in escrow by some other bank in a manner as the banking commissioner shall prescribe by rule and regulation, or may be segregated from the other assets of the eligible public depository and held in its own trust department. At December 31, 2022, all of the District's cash and cash equivalents were either insured by FDIC or collateralized under PDPA.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

	<u>Balance Jan. 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2022</u>
Land and Buildings	\$ 566,908	\$ -	\$ -	\$ 566,908
Firefighting Equipment	<u>752,183</u>	<u>385,523</u>	<u>(65,000)</u>	<u>1,072,706</u>
Total General Fixed Assets	1,319,091	385,523	(65,000)	1,639,614
Less Accumulated Depreciation	<u>(722,712)</u>	<u>(72,294)</u>	<u>65,000</u>	<u>(730,006)</u>
NET CAPITAL ASSET	<u>\$ 596,379</u>	<u>\$ 313,229</u>	<u>\$ -</u>	<u>\$ 909,608</u>

The District's policy is to capitalize individual equipment expenditures exceeding \$5,000.

NOTE 4 - TAX SPENDING AND DEBT LIMITATIONS (TABOR COMPLIANCE)

In November 1992, Colorado voters passed an amendment ("TABOR") to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Spending excludes spending from certain revenue and financial sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves. The amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

Except for bond refinancing at lower interest rates or adding volunteer firefighters to existing pension plans, the Constitution specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or irrevocably pledging present cash reserves for all future payments.

The Constitution requires that emergency reserves be established. These reserves must be at least three percent of Fiscal Year Spending. Emergency reserves as of December 31, 2022 totaling \$26,464 are included in the fund balance in the General Fund.

The District passed a ballot initiative in 1996 which made the District exempt from the provisions of TABOR.

NOTE 5 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance covering specific and general risks of loss, including worker's compensation and health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past two years. There have been no significant reductions in insurance coverage.

SUNSHINE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
GENERAL REVENUES/RESERVES			
General Revenues			
General Property Taxes	\$ 120,029	\$ 123,503	\$ 3,474
Community Wildfire Protection Plans Property Taxes	50,389	51,848	1,459
Investment Earnings	750	3,001	2,251
Firefighter Income	140,000	422,394	282,394
Grants/Donations/Fundraisers	20,000	33,114	13,114
Gain on Sale of Asset	-	7,500	7,500
Total General Revenues	<u>331,168</u>	<u>641,360</u>	<u>310,192</u>
Budgeted Capital Reserves			
General Fund Balance Reserved for CWPP	28,086		(28,086)
General Fund Balance Reserved for Capital Outlay	277,822	-	(277,822)
Total Capital Reserves	<u>305,908</u>	<u>-</u>	<u>(305,908)</u>
Total Revenues and Capital Reserves	637,076	641,360	4,284
EXPENDITURES/EXPENSES			
Fire Protection Operations	237,675	434,672	(196,997)
Administrative Services	32,670	45,907	(13,237)
Capital Outlay	366,731	397,669	(30,938)
Total Expenditures/Expenses	<u>637,076</u>	<u>878,248</u>	<u>(241,172)</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ <u>-</u>	(236,888)	\$ <u>(236,888)</u>
FUND BALANCE, BEGINNING OF YEAR		<u>621,464</u>	
FUND BALANCE, END OF YEAR		<u>\$ 384,576</u>	

See Accompanying Note to Required Supplementary Information

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

During September of each year, the Board of Directors for the District meets to prepare a proposed budget for the forthcoming year. At this meeting, requests from interested parties are heard and considered in the preparation of the budget. A notice as to the proposed budget is then published in a local newspaper, in order that interested citizens can voice their concerns about the proposed budget. In this notice, concerned citizens are requested to attend a Board of Directors meeting, usually held in October, at which time the proposed budget is considered by the Board.

