



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

## Work Session – December 1, 2020

### Board Members Present

Brian Arthurs  
Tony Lucas  
Jim Maras  
Gary Peterson

### Visitors

Rich Briner  
Doug Duvigneaud  
Julia McCusker  
Bob Petro

### Excused Absence

Judy LaCrosse

### Staff / Consultants in Attendance

James Mann – Ehlers  
Diana Miller – District Manager  
Will Parker – Semocor, Inc.

### 1.0 Work Session

The work session began at 1:00pm.

Mr. James Mann with Ehlers presented his recommendations for funding the Waucondah Wastewater Treatment Plan Improvements. The recommendations were based on the assumption that the expenditures for improvements are in the \$5,000,000 range.

A question and answer session followed.

Following is a copy of the Funding Options Report for Waucondah Wastewater Treatment Plant Improvements prepared by Mr. Mann.

### 2.0 Adjournment

The meeting adjourned at 13:47.

  
Secretary, James Maras

# MEMORANDUM

TO: Diana Miller, Director  
 FROM: James A. Mann, Senior Municipal Advisor/Principal  
 DATE: November 30, 2020  
 SUBJECT: Perry Park Water & Sanitation District - Waucondah WWTP Improvements

In follow-up to the District's request regarding funding options for the planned improvements at the Waucondah WWTP, Ehlers has updated the Financial Management Plan to reflect the shifting priorities of the District's Capital Improvement Plan.

Understanding that the District priority has shifted to upgrade the Waucondah WWTP to eliminate over-capacity issues, the overall CIP has been adjusted to move a number of projects further out on the planning timeline in order to provide adequate resources to undertake the proposed improvements. Below, and attached is the overall CIP plan with most projects shifted to future years.

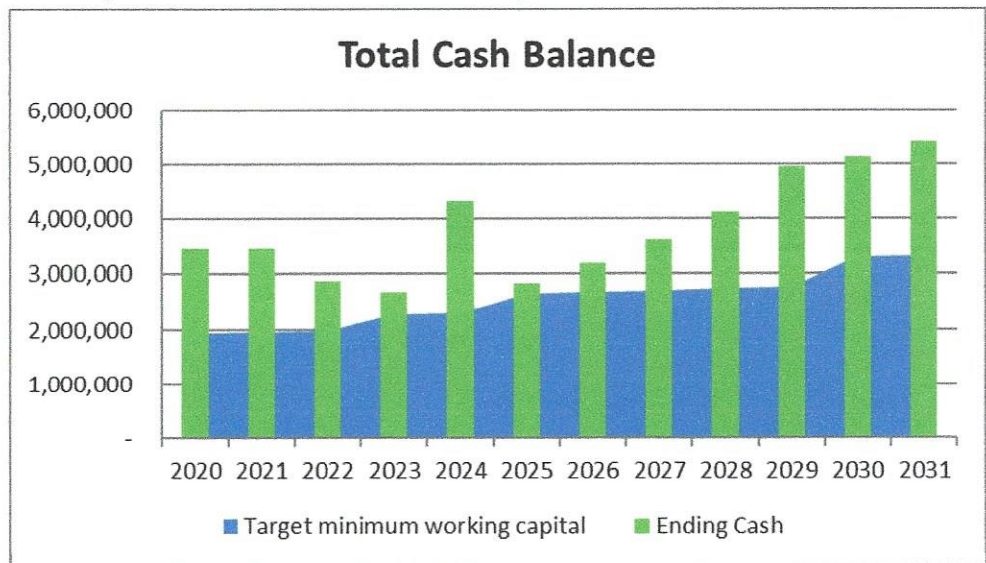
Perry Park Water and Sanitation District - Financial Management Plan												
Water System - Capital Improvement Program												
Projects	Estimated 2019	Budget 2020	2021	2022	2023	2024	Projected 2025	2026	2027	2028	2029	Total
<b>CAPITAL EQUIPMENT</b>												
System Mapping	50,000	20,000	20,000	20,000	20,000	-	-					130,000
Vehicle Replacement	-	-	-	-	-	-	-					-
<b>WATER PROJECTS</b>												
Dakota Well Replacement - Redundant	3,654				500,000							503,654
Gove Ditch Weir	10,000	55,000										65,000
Sageport WTP Improvements	500,000	1,000,000										1,500,000
Increase Well Pumping Capacity Sageport WTP	151,342											151,342
Redundant Tank Site	8,180	10,000					1,000,000					1,018,180
Country Club Drive Water Line Loop	125											125
Echo Hills Tank Water Line Loop						675,000						675,000
Apache Drive/Hog John Water Line Loop						585,000						585,000
Valve at Echo Hills Tank		25,000										25,000
Glen Grove WTP Evaluation												
Glen Grove WTP Improvements												
PRV Vault Improvements	446											446
Raw Water Storage Reservoir											2,000,000	2,000,000
West to East Pipeline and Pump Station											2,000,000	2,000,000
<b>SEWER PROJECTS</b>												
Bannock Lift Station Improvements	7,698											7,698
Boreas Lift Station Improvements							500,000					500,000
Waucondah WWTP Evaluation												
Waucondah WWTP Improvements			500,000	4,500,000								5,000,000
Sageport WWTP Fencing												
Sageport WWTP Improvements	176,709					500,000						676,709
<b>MAINLINE EXTENSIONS</b>												
Bannock Drive LID (50/50 Split)		30,000										30,000
Poncho Road LID (50/50 Split)		30,000										30,000
<b>Actual CIP (2019 Dollars)</b>	<b>908,154</b>	<b>1,170,000</b>	<b>520,000</b>	<b>4,520,000</b>	<b>520,000</b>	<b>1,760,000</b>	<b>1,500,000</b>				<b>4,000,000</b>	<b>14,898,154</b>
Project Cost Inflation	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
<b>Projected Project Cost</b>	<b>908,154</b>	<b>1,205,100</b>	<b>551,668</b>	<b>4,939,126</b>	<b>585,265</b>	<b>2,040,322</b>	<b>1,791,078</b>				<b>5,375,666</b>	<b>17,396,379</b>

