



Perry Park Water and Sanitation District  
5676 West Red Rock Drive  
Larkspur, Colorado 80118  
[www.ppwsd.org](http://www.ppwsd.org)

## Special Meeting – July 10, 2017

### Board Members Present

Craig Johnston  
Judy LaCrosse  
Jim Matchett  
Andy Morris  
Gary Peterson

### Visitors

### Staff / Consultants in Attendance

Caleb Chamberlain – Ehlers  
Matthew Dempsey - Ehlers  
Diana Miller – District Manager  
Micki Mills – Collins Cockrel & Cole  
Scott Monroe – Semocor, Inc.  
Kathryn Witt - Collins Cockrel & Cole

### 1.0 Call To Order

The meeting was called to order at 10:00.

### 2.0 Discussion Regarding Debt Options

The following questions were submitted by Mr. Maras and discussed:

1. What are the total issuance costs for each alternative, including estimated legal FA, underwriting, placement fees, etc.

These totals are to be determined, but they should include bond attorney fees and the District's out of pocket expenses.

2. Is a "revenue bond" an option in addition to the G.O. via the election or the debt certificate option?

The District could do a revenue bond, but it would require a vote as well. The interest rate would be worse on a revenue bond than a general obligation bond.

3. What rates and terms are available under the alternatives, i.e. fixed rate, variable rate or combinations of both.

There is a lot of risk using a variable rate. For a water and sewer utility a fixed rate makes the most sense.

4. What prepayment penalties or restrictions are involved with each?

There is no difference. Both debt options can be negotiated.

5. What loan covenants will each option typically have?

This is to be determined.

**The Board discussed the pros and cons of Certificates of Participation (COP) versus General Obligation Bonds (GO) with the staff and consultants.**

The Board agreed that COP not requiring an election is very positive for the District. The Board discussed the cost of running the election.

The Board agreed that issuing COP in the near term and potentially issuing GOs in the future would provide the District with funding flexibility and in the long run is very positive for the District. The Board discussed that funds could be available sooner. The Board discussed that there were a number of technology and regulatory possibilities that could impact future funding requirements.

The Board agreed that issuing COP would result in a slightly worse credit rating and that this was a slight negative for COP and a slight positive for GOs.

The Board agreed that COP having slightly higher interest rates than GOs is a slight negative for COP and is a slight positive for GOs.

The Board agreed that COP requiring the security of an underlying asset is a slight negative for COP.

The Board agreed that COP eliminate the possibility of a Customer's ability to deduct property taxes assessed from a debt service mill levy is in some cases a slight negative.

The Board agreed that increased rates as opposed to increase property taxes associated with debt repayment is more equitable because all Customers pay the same amount.

The consultants were asked by the Board and provided to the Board their recommendations on the proper method of financing for the District.

A straw poll was taken and each Board Member agreed that they had enough information to make an informed decision at the July 19, 2017 Regular Board meeting.

**3.0 Adjournment** - A motion was made and seconded; (RESOLUTION 17-041) TO ADJOURN THE SPECIAL MEETING. The motion passed unanimously. The meeting adjourned at 11:15.

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Secretary, Judy LaCrosse