After hearing any comments from concerned citizens, and after making any amendments to the proposed budget that may be forthcoming, the budget is approved by the entire Board of Directors and the mill levy request is certified to the County Treasurer.

At the same meeting that the budget is adopted, or at a meeting later in the year but prior to December 31, the necessary resolutions to adopt the budget, appropriate sums of money for the operation of the District, and to adopt the mill levy certification, are made by the Board.

The budget is used by the Board of Directors during the District's year to control expenditures and as a management device for assessment of how the District is meeting its obligations on a month-to-month basis. The board of Directors is authorized to transfer budgeted amounts between accounts within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the entire Board of Directors and formalized by a resolution prior to the close of the budget year. The final amended budget is used in this report.



Sunshine Fire Protection District
311 County Rd 83
Boulder, CO 80302
www.sunshine-fpd.org

Chief Report - Board Meeting 05/09/2023

1. **4505:** Has returned from warranty repairs.
2. **4545:** This is the new callsign for the replacement truck from the State. Requires a few items to be added. Is not in service quite yet. Installation of lighting and adding some hose and miscellaneous items is still being done. Driver and pump training has begun.
3. **Station 2 Doors:** Doors are just about done with the installation. Some challenges were encountered with the contractor that was hired and our Station Group is taking care of the installations internally. Door code remains the same, if the keypads are not energized simply move the handle up and down 6-8 times.
4. **Fire Academy Graduate:** Firefighter Powlison has graduated from the fire academy, and had his first call yesterday.

Calls

Incident Number	Problem
BCFD230415-004282	FICONR-Controlled Burn
BCFD230501-005042	FIASSR-Fire Assist
BCFD230412-004169	EMSR-Medical Call
BCFD230414-004235	FIWILR-Wildland/Grass Fire
BCFD230415-004321	FICONR-Controlled Burn
BCFD230422-004627	FIDIR-Odor Inv Inside
BCFD230423-004669	FIASSR-Fire Assist
BCFD230428-004907	FICONR-Controlled Burn
BCFD230502-005103	INACCR-Injury or Rollover
BCFD230503-005178	FIASSR-Fire Assist
BCFD230417-004383	EMSR-Medical Call
	FIALRSR-Residential Fire
BCFD230508-005384	Alarm
	FIALRSR-Residential Fire
BCFD230414-004275	Alarm
BCFD230422-004615	zSick (AN)
BCFD230422-004631	zSick (AE/EE)

TO: SFPD Board
FROM: Chief Michael Schmitt
Deputy Chief Henry Ballard
Marshal Michael Johnson
Deputy Marshal Paul Hourihan
DATE: May 5, 2023
RE: SFPD Cistern Policy

Background

As discussed in our December 22, 2022, memo to the Board, having an adequate and accessible water supply for fire suppression is a challenge in mountain districts like ours, but it is crucial to mitigate fire risk to the community. The Sunshine Fire just a few months ago demonstrated how in the wildland-urban interface every structure fire has the potential to turn into a catastrophic wildland fire. The more we can do as a district to develop and maintain a reliable water supply, the better the fire department can protect lives and homes.

To that end, SFPD for decades has been developing its water supply through a network of private and community cisterns. Although the practice evolved and changed somewhat over the years, in general people who were building new homes or undertaking major renovations of existing homes were required either to contribute to the Community Cistern Fund (CCF) (if their home was sufficiently near a water source) or to install a private cistern (if their home was not). As a result, SFPD now has 7 community cisterns ranging from 10K gal. to 30K gal. (in addition to the 130,000 gal. cistern at Fire Station No. 2) and 9 private cisterns/pools ranging from 1250 gal. to 50K gal. At least 8 more community cisterns are planned for by CWPP.

