



Perry Park Water and Sanitation District
5676 West Red Rock Drive
Larkspur, Colorado 80118
perryparkwsd.colorado.gov

Regular Meeting – November 12, 2025

Board Members Present

Gary Peterson
Brian Arthurs
Tony Lucas
Julia McCusker
James Maras (virtual)

In-Person Guests

1. Jill Arthurs
2. Fred Bennett
3. Pati Walton
4. Mitch Seybold
5. Aaron Mathewson
6. Terry Haling

Virtual Guests

1. Lloyd Riddle
2. Pat
3. Norman
4. Rob Womelsdorf
5. Geronimo Perez
6. London Perez
7. Stacie Sneider

Staff / Consultants in Attendance

Diana Miller – District Manager (virtual)
Melissa Keathley – Utility Assistant

1.0 Call To Order

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

The District Manager requested that an agenda item be added for the execution of the Schilling and Company contract. Board members agreed to the addition.

Director Peterson requested that an agenda item be added for questions from the Perry Park Water Together Alliance. Board members agreed to the addition.

Director Maras requested two additions to the agenda; 1. continued conversations regarding Colorado Waterwise and the Colorado Water Loss Initiative, and 2. training opportunities offered through the UNC School of Government Environmental Finance Center. Board members agreed to the addition.

Director Arthurs requested that an agenda item be added for a review of recently conducted oversight measures. Board members agreed to the addition.

2.0 New Business, Open Items and Operational Status

2.1 Meeting Minutes – A motion was made and seconded; (RESOLUTION 25-088) TO APPROVE THE MINUTES OF THE OCTOBER 6, 2025, WORK SESSION OF THE PERRY PARK WATER AND SANITATION DISTRICT (PPWSD) AS PRESENTED. The motion passed unanimously.

A motion was made and seconded; (RESOLUTION 25-089) TO APPROVE THE MINUTES OF THE OCTOBER 15, 2025, BOARD MEETING OF THE PERRY PARK WATER AND SANITATION DISTRICT (PPWSD) AS PRESENTED. The motion passed unanimously with grammatical corrections to pages 2 & 6.

- 2.2 Disbursements – A motion was made and seconded; (RESOLUTION 25-090) TO APPROVE ELECTRONIC PAYMENTS DATED OCTOBER 20, 2025, IN THE AMOUNT OF \$22,857.58 AND ELECTRONIC PAYMENTS DATED OCTOBER 21, 2025 IN THE AMOUNT OF \$227.19 THAT WERE PREVIOUSLY DISBURSED FROM 1ST BANK. The motion passed unanimously.

A motion was made and seconded; (RESOLUTION 25-091) TO APPROVE CHECKS 14636 THRU 14656 IN THE AMOUNT OF \$139,102.58 TO BE DISBURSED FROM 1ST BANK. The motion passed unanimously.

In reference to check 14655, issued to TST Infrastructure, Director Maras requested additional information regarding the description associated with the check. The District Manager explained that the PFAS testing was for secondary contaminants that are now being required by the state. The check in question also included payment for an ISO map which was requested by the Larkspur Fire Department.

A motion was made and seconded; (RESOLUTION 25-092) TO RATIFY CONSENT AGENDA ITEMS DATED October 24, 2025, IN THE AMOUNT OF \$8,096.13 WHICH WERE PREVIOUSLY DISBURSED FROM WELLS FARGO BANK. The motion passed unanimously.

The District Manager asked that the board recall check 14620, issued to Fischer Enterprises and commented on at the October Board Meeting. She reported that the check was issued in error and had been voided.

- 2.3 Engagement Letter – Fiscal Focus Partners – The board reviewed the engagement letter from Fiscal Focus Partners, LLC for the annual audit. Director Arthurs commented that the letter was a standard engagement letter outlining the services provided for a flat fee of \$8,500. A motion was made and seconded; (RESOLUTION 25-093) TO AUTHORIZE DIRECTOR ARTHURS TO SIGN THE ENGAGEMENT LETTER WITH FISCAL FOCUS PARTNERS FOR THE AUDIT OF 2025 FINANCIAL STATEMENTS. The motion passed unanimously.

- 2.4 Engagement Letter – Butler Snow, LLC – The board reviewed the engagement letter from Butler | Snow LLP for bond counsel in connection with a lease purchase agreement for Waucondah Wastewater Treatment Plant Upgrades. Director Arthurs commented that the most recent bond counsel contract was for \$30,000, and although several years later, the fee for the same service is \$65,000. Director McCusker offered that the fee is reasonable by today's standards and the organization is reputable. A motion was made and seconded; (RESOLUTION 25-094) TO SIGN THE ENGAGEMENT LETTER WITH BUTLER SNOW LLP FOR THE BOND COUNSEL FOR THE LEASE AGREEMENT FOR THE WAUCONDAH WASTEWATER TREATMENT PLANT UPGRADES. The motion passed unanimously.

