



Perry Park Water and Sanitation District
5676 West Red Rock Drive
Larkspur, Colorado 80118
www.ppwssd.org

Regular Meeting – April 20, 2022

Board Members Present

Brian Arthurs
Judy LaCrosse
Tony Lucas
James Maras
Gary Peterson

Visitors

Paul LaCrosse
Julia McCusker

Staff / Consultants in Attendance

Pat Colleran – DA Davidson
Diana Miller – District Manager
Will Parker – Semocor, Inc.

1.0 Call To Order

The Regular Board Meeting was called to order at 14:00.

2.0 New Business and Open Items and Operational Status

- 2.1 Meeting Minutes – A motion was made and seconded; (RESOLUTION 22-028) TO APPROVE THE MINUTES OF THE MARCH 16, 2022 REGULAR BOARD MEETING OF THE PERRY PARK WATER AND SANITATION DISTRICT AS AMENDED. The motion passed unanimously.

In reference to Section 2.5 Rate Increase, Director Arthurs requested that the verbiage *The Board agreed that a rate increase is necessary* be changed to *The Board agreed that a rate increase may be necessary*.

A motion was made and seconded; (RESOLUTION 22-029) TO APPROVE THE MINUTES OF THE APRIL 11, 2022 WORK SESSION OF THE PERRY PARK WATER AND SANITATION DISTRICT AS PRESENTED. The motion passed unanimously.

- 2.2 Disbursements – A motion was made and seconded; (RESOLUTION 22-030) TO APPROVE ELECTRONIC PAYMENTS DATED APRIL 7, 2022 IN THE AMOUNT OF \$8,641.09 AND ELECTRONIC PAYMENTS DATED APRIL 12, 2022 IN THE AMOUNT OF \$215.11 WHICH WERE PREVIOUSLY DISBURSED FROM 1ST BANK. The motion passed unanimously.

A motion was made and seconded; (RESOLUTION 22-031) TO APPROVE CHECKS 13360 THRU 13367 IN THE AMOUNT OF \$40,677.57 THAT WERE PREVIOUSLY DISBURSED FROM 1ST BANK. The motion passed unanimously.

A motion was made and seconded; (RESOLUTION 22-032) TO APPROVE CHECKS 13368 THRU 13399 IN THE AMOUNT OF \$160,199.16 TO BE DISBURSED FROM 1ST BANK. The motion passed unanimously.

In reference to check 13388, issued to Meyer & Sams, Inc., Director Maras requested clarification on the vendor. The District Manager advised that Meyer & Sams is the billing entity for GMS, Inc.

A motion was made and seconded; (RESOLUTION 22-033) TO RATIFY CONSENT AGENDA ITEMS DATED MARCH 18, 2022 IN THE AMOUNT OF \$7,053.73 AND CONSENT AGENDA ITEMS DATED APRIL 1, 2022 IN THE AMOUNT OF \$7,591.98 AND CONSENT AGENDA ITEMS DATED APRIL 15, 2022 IN THE AMOUNT OF \$7,591.98 WHICH WERE PREVIOUSLY DISBURSED FROM WELLS FARGO BANK. The motion passed unanimously.

- 2.3 District Systems Report - The members of the Board reviewed the District Systems Report for March 2022 which was prepared by Mr. Parker.

In regard to the Sageport Wastewater Treatment Plant, Director Peterson noted that the TIN (Total Inorganic Nitrogen) result was an improvement from previous months.

- 2.4 Monthly Staff Report - The members of the Board reviewed the Monthly Staff Report that was presented by the District Manager.

- 2.5 Lease Purchase Agreement Options – Mr. Pat Colleran attended the Board Meeting to provide information to the Board on the current borrowing environment, the pros and cons of financing options available, the benefits of borrowing from Truist Bank, the District's current lease purchase agreement bank and the benefits of circulating an RFP (Request for Proposal).

Director Maras strongly expressed that executing engagement letters for financing is premature as the capital projects associated with the proposed lease purchase agreement were not vetted enough.

Director Peterson countered that it was Director Maras who raised the importance of the District borrowing sooner rather than later to lock in lower interest rates. Director Peterson noted that executing engagement letters for financing does not constitute an obligation to borrow or lock in an amount to be borrowed.

- 2.6 Engagement Letter Butler Snow – The Board discussed the engagement letter for Bond Counsel from Butler Snow. It was noted that Butler Snow advised the District in their successful TABOR election as well as their previous lease purchase agreement. Director Peterson had a number of questions and agreed to compose them in e-mail for clarification from Butler Snow. A motion was made and seconded; (RESOLUTION 22-034) TO EXECUTE THE ENGAGEMENT LETTER WITH BUTLER SNOW. The motion passed 4-1.

