



ADAMS COUNTY

COLORADO
BOARD OF COUNTY COMMISSIONERS

Eva J. Henry - District #1
Charles "Chaz" Tedesco - District #2
Emma Pinter - District #3
Steve O'Doriso - District #4
Mary Hodge - District #5

STUDY SESSION AGENDA
TUESDAY
July 21, 2020

ALL TIMES LISTED ON THIS AGENDA ARE SUBJECT TO CHANGE

11:00 A.M.	ATTENDEE(S):	Nancy Duncan / Allison Slife, Clifton Larson Allen
	ITEM:	2019 CAFR Presentation
11:30 A.M.	ATTENDEE(S):	Anneli Berube
	ITEM:	District Plan and Historic Splendid Valley Update
12:00 P.M.	ATTENDEE(S):	Jill Jennings Golich / Katie Keefe / Greg Dean
	ITEM:	Oil and Gas Update
12:30 P.M.	ATTENDEE(S):	Raymond Gonzales
	ITEM:	Administrative Item Review / Commissioners Communication

TO WATCH THE MEETING:

- Watch the virtual Zoom Study Session through our [You Tube Channel](#)

(AND SUCH OTHER MATTERS OF PUBLIC BUSINESS WHICH MAY ARISE)

AGENDA IS SUBJECT TO CHANGE



STUDY SESSION ITEM SUMMARY

DATE OF STUDY SESSION: July 21, 2020
SUBJECT: Presentation of the 2019 CAFR to the Adams County Board of County Commissioners
OFFICE/DEPARTMENT: Budget & Finance Department
CONTACT: Nancy Duncan, Budget & Finance Director
FINANCIAL IMPACT: No Financial Impact
SUPPORT/RESOURCES REQUEST: Informational Only
DIRECTION NEEDED: Informational Only
RECOMMENDED ACTION: No Action Required

DISCUSSION POINTS:

Local Governments including Adams County are required by C.R.S. 29-1-603 to have an annual audit performed on the financial statements. The County's financings also require annual audits as continuing disclosure.

The County's annual audit includes two primary components in the Comprehensive Annual Financial Report (CAFR). The Financial Section includes the County's Financial Statements. The Compliance Section includes the Single Audit which was conducted in conformity with the provision of the Single Audit Act of 1987, the Single Audit Act Amendments of 1996, and Title 2 U.S. Code of Regulation Part 200. The County's audit firm gives opinions related to these items.

CliftonLarsonAllen LLC has been selected as the County's External Auditor.

The CAFR is available at:

<http://www.adcogov.org/general-accounting>

Adams County, Colorado

Comprehensive Annual Financial Report (CAFR) Audit and
Single Audit

Fiscal Year 2019

Presentation of Results to the Board of County
Commissioners

July 21, 2020



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor



Create Opportunities

Fiscal Year 2019 Audit Results Presentation Agenda

- Responsibilities under US Generally Accepted Auditing Standards (GAAS)
- Scope of Audit
- Presentation of the Financial Statements, Financial Reports, Compliance Reports
- Required Communications
- Questions



Responsibilities under US Generally Accepted Auditing Standards (GAAS)

- Auditors are responsible for:
 - Expressing opinions on whether financial statements are in conformity with U.S. Generally Accepted Accounting Principles (US GAAP) in all material respects
 - Expressing opinions only over information identified in our report. Other information reviewed, but not subjected to testing
 - Performing audit in accordance with required auditing standards
 - Communication of significant matters related to audit



Responsibilities Under GAAS (continued)

- An Audit in accordance with GAAS:
 - Does not relieve management of responsibilities.
 - Includes consideration of internal control as a basis for audit procedures, but not to opine on effectiveness of internal controls.