- 2.5 Engagement Letter – Schilling and Company – The board reviewed the engagement letter from Schilling and Company for year-end accounting services. Director Arthurs commented that the quoted rate of \$155/hour is reasonable and

answered questions from Director Maras regarding the specifics of the terms. A motion was made and seconded; (RESOLUTION 25-095) TO AUTHORIZE DIRECTOR ARTHURS TO SIGN THE ENGAGEMENT LETTER WITH SCHILLING AND COMPANY FOR YEAR-END ACCOUNTING SERVICES. The motion passed unanimously.

- 2.6 Perry Park Water Together Alliance – Aaron Mathewson, PPWSD customer, thanked Director Maras and Director Jim for meeting with the Perry Park Water Together Alliance earlier in the month. He then addressed the board regarding questions from the community gathered by the Alliance, an organization aimed at strengthening communication and collaboration between District customers and the PPWSD Board of Directors.

Question 1 – Regarding the Capital Improvement Report, have the discrepancies found in the report been addressed and if so, can clarification be offered?

Board response – The draft Capital Improvement Report has been posted to the District’s website, and as written in the report, it is a living document that will potentially require revisions due to unforeseen circumstances. It is intended to evolve and offer flexibility when deemed necessary. The District Manager offered that clarification of any points in the Capital Improvement Report can be addressed by Mark Morton at the December Board Meeting.

Question 2 – Regarding the unaccounted-for water loss, how is the water loss measured and are their reports available with the specifics of the loss?

Board response – Director Peterson responded that after consulting leak detection experts and running internal analysis, it was found that leaks in the system were not likely the cause of the unaccounted-for water loss. He continued that the aging meters could be responsible for a percentage of the loss and that the effort to replace the meters would be discussed later in the meeting. Director Arthurs suggested that if the Alliance would like to address the possibility of hydrant water theft as a culprit of the loss, that would be a very effective way for the community to take part in the issue. Director Lucas provided an explanation regarding how the percentage of water-loss is accounted for but disclosed that the calculation is difficult to obtain with full certainty.

Question 3 – Is there are summary of the grants and/or funding the District has applied for recently?

Board response – Director Arthers offered that there is not an official report available that outlines the history of grant submissions and funding efforts.

Question 4 – Regarding the questionnaire that the Alliance requested completion of by the Perry Park Water and Sanitation District board and staff, the responses were posted at perryparkwatertogether.com, as are biographies from some of the board of directors. Can the biographies for the other directors be made available to post?

Board response – The biographies have been made available to the public at the time of the election to the board and published in the Sentinel. The board has not been required to update said biographies since election.

Question 5 – Can the Alliance schedule another meeting with one or two board members on or before December 2nd?

Board response – Director Peterson responded that this is a difficult time of year for board members to allocate time above and beyond their regular voluntary board commitment.

Question 6 – In the board’s opinion, what is the likelihood that an election to increase the mill levy would pass?

Board Response – The board indicated reluctance to proceed with an election to increase the mill levy due to the associated costs and the lack of assurance that such an increase would be approved. Historically, the board has observed that obtaining a loan to finance a large expenditure incurs costs comparable to those of holding an election but does not entail the same level of risk. Director Lucas noted that only approximately 10% of households who itemize deductions could potentially benefit from a tax increase.

2.7 Request for Board Consideration – The Board evaluated an accommodation request submitted by a customer who incurred a high bill resulting from an exterior leak. A motion was duly made and seconded; (RESOLUTION 25-095) TO APPROVE THE ACCOMMODATION REQUEST BY ALLOWING THE CUSTOMER’S CONSUMPTION IN THE JULY/AUG BILLING PERIOD TO BE BILLED AT THE FIRST TIER AS A ONE-TIME EXCEPTION. The motion passed unanimously.

2.8 Rate Study – The board reviewed rate study results presented by Raftelis. An initial analysis was conducted to assess the impact of future bond issuance and committed capital improvement expenditures planned over the next five years. Director Peterson noted that any discussion at this stage is very preliminary and indicated that formal deliberations will continue over the next 30–60 days. The decision regarding the bond issuance will be a pivotal factor in finalizing the proposed rate increase.

Director McCusker expressed concern about the projected 58 days of cash on hand in 2027, considering this level unacceptably low. In response, Director Peterson emphasized that increasing revenue prior to 2027 will be essential. Director Maras recommended that the District develop a strategy for annual incremental rate increases, at minimum, to keep pace with inflation. He also suggested implementing a capital improvement fee specifically for customers utilizing sewer services, as opposed to septic systems. Director Peterson agreed that allocating the capital improvement fee proportionally between water-related and sewer-related capital projects would be prudent.

