

PURGATORY METROPOLITAN DISTRICT  
MINUTES OF BOARD OF DIRECTORS MEETING

A joint regular meeting of the Purgatory Metropolitan District and the Purgatory Metropolitan La Plata-San Juan Sub-District was held Wednesday, October 18, 2023 at the Purgatory Metropolitan District Community Center. Directors DeeDee Carlson, Susan Voorhees, Sharon Henschen, John Ogier and Mark Gebhardt were in attendance. Also in attendance Eric Hassel, Frankie White and David Smith. David Rathbun representing the Purgatory Resort attended the meeting.

Minutes

Mark Gebhardt made a motion to approve the September 20, 2023 minutes with grammar changes. DeeDee Carlson seconded the motion. Motion passed.

Public Hearing to discuss rate increase to sewer fees

DeeDee Carlson made a motion to open the public hearing to discuss water and sewer service rate increase. Sharon Henschen seconded the motion. Motion passed.

Eric Hassel reported that, based upon the bids received for the wastewater treatment plant, the District needs additional funding to build the plant. The additional funding will need to be secured with an increase in sewer fees, given that property tax revenues were pledged as the repayment source for the original loan from CWRPDA. Eric has reached out to three banks to secure the additional funding, Vectra Bank, CO Bank and NBH Bank. Each of them is able to lend the \$5 million we currently believe is needed. Based upon a projected amortization schedule, Eric has calculated the necessary increase in fees based on the additional interest we will have to pay annually if these funds are drawn upon, that increase ranging between \$51 to \$56 per user per month for sewer only. We currently charge \$38.46 per user per month for wastewater. Eric explained that the construction and therefore financial needs can be done on an incremental basis over the next 1-2 years. The board discussed when and to what extent to raise the rates, keeping in mind the current 4% increase every May 1.

Susan Voorhees made a motion to close the public hearing at 9:58 am. John Ogier seconded the motion. Motion passed.

Susan Voorhees made a motion to increase the utility rates May 1, 2024 by \$40 on the sewer portion and 4% on the water portion. Sharon Henschen seconded the motion. Motion passed.

WWTP Additional Funding Options

Eric Hassel reported that due to CO Bank getting nervous about the reduced SRF funding for wastewater projects he has looked into additional funding options for the short fall in funds to build the wastewater plant. CO Bank has two options to provide funding, the bank provides it directly to the District, or they facilitate a loan via the USDA. Eric explained that if we have to use the USDA funding we increase costs due to the 'buy America/build America requirements. This also increases the time it takes to get loan approval.

John Ogier reported that he is joining conference calls with Eric and the various banks to discuss the additional funding. Eric is still monitoring and exploring getting SRF funds for the additional needs. The board set a special meeting to consider awarding a contract for additional funding. A discussion of Proposition HH will be held at the special meeting. This meeting will be held October 31, 2023 at 9:00 a.m.

#### WWTP Loan Request #5

Eric Hassel presented the 5<sup>th</sup>. request from the SRF loan funds. This is for \$418,933.16. John Ogier made a motion to approve requisition #5. DeeDee Carlson seconded the motion. Motion passed.

#### Management Report

Eric Hassel reported that divers inspected the Twilight Dam drain system. The drain needs to be repaired, but we need to report to the state dam inspector who has the final say between repair or re-design and re-build. The divers reported to Eric that if we are allowed to repair it they can do it without draining the entire dam.

Well 6 had a fault last week. The NFD railed. Eric has facilitated a temporary repair but needs additional time to trouble shoot and locate to determine if the problem is the pump or something else. Brooks Well Service will be up Friday the 20<sup>th</sup>. to inspect the well parts and possibly pull the pump to see what needs to be done. If we need a new pump they are a week out, so Eric has directed Brooks Well to order one so it will be on the way if needed.

#### Financial Report

The board reviewed bills being paid today. Sharon Henschen made a motion to approve paying the bills. DeeDee Carlson seconded the motion. Motion passed.

John Ogier made a motion to enter into an executive session to discuss personnel matters pursuant to 24-6-402-(4)(f) C.R.S.

Sharon Henschen made a motion to exit executive session John Ogier announced that no votes were taken, nor were any decisions made during the executive session.

The meeting adjourned. Next Meeting: **October 18, 2023, at 9:00** am in the Purgatory Metropolitan District Community Center,