Scope of the Audit

- Financial Statement Audit – Comprehensive Annual Financial Report (CAFR)
- Single Audit
 - Major programs tested – 3 programs:
 - ◇ TANF (93.558)
 - ◇ LIHEAP (93.568)
 - ◇ Home Investment Partnerships Program (14.239)
- County qualified as a low-risk auditee
- Findings and Recommendations

Financial Statements, Financial and Compliance Reports

Independent Auditors' Report (opinion)– unmodified

Statement of Net Position

Statement of Activities

Fund Financial Statements

Notes to the Financial Statements

Required Supplementary Information

Supplementary Statements and Schedules

Financial Statements, Financial and Compliance Reports (continued)

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Schedule of Expenditures of Federal Awards (SEFA)

Notes to the SEFA

Schedule of Findings and Questioned Costs

Schedule of Findings and Questioned Costs – included in CAFR

- No 2019 Financial Statement Findings
- One 2019 Major Federal Programs Finding related to the Single Audit (a significant deficiency)
 - 2019 – 001 TANF Program Case File Review relating to Eligibility requirements

Summary Schedule of Prior Audit Findings – included in CAFR

- No 2018 Financial Statement Findings
- No 2018 Major Federal Programs Findings related to the Single Audit

Management Letter – separate letter

- 2019 deficiencies in internal control other than significant deficiencies and material weaknesses and best practice recommendations:
 - LIHEAP Eligibility Determination
 - ◇ Inaccurate calculation of monthly gross income but did not affect compliance
 - Reconciliation of Clerk and Recorder Fund (fiduciary activity)
 - ◇ Negative ending fund balance at fiscal year-end



Required Communications to BOCC and management – separate letter

Qualitative Aspects of Accounting Practices

- Accounting Policies – Adoption of GASB 84 (Fiduciary Activities) in 2019
- Accounting Estimates
- Financial Statement Disclosures

Difficulties Encountered in Performing the Audit – None

Uncorrected Misstatements – None

Corrected Misstatements – None

Required Communications to BOCC and management (continued)

Disagreements with Management

- None

Management Representations

Management Consultations with other Independent Accountants

- None

Significant Issues Discussed with Management Prior to Engagement

- None

Other Audit Findings or Issues

- Previously discussed

New Accounting Standard for FY19 – GASB 84

- Objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes
- As of 12/31/2019
 - All Fiduciary Funds noted as custodial funds, which are used to report fiduciary activities that are not required to be reported in pension, investment, or private-purpose trust funds
 - Custodial funds account for assets held by the County as an agent for individuals, private organizations, and other governments
 - Negative change in fiduciary net position of \$1.8 million from FY18 to FY19
 - Restatement of 2018 ending fiduciary net position from \$0 to \$22.3 million to comply with the standard



Questions?





Contact Information

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Create Opportunities

CLA exists to
create opportunities —
for our clients, our people,
and our communities.



STUDY SESSION ITEM SUMMARY

DATE OF STUDY SESSION: July 21, 2020
SUBJECT: District Plan & Historic Splendid Valley update
OFFICE/DEPARTMENT: Community & Economic Development Department
CONTACT: Anneli Berube, Ag Innovation Specialist
FINANCIAL IMPACT: None
SUPPORT/RESOURCES REQUEST: None
DIRECTION NEEDED: Input welcome on TDR study (see below)
RECOMMENDED ACTION: None

DISCUSSION POINTS:

- Brief overview of District Plan and Historic Splendid Valley
- Activities completed since last update
- Activities planned for 2020 and beyond
- Summary of Transfer of Development Rights (TDR) study currently in progress that is looking at the feasibility of adding receiving areas in the City of Brighton's growth management area to the County's program to help incentivize the preservation of sending areas in Historic Splendid Valley.

Historic Splendid Valley

District Plan Update

Anneli Berube, Ag Innovation Specialist

July 21, 2020





Presentation Outline

- **Brief Overview** of program
- **Who** is involved
- **Activities Completed** since last update
- **Activities Planned** for 2020 and beyond