Marshal Johnson and Deputy Marshal Hourihan were appointed in 2021. In taking on those roles, they had multiple discussions with Chief Schmitt, Deputy Chief Ballard, former marshal Bruce Honeyman, former chief Eric Bader, and others about how the district was using—and how it should use—cisterns for water supply. As explained to the Board at the December 2022 board meeting, those discussions led Marshal Johnson and Deputy Marshal Hourihan to feel that they needed to review and—if necessary—revise our approach to cisterns and, in collaboration with Chief Schmitt and Deputy Chief Ballard, to document our approach in a written policy statement so that it is clear to the community.

This memo sets forth that policy statement and reflects the chiefs' and the marshals' determination of how the International Fire Code should be implemented in SFPD.¹ Recognizing that there is an inherent tradeoff between water supply preparedness and cost, the policy statement is based on internal discussions with our most experienced current and former SFPD firefighters, interviews of the chiefs of four nearby fire departments, and extensive online

¹ Under the IFC, which the Board adopted in 2015, the chief and fire marshal have the authority to issue "policies, procedures, rules and regulations" to implement and apply the IFC in SFPD, including with respect to water supply.

research into how fire departments around the state and country approach similar questions (although there are no one-size-fits-all answers).

In short, we suggest slightly modifying our current approach to put **more resources toward community cisterns**, which we believe should be the backbone of our water supply, and to place required private cisterns in **locations that are optimized for operational usefulness**.

We appreciate the Board's attention to this, and we welcome any questions or comments the Board may have.

Policy Summary

1. Any construction undergoing a site plan review (SPR) (i.e., new construction or a remodel/renovation that triggers an SPR under county regulations) will not be required to install a private cistern if:

a) the home is within 1000 road feet of (i) a community cistern of at least 10,000 gal.² or (ii) Sunshine Canyon Drive or County Road 83³; and

b) there are no other circumstances that, in the judgment of the marshal, make a private cistern necessary.

2. If the home does not meet the above criteria, then the homeowner must build an on-site private cistern.

a) The size of the cistern will be determined by the marshal, working with the homeowner, but will be no smaller than 10,000 gal.⁴

b) The location of the cistern will be determined by the marshal, working with the homeowner, to maximize the operational usefulness of the cistern for the home and the community. Where a driveway is less than 1000 feet long, the presumption is that a private cistern should be located at the roadside at the end of the driveway.

² The marshal may, in his sole discretion, find this criterion met if the home is within 1000 road feet of a suitable private cistern or a soon-to-be-built community cistern.

³ The extent to which CR 83 falls into this exception is still being determined by the department

⁴ As noted in our December 2022 memo, there are a number of different methods for determining the flow rate and total volume of water needed for structure fire suppression. Our basic goal is to be able to supply 250 gpm of water for 2 hours, resulting in a total water demand of 30,000 gal. for a single structure fire. A 10,000 gal. cistern thus will give firefighters 40 minutes of adequate fire flow, during which they must establish an alternative water supply if necessary. Factors such as home size, access, materials, and proximity to other structures may cause the marshal to require a larger cistern.

c) If, due to the circumstances at a particular property, installation of an adequate private cistern would be physically impossible or financially prohibitive, the marshal will work with the homeowner to determine if an alternative solution, such as a larger contribution to the CCF, would adequately mitigate fire risk.

d) This cistern requirement is separate and apart from any cistern that may be necessary for a sprinkler system.

3. If a homeowner undergoing SPR is not required to install a private cistern, the homeowner will be required to make a contribution to the CCF in a standard amount set by the Board.⁵

Additional Recommendations

We also recommend that the Board take the following actions to help ensure an adequate and reliable water supply in the district:

1. Review the CCF contribution amount regularly and adjust it as necessary to track the cost of putting in a 10,000 gal. private cistern.⁶ Otherwise, we likely will never raise sufficient funds to complete the build-out of a community cistern network.

2. Establish a working group to work with the chiefs and marshals and with CWPP to help locate, fund, and construct additional community cisterns as funding allows. It is important that SFPD residents understand that a community cistern approach will only work if the community actively supports it.