For planning purposes, we have included a \$5,000,000 project to be constructed in 2022, with planning work to be completed for approximately \$500,000 in 2021, with \$4,500,000 of

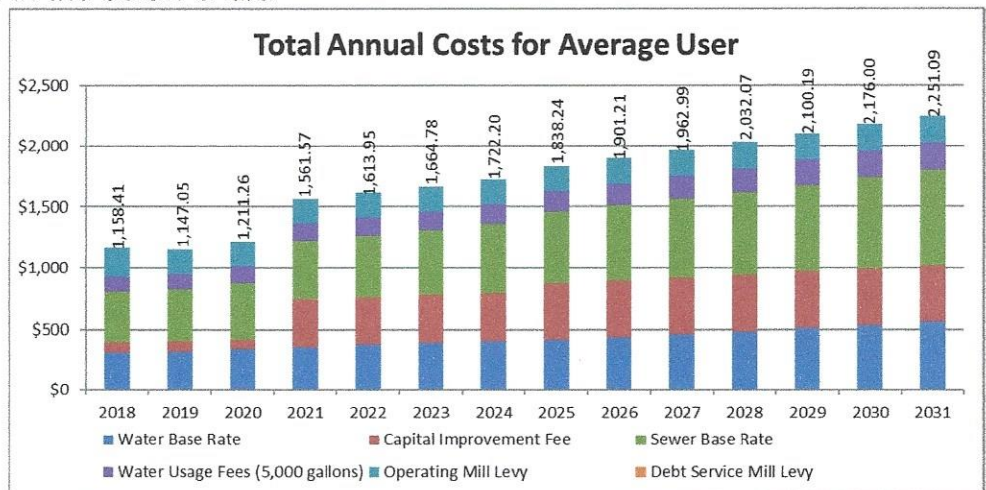
construction costs in 2022. Based on current cash models of the District, it is anticipated that the District will be able to cash finance the planning costs incurred throughout 2021, however will need to borrow funds for the broader project in 2022.

In addition to shifting some of the above project priorities to accommodate the Waucondah WWTP, the capital improvement fee has been increased \$50/per billing cycle, effective January 1, 2021. It is anticipated that the above increase in the capital improvement fee will generate approximately \$454,000 of annual revenue for capital improvements.

As in past iterations of the Financial Management Plan, we have solved to ensure that adequate cash reserves are maintained to operate the District as well as provide for capital investment on an annual basis. In doing the above, we have maintained an annual increase of user rates at 5.00% and then also increased the capital fee in 2025 by \$5/month. As you will note on the chart to the right and the detail on the ensuing page, this keeps the District above its minimum reserve targets.