Brief Overview

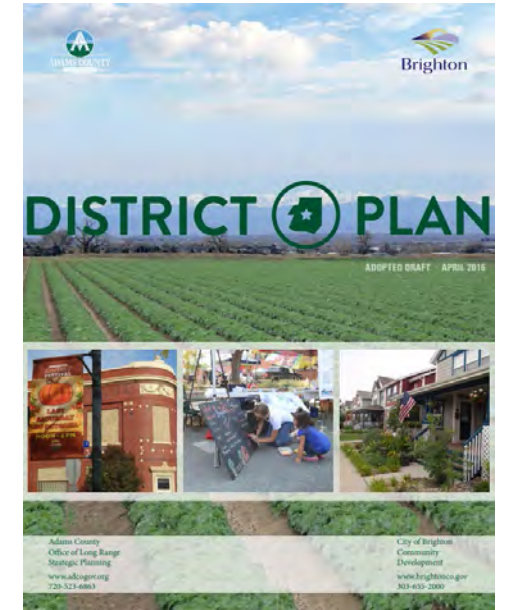
District Plan & Historic Splendid Valley





District Plan

- Award-winning plan
- Adopted in 2016
- Goals:
 - Preserve Agricultural Land
 - Encourage Local Food Production & Consumption
 - Promote Agritourism



District Plan Work Plan Highlights

- Codes and Standards
- Land Preservation
- Farm to School Resources
- Marketing, Agritourism & Business Development
- Local Food System Development
- Land Management & Best Practices



View of Murata Brothers Farm looking south in June 2019



Historic Splendid Valley



District Plan Commission members at Summerfest 2019



Bromley-Hishinuma Farm



Berry Patch Farms





Who is involved

A partnership between Brighton & Adams County



Adams County & Brighton Partnership

- Joint District Plan Commission
- Ag Innovation Specialist
- District Plan Staff



Adams County Open Space board members and staff at Murata Brothers Farm in 2019



District Plan Commission members, past and present, with Ag Innovation Specialist and Extension Director in 2017



Activities Completed

What has been accomplished since the last update

Completed Projects & Activities

- Land Preservation
- Historic Splendid Valley brand
- Marketing & Public Relations Plan
- Conservation Easement toolkit
- Local Foods Workshop



Historic Splendid Valley farmers at the Local Foods Workshop in February 2020.



In the News

Voice of the Rocky Mountain Empire

THE DENVER POST

MONDAY, JUNE 20, 2020

HISTORIC SPLENDID VALLEY

Brighton, Adams County try to protect farming heritage



Tim Ferrell, right, who owns Berry Patch Farms at the west edge of Historic Splendid Valley with his wife, Claudia, plants raspberries with Angelica Torres at the farm May 31. Photos by Hyoung Chang, The Denver Post

Branding effort looks to keep agriculture alive in metro area

By John Aguilar
The Denver Post

REUNION—The founder of this city, Daniel F. Carrichael, thought so highly of the agrarian landscape that spilled out from the north edge of Denver that he "determined there should be a town here

a joint effort between Brighton and Adams County. The purpose behind branding of the old name, said Anne Berube, is to give people "that connection to their food, and that connection to their history and place" in a metro area that is losing the links to its farming roots. Berube, agricultural director for Brighton and said Historic Splendid Valley is a showcase for local agri-tourism, farm-to-table and food storage and sales. Petrocco Farms, which Colorado in 1916, is also

"We reopened it to ag and took down the for-sale sign. We fell in love with the land," Tim Ferrell said.

BRIGHTON SERVING THE COMMUNITY SINCE 1921

STANDARD BLADE

Volume 116 WEDNESDAY, Jun 03, 2019 Issue 27

THE "HISTORIC SPLENDID VALLEY," IN A SEASON OF GROWTH



Joe Calderone, along the border of Ferrell's farm, opens up a Chicago leaf, revealing the seeded hole on the inside. Like Ferrell's bank, the city and county's plan to help local farms is about getting to fruition. A look at the heart of the "Historic Splendid Valley." See more on page 5.

Photo by Liam Adams



BRIGHTON SERVING THE COMMUNITY SINCE 1921

STANDARD BLADE

HOME NEWS SPORTS OPINION OBITUARIES FEATURES SPECIAL SECTIONS

Despite pandemic stoppages, farmers see potential for growth

By Liam Adams
Tuesday, May 19, 2020 at 6:40 pm (Updated: May 22, 10:52 am)

Cars driving on the highway are barely audible. There's almost no one around, except for a couple of farmers on the back of a John Deere who are plopping raspberries in the ground. They're wearing masks, but society's absence and nature's fullness make COVID-19 seem less worrisome.