⁵ The current CCF contribution amount, set by the Board in July 2018, is \$10,000.

⁶ The current estimated cost of installing a 10,000 gal. cistern is roughly \$40,000.

SFPD Strategic Planning Process

Draft April 27, 2023

Purpose and Approach

The Sunshine Fire Protection District Board is initiating a strategic planning process to document current conditions, consider trends and future needs, and guide the direction and priorities of the District. It is the Board's desire to develop a roadmap for the District that reflects the values of the Sunshine community and considers the unique challenges and opportunities faced by the District.

The Board will lead the development of the Strategic Plan and engage the community through a transparent planning process and outreach activities.

Strategic Planning Committee

A Strategic Planning Committee will be appointed by the Board and will include Board members, firefighters, and community members. The Committee will consist of 5-7 members representing a range of expertise. The role of the Committee is to lead the planning process, identify Focus Teams and provide direction for the Focus Teams, develop a written plan for consideration by the community and the Board.

Focus Teams

Focus Teams will be established to support the Committee and focus on specific topic areas, such as financial priorities, service priorities, and organizational structure. These teams will report findings to the Committee and will vary in duration and number depending on need.

Community Engagement

In addition to the Committee and the Focus Teams, the community will be engaged throughout the planning process. This will include plan-focused activities in conjunction with community events such as the Community Fest, surveys, and community meetings. It is important to engage the community early to identify community values and priorities that will guide the vision, principles, and goals for the plan.

Plan Development

The following outlines the general steps to developing the plan.

1. The Board will approve the process to be used for developing the Strategic Plan.
2. The development of the Strategic Plan will consider the history of Sunshine, current conditions, and future trends. Historic and current information will be compiled at the start of the process and provided to the Strategic Planning Committee as context for the planning process. Additional information will be provided as needed.
3. The Board will appoint a Strategic Planning Committee. It is anticipated that the initial appointments will include two Board members, a firefighter, and two community members, providing an opportunity to appoint up to two additional members.
4. The Board and Committee will conduct community engagement to determine community values and future vision.
5. The Committee will review the SFPD mission, develop a vision based on community values, identify guiding principles for the District, and determine strategic goals, objectives, and performance measures.

6. The Committee will establish Focus Teams to analyze strategic initiatives and recommend priorities that reflect the community values, guiding principles, and strategic goals. The number and focus of the Focus Teams will be determined by the Committee based on subject areas and expertise needed to address the various plan elements. For example, the Committee could form a Focus Team that is financially-focused to look at financial resources and capital investments. Another Team might focus on organizational structure, staffing, and interagency coordination. The Committee will determine the best approach based on the interest and expertise of community members to serve on the Teams.
7. The Board and Committee will continue to engage the community through newsletter articles, email updates, community meetings, presentations at community functions, and other activities as determined by the Committee.
8. The Committee will review the recommendations of the Focus Teams and develop a draft Strategic Plan.
9. The Committee will deliver a recommended plan to the Board. The Board will solicit input from the community on the recommended plan. Based on Board and community review, the Board will accept or refer the Plan back to Committee for changes. Once the Board is satisfied that the Strategic Plan represents the strategic vision and values of the Sunshine community, they will formally adopt the plan.