- 2.7 Engagement Letter DA Davidson – The Board discussed the engagement letter for

Investment Banking Services from DA Davidson. It was highlighted that there was no cost to the District if a borrowing transaction is not completed. At the conclusion of discussion, a motion was made and seconded; (RESOLUTION 22-035) TO EXECUTE THE ENGAGEMENT LETTER WITH DA DAVIDSON. The motion passed 3-2.

- 2.8 Engagement Letter Raftelis Financial Consultants, Inc. – The Board discussed the engagement letter for preparation of a Water and Wastewater Financial Plan and Tap Fee Study from Raftelis Financial Consultants, Inc. The importance of the study was emphasized, as it is essential for the borrowing effort. Director Peterson requested that an additional task be added to the Statement of Work for a presentation of the study at a public meeting. At the conclusion of discussion, a motion was made and seconded; (RESOLUTION 22-036) TO EXECUTE THE ENGAGEMENT LETTER WITH RAFTELIS FINANCIAL CONSULTANTS, INC. The motion passed 5-0.

2.9 Resolution to Finance Capital Improvements

RESOLUTION 22-037

WHEREAS, the Perry Park Water and Sanitation District, Douglas County, Colorado (the “District”) is a quasi-municipal corporation and political subdivision duly organized and existing under the laws of the State of Colorado; and

WHEREAS, the members of the Board of Directors of the District (the “Board”) have been duly appointed and qualified; and

WHEREAS, it is the current intent of District to construct certain water and wastewater capital improvements (the “Project”); and

WHEREAS, the District has determined that it is in the best interest of the District to finance the Project through the execution and delivery of one or more lease purchase agreements or loan agreements or one or more series of bonds; and

WHEREAS, the Board has determined that it is necessary to make capital expenditures to acquire and construct the Project prior to the time that the District arranges for the specific financing of such Project; and

WHEREAS, it is the District’s reasonable expectation that when such financing occurs, the capital expenditures will be reimbursed with the proceeds of the financing; and

WHEREAS, in order to comply with the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), it is the District’s desire that this resolution shall constitute the “official intent” of the Board to reimburse such capital expenditures within the meaning of Treasury Regulation §1.150-2.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PERRY PARK WATER AND SANITATION DISTRICT, COLORADO:

Section 1. All action (not inconsistent with the provisions of this resolution) heretofore taken by the Board and the officers, employees and agents of the District directed toward the financing of the Project is hereby ratified, approved and confirmed.

Section 2. The District intends to finance approximately \$20,000,000 to pay the costs of the Project, including the reimbursement of certain costs incurred by the District prior to the receipt of any proceeds of a financing, upon terms acceptable to the District, as authorized in a resolution to be hereafter adopted and to take all further action which is necessary or desirable in connection therewith. This resolution is intended to be a declaration of "official intent" to reimburse expenditures within the meaning of Treasury Regulation §1.150-2. The District shall not use reimbursed moneys for purposes prohibited by Treasury Regulation §1.150-2(h).

Section 3. The officers, employees and agents of the District shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby and shall take all action necessary or desirable to finance the Project and to otherwise carry out the transactions contemplated by the resolution.

Section 4. If any section, paragraph, clause or provision of this resolution shall for any reason be held invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 6. All acts, orders and resolutions of the District, and parts thereof, inconsistent with this resolution be, and the same hereby are, repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any act, order or resolution, or part thereof, heretofore repealed.

Section 7. The resolution shall be in full force and effect upon its passage and approval.

PASSED AND ADOPTED April 20, 2022.

2.10 Work Session Discussion – The Board discussed the April 11, 2022 Work Session. Director Maras again suggested that the engineer's submittal to the Colorado Department of Public Health and Environment was taking too long.

3.0 Audience Participation – Ms. McCusker advised the Board that she thought passing the resolution to finance capital improvements was premature.

4.0 Board Member Discussion Items – The Board discussed and agreed to changing the May 18 Board Meeting to May 11.

The Board thanked Director LaCrosse for her many years of dedicated service to the District.

5.0 Adjournment - A motion was made and seconded; (RESOLUTION 22-038) TO ADJOURN THE REGULAR MEETING. The motion passed unanimously. The meeting adjourned at 17:00.

Secretary, James Maras