"This is routine stuff. We'd be doing it without the pandemic," said Tim Ferrell, co-owner of Berry Patch Farms. "We're not stressed about getting the plants in the ground."

While everyone is adjusting in major ways to the pandemic raging around them, Ferrell is doing something the same way he did last year. At least for now.

When the berries are ready for harvest, locals flock to Berry Patch's fields to pick their own assortment. It's sort of impossible to do that this year and maintain proper social distancing, however. Ferrell said Berry Patch is figuring out a reservation system.

It's similar for other farms in the Historic Splendid Valley, a county designated area that protects farmland. Most are planting their crops right now as they usually do. But many farms aren't sure what will happen when harvest season comes around.

Photo by Liam Adams
Tim Ferrell, co-owner of Berry Patch Farms, and another Berry Patch employee plant raspberries May 19.
[Buy this photo](#)





Activities Planned

What is planned for 2020 & beyond

Planned Projects & Activities

- Ongoing Land Preservation efforts
- Transfer of Development Rights (TDR) study
- Historic Splendid Valley brand implementation
- Wayfinding Signage Program
- Local Food System Development

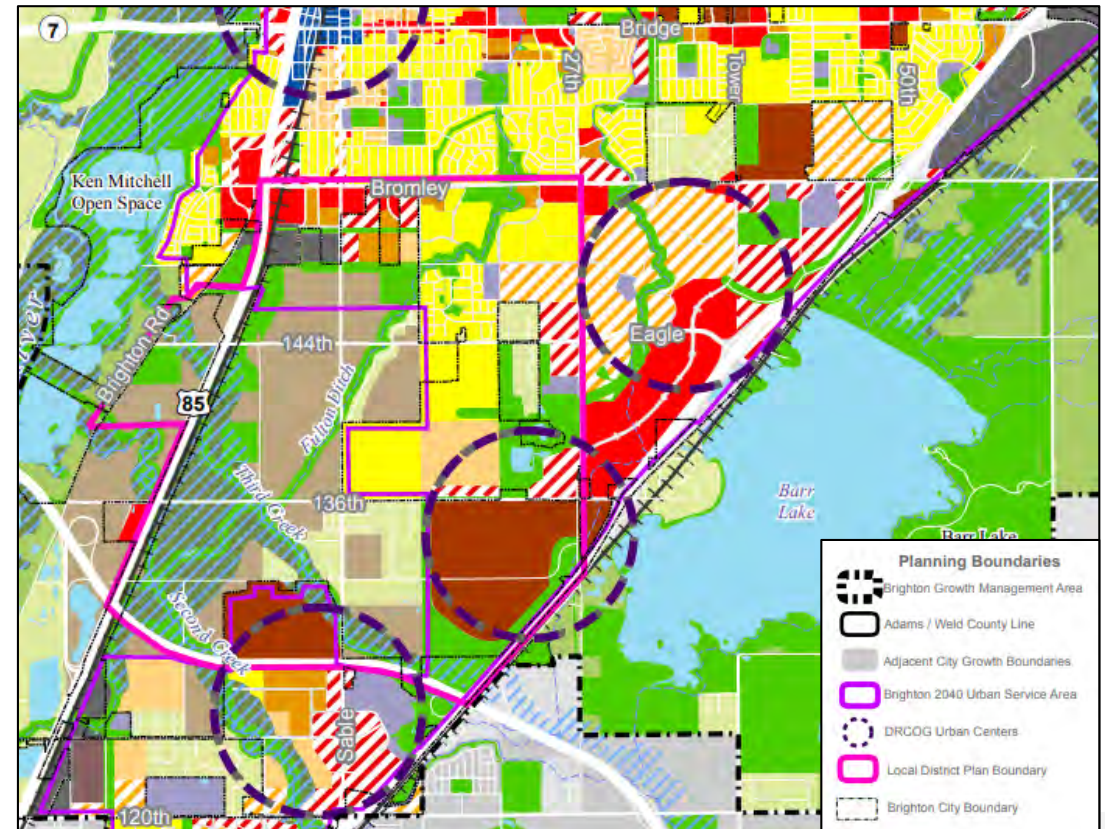
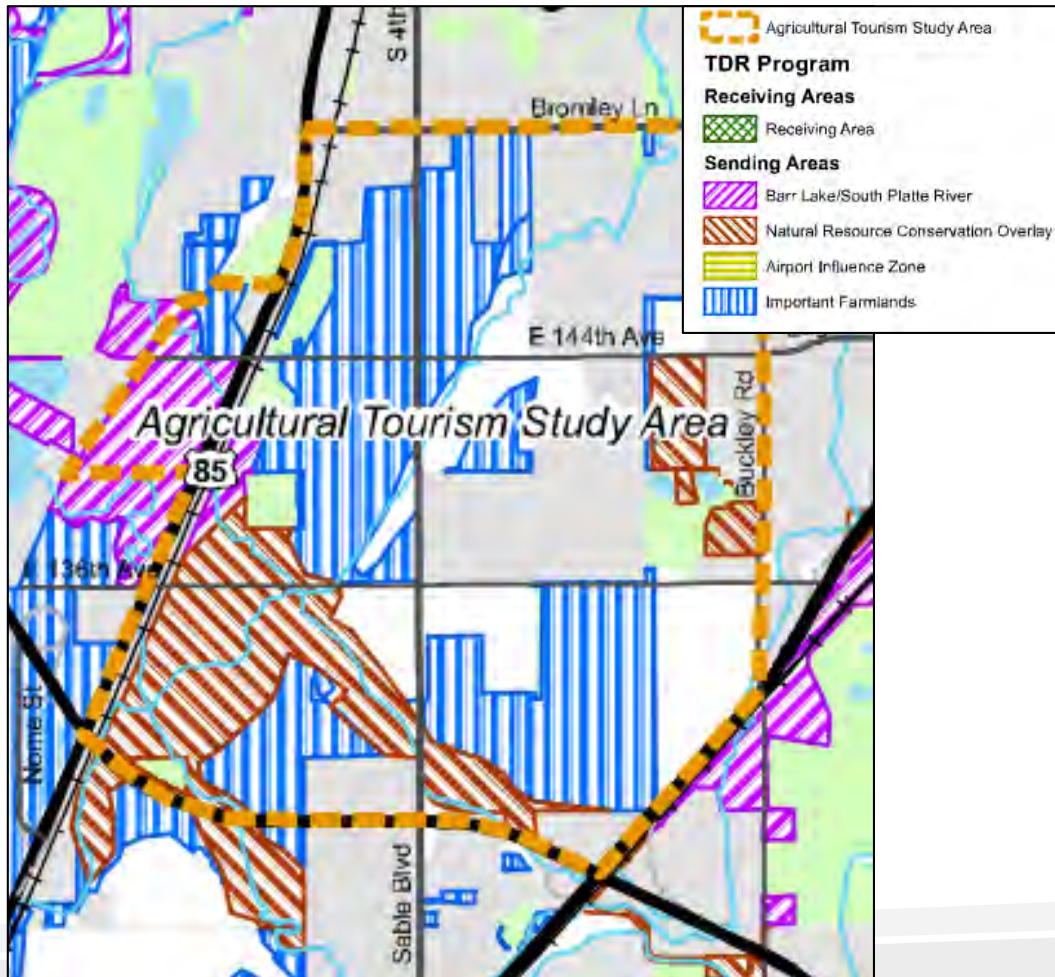




Transfer of Development Rights Study

- Completed to-date:
 - Background Review & Scoping
 - Brighton Receiving Area Market Evaluation (partially complete)
- Next steps:
 - Stakeholder Interviews
 - Land Use Analysis
 - TDR & Development Feasibility
 - Reports & Recommendations

Transfer of Development Rights Study





STUDY SESSION ITEM SUMMARY

DATE OF STUDY SESSION: July 21, 2020
SUBJECT: Oil & Gas Update
OFFICE/DEPARTMENT: Community & Economic Development
CONTACT: Jill Jennings-Golich, Community & Economic Development Director; Katie Keefe, Environmental Program Manager; Greg Dean, Oil & Gas Liaison
FINACIAL IMPACT: None
SUPPORT/RESOURCES REQUEST: N/A
DIRECTION NEEDED: BoCC feedback and recommendations
RECOMMENDED ACTION: Continue working to strengthen draft COGCC/AQCC regulations pertaining to oil and gas operations with comments and proposals provided within Adams County's pre-hearing statements for various rulemaking series.