Proposed Elements of the Strategic Plan

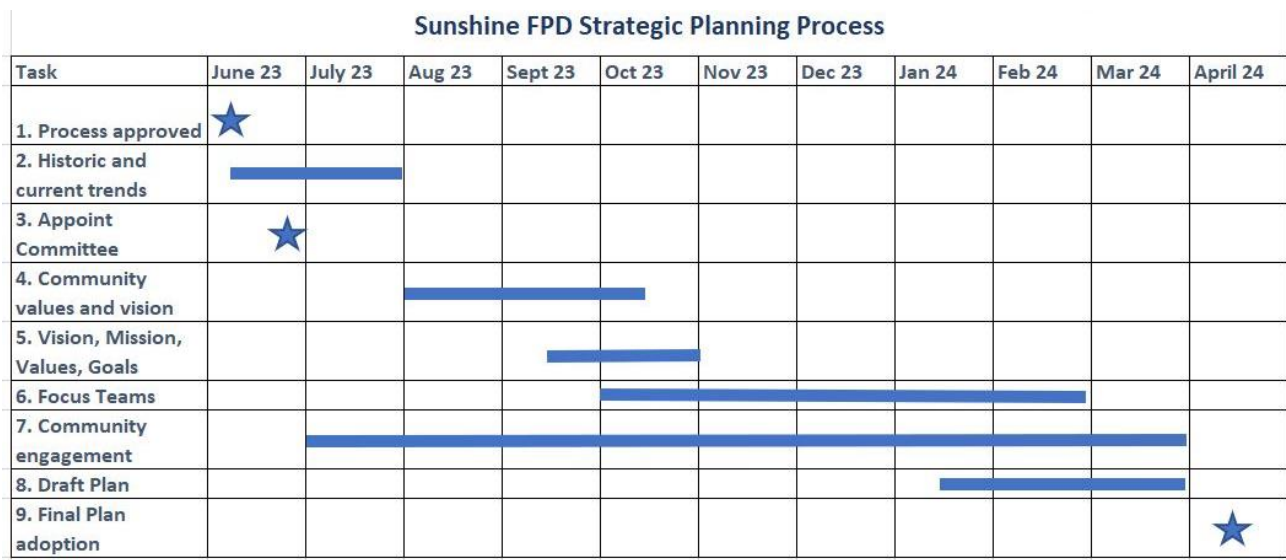
The following outline includes the proposed elements of the Strategic Plan. This outline is intended to guide the Committee in developing the plan and may be adapted by the Committee based on findings and recommendations.

- District overview
 - History
 - Community facts
 - Population
 - Topography
 - Weather
 - Call load and type
 - SFPD mission and structure
- Vision for the future
 - Community values and guiding principles
- Strategic goals
 - Structure, wildland, EMS, fire prevention/readiness, other
 - Objectives
 - Performance measures
- Strategic initiatives/priorities
 - Capital investments
 - Stations
 - Apparatus
 - Water supply
 - Equipment

- Staffing
 - Recruitment and retention
 - Training
 - Response
- Operational improvements
 - Communication
 - Technology
- Financial resource
 - Tax revenues
 - Donations
 - Grants and new sources
- Interagency cooperation
 - Mutual and automatic aid
 - Training
- Community engagement
- 3-5 year action plan
 - Priority actions
 - Budget implications

Proposed Timeline

The following illustrates the proposed timeline for the development of the Strategic Plan. The actual timeline may vary based on the availability and constraints of volunteer community members.



RESOLUTION 2023-03
DESIGNATION OF AGENT

BE IT RESOLVED Board of Directors **OF** Sunshine Fire Protection District
(Governing Body) (Public Entity)

THAT Alan J. Kirton, Co-Chair, Community Wildfire Protection Planning Committee
(Name) (Title)

is hereby authorized to execute for and in behalf of

Sunshine Fire Protection District,

a public entity established under the laws of the State of Colorado, all required forms and documents including creating Requests for Proposal and awarding contracts, for the implementation of the Dry Gulch South wildfire mitigation project and the performance of the Colorado State Forest Service Incentives for Local Government Grant.

Passed and approved this 9th day of May, 2023.

CERTIFICATION

I, Jean Gatza, duly appointed and President, Board of Directors
(Name) (Title)

of the Sunshine Fire Protection District, do hereby certify that the above is a true and correct copy of
(Public Entity)

a resolution passed and approved by the Board of Directors
(Governing Body)

of Sunshine Fire Protection District on the 9th day of May, 2023.