The impacts to the average user on an annual basis are illustrated in the below chart:



Perry Park Water and Sanitation District - Financial Management Plan													
Financials - Comprehensive													
	Budgeted					Future Projections							
	Fiscal Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
12 Beginning net assets	23,659,274	23,193,884	23,126,075	23,003,852	22,786,257	22,601,162	22,455,146	22,393,485	22,441,783	22,616,003	22,759,249	22,820,071	
13													
14 Operating Revenues													
15 Water sales	720,000	782,718	807,907	855,709	906,271	959,750	1,016,311	1,076,129	1,139,388	1,206,282	1,277,018	1,351,811	
16 Sewer charges	479,000	507,278	537,167	568,818	602,270	637,644	675,051	714,604	756,424	800,640	847,387	896,807	
17 Connection and Inspection Charges	14,350	14,494	14,638	14,785	14,933	15,082	15,233	15,385	15,539	15,694	15,851	16,010	
18 Administrative Fees	25,500	25,755	26,013	26,273	26,535	26,801	27,069	27,339	27,613	27,889	28,168	28,450	
19 Total Operating Revenues	1,238,850	1,310,245	1,385,745	1,465,585	1,550,009	1,639,277	1,733,663	1,833,457	1,938,964	2,050,506	2,168,424	2,293,077	
20													
21 Operating Expenses													
22 Salaries and Payroll Taxes	127,500	130,688	133,955	137,304	140,736	144,255	147,861	151,557	155,346	159,230	163,211	167,291	
23 Outside Operations Labor	400,982	411,007	421,282	431,814	442,609	453,674	465,016	476,642	488,558	500,772	513,291	526,123	
24 Repairs and Maintenance	230,625	236,391	242,300	248,358	254,567	260,931	267,454	274,141	280,994	288,019	295,219	302,600	
25 Utilities	210,000	215,250	220,631	226,147	231,801	237,596	243,536	249,624	255,865	262,261	268,818	275,538	
26 General Operations	387,710	397,403	407,338	417,521	427,959	438,658	449,625	460,865	472,387	484,197	496,302	508,709	
27 Depreciation	781,999	775,418	894,381	885,549	918,543	943,472	916,516	890,330	864,892	993,771	965,378	937,795	
28 General and Administrative Expenses	564,344	578,453	592,914	607,737	622,930	638,503	654,466	670,828	687,598	704,788	722,408	740,468	
29 Total Operating Expenses	2,703,160	2,744,608	2,912,801	2,954,429	3,039,145	3,117,090	3,144,474	3,173,996	3,205,640	3,393,038	3,424,626	3,458,525	
30													
31 Net Operations	(1,464,310)	(1,434,363)	(1,527,056)	(1,488,845)	(1,489,136)	(1,477,813)	(1,410,810)	(1,340,529)	(1,266,676)	(1,342,532)	(1,256,202)	(1,165,448)	
32 Non-operating revenues (expenses)													
33 Property Taxes	443,371	445,991	457,558	460,230	472,135	474,861	487,112	489,894	502,501	505,358	518,311	521,205	
34 Specific Ownership Tax	31,500	31,815	32,133	32,454	32,779	33,107	33,438	33,772	34,110	34,451	34,796	35,144	
35 Tap Fee	109,500	80,925	87,100	90,675	94,250	101,400	105,300	109,525	114,075	118,625	123,175	128,375	
36 Development/Core Fee	173,950	138,177	148,252	154,102	159,952	171,327	178,152	184,977	192,127	199,602	207,402	215,202	
37 Capital Improvement Fees	127,500	581,839	586,964	592,088	597,213	603,018	609,922	617,027	624,331	631,836	639,541	647,445	
38 Water and Sewer Availability Fees	-	-	-	-	-	-	-	-	-	-	-	-	
39 Interest income	100,000	69,015	69,094	57,614	53,358	86,110	56,568	63,644	72,145	82,395	98,819	102,497	
40 Interest and fiscal charges expense	(76,001)	(71,208)	(66,268)	(205,915)	(195,645)	(319,026)	(301,342)	(288,811)	(275,793)	(262,269)	(479,019)	(452,896)	
41 Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	
42 Miscellaneous revenue (expense)	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	
43 Capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	
44 Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	
45 Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	
46 Total non-operating revenue (expenses)	998,920	1,366,555	1,404,833	1,271,250	1,304,041	1,331,796	1,349,150	1,388,827	1,440,896	1,485,778	1,317,026	1,368,972	
47													
48 Net increase (decrease) in resources	(465,390)	(67,809)	(122,223)	(217,595)	(185,095)	(146,016)	(61,660)	48,298	174,220	143,246	60,822	203,524	