DISCUSSION POINTS:

- Update on revised state rulemaking schedule and deadlines
- High-level review on proposed air monitoring draft regulations (see slides)
 - Staff's recommendation for areas of focus



Oil & Gas Update: July 21, 2020

COGCC / AQCC Rulemaking Schedule

Rulemaking Series	Party Status Request Deadline	Prehearing Statement Deadline	Public Hearing	Adams County Progress
Wellbore Integrity	January 2020 * Commission adopted new rules	January 2020	June 10, 2020 June 10, 2020*	AdCo submitted 510 Statements on these rules; Hearings were held virtually
Mega Rulemaking 1 – Mission Change, Siting, Permitting & Alternative Location Analysis (100 – 600-Series)	April 24, 2020	July 13, 2020	August 24, 2020 – September 10, 2020	The Commission incorporated many of AdCo’s comments into official draft rules. Prehearing statements filed.
Mega Rulemaking 2 – Cumulative Impacts, Injection Wells & Wildlife Protection (800, 900 & 1200-Series)	May 29, 2020	August 19, 2020	September 28-October 9, 2020	The Commission incorporated many of AdCo’s comments into the official draft rules.
AQCC Regulation 7 Rulemaking – Air Quality Monitoring and Emissions	July 17, 2020	July 30, 2020	September 17-18, 2020	AdCo will request Party Status for this rulemaking

- Garfield County and other parties filed a motion to delay Mega Rulemaking 2 by one month; AdCo Supported this motion, new effective date of rules is December 1, 2020
- The City of Brighton and Town of Lochbuie are interested in potentially submitting statements of support for many of AdCo’s proposals and positions in their prehearing statements



Air Quality Control Commission (AQCC) – Regulation 7

Overview

- **COGCC has removed all proposals related to air quality monitoring from the draft rules, this topic is instead being regulated via AQCC Regulation 7 rulemakings**
- COGCC draft rules can require Operators participate in CDPHE studies related to air emission and cumulative impacts
 - *AdCo Staff proposes added specificity and actionability of these rules as it pertains to cumulative impacts and air quality*

Air Quality Monitoring

- Requires Air Quality Monitoring during pre-production operations and for at least the first 6 months of production, beginning May 2021
- Requires Operators to conduct ambient air monitoring for 3 days prior to start of operations
- Operators must collect speciated VOC samples in certain instances
 - *AdCo Staff proposes additional requirements to strengthen these protections to include:*
 - 1) *Increased specificity for air quality program design requirements and submittals, including a 2-week baseline study*
 - 2) *Requirement that air quality monitoring be completed by an approved third-party*
 - 3) *Expanded list of pollutants required to be monitored*
 - 4) *Enforcement mechanisms and corrective action procedures*



Air Quality Control Commission (AQCC) – Regulation 7 (Cont.)

Overview

Air Quality Reporting & Data

- Operators must submit monthly reports to the Division during air monitoring period(s):
 - Reports must include raw data, phases of operation, results of speciated samples; among other information
 - *AdCo Staff proposes additional requirements that increase access and transparency of air quality data to include:*
 - 1) *Local Government consultation and involvement*
 - 2) *Increased reporting frequency to at least weekly during pre-production*
 - 3) *Real-time data sharing with CDPHE and Local Governments*

Additional Emissions Reductions

- Emissions reduction from temporary, pre-production equipment
 - Requires equipment capable of at least 98% destruction efficiency
 - Prohibits open-top vessels and storage tanks
- Increased monitoring, inspection, measurement and reporting requirements for pre-production equipment
- Emissions reduction requirements for large combustion engines used at oil and gas locations
 - Sets new state-wide standards for hazardous pollutants from engines
 - *AdCo Staff is generally supportive of these proposed requirements*