(Signature)

(Official Position)

(Date)

INTERGOVERNMENTAL AGREEMENT
ESTABLISHING THE
BOULDER WEST WILDFIRE AUTHORITY

This Intergovernmental Agreement Establishing the Boulder West Wildfire Authority (“Agreement”) dated as of December 31, 2022, is between four Colorado Special Districts in Boulder County, Colorado. The four Special Districts entering into this agreement are the Gold Hill Fire Protection District, the Sunshine Fire Protection District, the Four Mile Fire Protection District and the Sugarloaf Fire Protection District (“Member Jurisdictions”).

Recitals

- A. Boulder County, Colorado has experienced increasing trends in wildfire severity and extent over the last decade.
- B. The Member Jurisdictions pursue wildfire risk reduction projects and programs in order to protect and preserve values such as life, quality of life, property, the natural environment, infrastructure, commerce, and culture. These projects and programs are consistent with the authority and missions of the Member Jurisdictions.
- C. The governing boards of The Member Jurisdictions recognize that wildfire is an inherently interjurisdictional problem, and that wildfire risk reduction objectives can be better accomplished through an interjurisdictional framework.
- D. The Member Jurisdictions have the authority to coordinate, collaborate and set common future goals relating to wildfire risk reduction.
- E. C.R.S. § 29-1-203(1) allows for Special Districts in Colorado to cooperate to provide functions and services that are lawfully authorized to each of the cooperating units.
- F. The Member Jurisdictions intend, by this Agreement, to establish the Boulder West Wildfire Authority to collaboratively pursue wildfire risk reduction for values at risk within the boundaries of the Member Jurisdictions, in a manner consistent with the functions and services of the Member Jurisdictions.

Terms and Conditions

Section One: Wildfire Authority Established.

The Boulder West Wildfire Authority, a multijurisdictional authority (the “Authority”), is hereby established pursuant to C.R.S. § 29-1-203. The Authority is a cooperative organization, granted powers and privileges by the governing boards of the Member Jurisdictions. The Authority is not a separate legal entity from the Member Jurisdictions.

This Agreement and the Authority will remain in effect irrespective of whether a Member Jurisdiction withdraws from the Authority after its creation, under circumstances not resulting in the rescission or termination of this Agreement, so long as there are at least two continuing Member Jurisdictions.

Section Two: Purpose

It is the purpose of the Authority to identify, develop, coordinate, plan, implement, oversee, and monitor wildfire risk reduction projects and programs pursuant to a multijurisdictional Community Wildfire Protection Plan, in order to mitigate wildfire risk to the values described in Recitals, paragraph B, and to periodically review and revise the Community Wildfire Protection Plan.

Section Three: Boundaries

The area included within the Authority shall be all the area within the current boundaries of the Member Jurisdictions. If a Member Jurisdiction includes or excludes properties within its jurisdiction, then these inclusions or exclusions will automatically be made to the boundaries of the Authority.

Section Four: Organization

4.1 Organization: The affairs of the Authority will be managed by the Advisory Committee (“the Committee”). The Committee shall be composed of eight members. Two Committee members shall be appointed by each Member Jurisdiction’s governing board. Committee members may be replaced at any time by the body appointing them. It is the intent of the Member Jurisdictions that if this Agreement is amended to add other Special Districts as parties, this section shall be amended to provide for the addition of two Committee members per additional party to the Agreement as representatives of those Special Districts. It is the intent of the Member Jurisdictions that Committee members represent a diverse mix of backgrounds and technical expertise relating to wildfire risk management.

All Committee members must, always during their term, serve as employees (whether volunteer or paid employees) of the Member Jurisdiction they represent.

4.2 Committee Member Terms: The terms of the Committee members shall be for three years. There shall be no limit to the number of terms a Committee member may serve. All Committee members’ terms shall extend until a replacement Committee member has been appointed by the governing board of the Member Jurisdiction that Committee member represents. All Committee members may be removed at any time during their term by the governing board of the Member Jurisdiction they represent, with or without cause. The Committee shall have the right to make recommendations to the respective governing boards of the Member Jurisdictions for the removal of individual members of the Committee for failure to properly discharge their responsibilities as members.