49													
50 Ending net assets	23,193,884	23,126,075	23,003,852	22,786,257	22,601,162	22,455,146	22,393,485	22,441,783	22,616,003	22,759,249	22,820,071	23,023,595	
51 CIP Funding													
52 Purchase of Capital Assets	(1,205,100)	(551,668)	(4,939,126)	(585,265)	(2,040,322)	(1,791,079)	-	-	-	(5,375,666)	-	-	
53 Borrowing Proceeds	-	-	3,750,000	-	3,250,000	-	-	-	-	5,600,000	-	-	
54 Cost of Issuance	-	-	110,000	-	100,000	-	-	-	-	170,000	-	-	
55 Total Bond Amount	-	-	3,860,000	-	3,350,000	-	-	-	-	5,770,000	-	-	
56 Grants	-	-	-	-	-	-	-	-	-	-	-	-	
57 Revolving Loan Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	
58 Payment of interfund loan	-	-	-	-	-	-	-	-	-	-	-	-	
59 Bond principal repayment	(147,500)	(152,000)	(157,000)	(295,524)	(305,512)	(483,490)	(501,052)	(513,582)	(526,599)	(540,122)	(842,331)	(868,453)	
60													
61 Beginning Cash	4,486,734	3,450,743	3,454,684	2,890,716	2,667,881	4,305,494	2,828,381	3,182,185	3,607,231	4,119,744	4,940,974	5,124,843	
62 Add net operations (line 31)	(1,464,310)	(1,434,363)	(1,527,056)	(1,488,845)	(1,489,136)	(1,477,813)	(1,410,810)	(1,340,529)	(1,266,676)	(1,342,532)	(1,256,202)	(1,165,448)	
63 Add back depreciation (line 27)	781,999	775,418	894,381	885,549	918,543	943,472	916,516	890,330	864,892	993,771	965,378	937,795	
64 Add net non-operating (line 46)	998,920	1,366,555	1,404,833	1,271,250	1,304,041	1,331,796	1,349,150	1,388,827	1,440,896	1,485,778	1,317,026	1,368,972	
65 Add capital and bond principal (lines 52-53, 56-59)	(1,352,600)	(703,668)	(1,346,126)	(880,788)	904,166	(2,274,569)	(501,052)	(513,582)	(526,599)	(315,787)	(842,331)	(868,453)	
66 Net change in balance sheet items	-	-	-	-	-	-	-	-	-	-	-	-	
67 Other investments	-	-	-	-	-	-	-	-	-	-	-	-	
68 Ending Cash	3,450,743	3,454,684	2,890,716	2,667,881	4,305,494	2,828,381	3,182,185	3,607,231	4,119,744	4,940,974	5,124,843	5,397,709	
69 Ending net assets	23,193,884	23,126,075	23,003,852	22,786,257	22,601,162	22,455,146	22,393,485	22,441,783	22,616,003	22,759,249	22,820,071	23,023,595	
70													
71 Target minimum working capital	1,934,082	1,957,803	1,982,477	2,285,879	2,311,459	2,639,325	2,666,373	2,694,221	2,722,766	2,752,024	3,300,974	3,331,714	
72 Actual working capital-cash balance	3,450,743	3,454,684	2,890,716	2,667,881	4,305,494	2,828,381	3,182,185	3,607,231	4,119,744	4,940,974	5,124,843	5,397,709	
73 Over (Under) target working capital	1,516,661	1,496,881	898,238	382,003	1,994,036	189,056	515,812	913,010	1,396,978	2,188,949	1,823,868	2,065,995	
74													
75													
76 Beginning Accumulated Depreciation	17,086,156	17,868,155	18,643,573	19,537,954	20,423,503	21,342,045	22,285,518	23,202,033	24,092,363	24,957,255	25,951,026	26,916,403	
77 Depreciation													
78 Purchased assets	781,999	775,418	894,381	885,549	918,543	943,472	916,516	890,330	864,892	993,771	965,378	937,795	
79 Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	
80 Total Depreciation	781,999	775,418	894,381	885,549	918,543	943,472	916,516	890,330	864,892	993,771	965,378	937,795	
81 Ending Accumulated Depreciation	17,868,155	18,643,573	19,537,954	20,423,503	21,342,045	22,285,518	23,202,033	24,092,363	24,957,255	25,951,026	26,916,403	27,854,199	
82 Capital replacement reserve as a percent													
83 of ending accumulated depreciation	19.3%	18.5%	14.7%	13.1%	20.2%	12.7%	13.7%	15.0%	16.5%	19.0%	19.0%	19.4%	

As we have mentioned before, the District may want to continue to strive towards maintaining operations without the need of annual "one-time" money (Tap Fees and Development/Core Fees). Currently those costs represent approximately \$220,000 of annual revenues, which is approximately 17.3% of water and sewer user revenues (not including the capital fee). While not imperative, the District may want to consider higher than 5% increases on an annual basis to reduce the reliance on the one-time fees.