4.3 Policies and Procedures: Committee members shall develop and recommend policies and procedures within 1 year of the formation of the Authority. The policies and procedures shall take effect upon unanimous approval of the governing boards of the Member Jurisdictions.

4.4 Officers of the Committee: The officers of the Committee shall consist of a Chairperson, a Vice-Chairperson, a Secretary and a Treasurer. The positions of Chairperson and Vice Chairperson shall not be occupied by Committee members representing the same Member Jurisdiction.

The officers of the Committee shall be nominated, elected, and removed by the members of the Committee. The terms of the officers of the Committee shall be determined by the Authority’s policies and procedures.

In addition to those duties of the officers of the Authority contained in the policies and procedures for the Authority, the duties of the officers shall include: (a) Chairperson: shall preside at all meetings of the Committee, (b) Vice-Chairperson: shall act as Chairperson when Chairperson is unable to act; (c) Secretary: shall maintain the official records of the Authority including its policies and procedures, meeting notices, agenda and minutes; and (d) Treasurer: shall oversee any Authority financial activities, cause the preparation of the annual budgets for the Authority, maintain the financial records of the Authority, and cause the preparation of periodic financial statements for the Authority.

4.5 Voting Requirements and Related Provisions: The Committee shall meet at least four times each year as set forth in the policies and procedures of the Authority. The Committee shall act only upon a duly executed vote of the Committee members. Each Committee member shall cast one vote. A vote of the Committee shall be deemed duly executed if made by a majority of Committee members present during regular or special meetings at which a quorum is established. A quorum shall consist of a majority of Committee members.

4.6 Duties, Powers and Authority of the Committee

4.6.1 Duties of the Committees:

It shall be the duty of the Committee to manage the affairs of the Authority, and to exercise with due diligence and prudence the purpose and powers set forth herein, including, but not limited to:

- a. Develop and recommend for approval of the governing boards of the Member Jurisdictions operating policies and procedures for the Authority;
- b. Develop, periodically review, update and implement a multijurisdictional Community Wildfire Protection Plan that outlines accomplishments, wildfire risk reduction projects and programs to be undertaken by the Authority and the Member Jurisdictions;
- c. Develop and fund an operating budget, with Member Jurisdictions serving as fiscal agents for budgeted activities. Member Jurisdictions will serve as fiscal agents for Authority affairs on a voluntary basis and at the direction of the governing board of each Member Jurisdiction. The budget shall include provisions for wildfire risk reduction projects and program implementation as deemed appropriate. The fiscal year of the Authority shall be the calendar year. The operating budget for the following year will be determined and provided to the Member Jurisdictions by November 15th of each year
- d. Plan, coordinate, implement, oversee, and monitor wildfire risk reduction projects and programs; and
- e. By April 1 of each year commencing in 2024, prepare, provide and present in one or more public hearings to the governing boards of the Member Jurisdictions, a written report of the Authority's activities during the prior calendar year. Such report shall include annual financial documents for the Authority, descriptions of the projects and programs undertaken or contemplated, and such other information as the Committee may deem of interest to the residents living within the boundaries of the Authority and the governing boards of the Member Jurisdictions.

4.6.2 Powers:

The general powers of the Authority include those listed below. The use of any power and responsibility listed below shall be at the direction of the governing boards of the Member Jurisdictions. All powers granted hereby are subject to the restrictions, conditions and limitations on those powers set forth in the Colorado Revised Statutes, by the policies and procedures of the Authority, and any policies and procedures or governing documents of the Member Jurisdictions.

None of the powers listed below shall in any way limit or interfere with the powers and privileges of the Member Jurisdictions to pursue wildfire risk reduction projects and programs independently from the Authority. Nor shall the powers listed below in any way limit or interfere with the general powers and privileges of the Member Jurisdictions.

- a. To plan, implement, manage, and oversee wildfire risk reduction projects and programs within the Authority boundaries;
- b. To coordinate and collaborate on wildfire risk reduction projects and programs with neighboring jurisdictions and others;
- c. To recommend that the Member Jurisdictions enter into contracts, including, without limitation, contracts with state or federal agencies, private enterprises and nonprofit organizations;
- d. To cooperate with state and federal governments concerning the development and implementation of wildfire risk reduction projects and programs;
- e. To make recommendations to the governing boards of the Member Jurisdictions regarding wildfire risk reduction measures that should be pursued by the Member Jurisdictions;
- f. To request of the governing boards of the Member Jurisdictions, at their direction, support and assistance in the Authority's pursuit of wildfire risk reduction objectives;
- g. To consider and recommend to the governing boards of Member Jurisdictions, fees and charges for functions and services recommended and pursued by the Authority;
- h. To establish separate enterprises within its organizational structure to allow for efficient operation of programs and projects undertaken by the Authority. The Committee shall have the power to assign titles and responsibilities to Committee members and authorize them to make operational decisions related to those programs or projects; and

4.6.3 Insurance

- a. Members of the Committee act as agents and employees of the Member Jurisdiction they represent. Any insurance coverage for the activities of the members of the Committee will be provided for by the Member Jurisdiction they represent.
- b. The Authority may request the support and participation, in pursuit of the purposes specified in this Agreement, of employees (paid or volunteer) employed by the Member Jurisdictions. Such support and participation will be at the direction of the governing board of the Member Jurisdiction.

c. The Authority may use any equipment owned by a Member Jurisdiction with the permission of that Member Jurisdiction. The Member Jurisdiction that owns any such equipment shall be responsible for the insurance thereon while it is being used by the Authority.

Section Five: Revenues

Member Jurisdictions will serve as fiscal agents for any costs and revenues associated with the projects and programs undertaken by the Authority, at the direction of the governing board of the Member Jurisdiction acting in such capacity. The expected and permissible sources of revenue of the Authority include:

- a. Fees for services provided;
- b. Discretionary contributions from the Member Jurisdictions ;
- c. Contributions from other entities that benefit from the work of the Authority;
- d. Project and program revenues;
- e. Cash and in-kind donations;
- f. Grants.

Section Six: Notice

Any notice required under this Agreement may be personally delivered or mailed in the United States mails, first class postage prepaid, to the party to be served at the following addresses:

Four Mile Fire Protection District:
Board of Directors
1740 Fourmile Canyon Drive
Boulder, CO 80302

Sunshine Fire Protection District:
Board of Directors
311 County Rd. 83
Boulder, CO 80302

Gold Hill Fire Protection District
1011 Main St – Gold Hill
Boulder, CO 80302

Sugarloaf Fire Protection District
1360 Sugarloaf Road
Boulder, CO 80302

Section Seven: Entire Agreement; Amendments

This Agreement constitutes the entire agreement of the parties hereto concerning the establishment and operation of the Authority. This agreement may not be amended, otherwise modified, revoked, or rescinded except by a written document executed by the Member Jurisdictions.

Section Eight: Effective Date

This Agreement shall be effective immediately upon being fully executed by all the parties to it.

Section Nine: Savings Clause

In the event that a Court of competent jurisdiction determines that any provision of this Agreement is contrary to law and therefore unenforceable or invalid, the balance of this Agreement shall remain in full force and effect unless, because of such decision, the Committee determines the essential purposes of this Agreement cannot be achieved.

Signatures

Four Mile Fire Protection District

President

Secretary

Gold Hill Fire Protection District

President

Secretary

Sugarloaf Fire Protection District

President

Secretary

Sunshine Fire Protection District

President

Secretary