Director Maras concluded by stating that while the rate study analysis is nearing completion, the existing imbalance between expenses and income remains a significant concern. Additional issues include the repayment of the forthcoming bond issuance, rising operating expenses, and the timing of recommended capital improvements.

2.9 Waucondah Wastewater Treatment Plant Funding Update – The board evaluated the term sheets submitted by DA Davidson and emphasized the necessity of reaching a final decision regarding the principal amount. Director Peterson highlighted that this determination was critical for completing the budget in light of the imminent deadline. Director Maras reiterated the contracted sum for the Waucondah Wastewater Treatment Plant Upgrades and noted the remaining engineering expenses. Subsequently, a motion was made and seconded:

(RESOLUTION 25-096) to authorize a bond issuance with NBH Bank's Option A for a 20-year term in the amount of \$8.25 million. The motion was approved unanimously.

The board agreed to meet on Monday, December 1st at 9am for a 2-hr work session to discuss the 2026 budget.

- 2.10 2026 Budget – The Board conducted a review of the proposed 2026 budget, referencing actual year-end figures for 2024 and estimated entries for 2025. Director Maras emphasized the necessity for balanced expenditure and revenue, noting that, from the perspective of state oversight, accuracy in expenditure projections holds greater importance than revenue estimates.

Director Peterson clarified that implementing a rate increase would necessitate convening a meeting after the first of the year, with a 30-day advance notice published on the District website and distributed to customers via the United States Postal Service. The potential rate adjustment could be effective as of March 1, 2026.

Operations Manager, Mr. Parker presented the schedule for the RBC replacement, while the District Manager advised that payment for this replacement is scheduled for 2026 and will not impact consideration of projected 2025 expenditures.

Director McCusker observed that several budget items lack adjustments for inflation and suggested the board consider a uniform percentage increase across all categories. Director Peterson encouraged board members to thoroughly assess the proposed budget before the upcoming work session and to prepare a list of topics for discussion.

- 2.11 District Systems Report – The members of the Board reviewed the District Systems Report that was prepared by Mr. Parker. Mr. Parker reported that valves at the Glen Grove Water treatment plant needed replacement at an estimated cost of \$6,000. He reported that since his last report, four fire hydrants had been raised, even though they were operational prior to work. Board members directed their attention to the 3rd page of the report, where it was noted that the RBC #2 at the Sageport Plant needs new bearing and that a crane is being sourced to complete the work. Also on page 3, Mr. Parker highlighted the note that the pump shaft on #1 pump at Red Rock Lift Station is under replacement, however, not affecting normal operation. Mr. Parker informed board members that they worked with Douglas County to correct and prevent a minor issue with the School House hydrant which is used for construction water. Director Peterson asked about the unexpected expenses related to generators over the last 11 months. Mr. Parker responded that multiple generators showed unpredictable signs of aging this year. He continued that the District is still renting one generator, with one portable generator in inventory reserve as an emergency back-up.
- 2.12 District Staff Report – The board members conducted a review of the Monthly Staff Report presented by the District Manager. The District Manager consented to incorporate a financial update on the Radium Mitigation Project—paralleling the

regular updates provided for the Waucondah Wastewater Treatment Plant—in future reports.

- 2.13 Smart Meters Update – The board members conducted a review of the sales quotes submitted by Zenner for Smart Meters, noting that these meters have undergone testing and demonstrated adequate functionality. Mr. Parker indicated that the current sales quotes pertain to a portion of the overall project, with an additional order anticipated once the project commences and quantity requirements are more accurately determined. He also stated that the installation schedule will be established based on the optimal communication pathway for the transmitters.

For the December board meeting, Director McCusker requested the preparation of a project management document as well as a coded map detailing the proposed installation plan. She further observed that it would be appropriate to discuss the transition to a monthly billing cycle. The District Manager suggested that implementation would occur sequentially, beginning with one side of the district prior to transitioning to the other. Director Peterson confirmed that payment to Zenner would be processed within the current calendar year.

A motion was duly made and seconded: (RESOLUTION 25-097) TO APPROVE THE SALES QUOTES FROM ZENNER AND PROCEED WITH THE DISTRICT-WIDE TRANSITION TO SMART METERS. The motion was unanimously approved.

- 2.14 Audience Participation – Customer, Fred Bennett, offered that he was recently retired and hopes be a more regular attendee at upcoming meetings.

A virtual attendee inquired about the cost of producing 1,000 gallons of water. Board members provided calculations based on both marginal and direct costs.

Mr. Mathewson asked about ongoing discussions with the Castle Rock Water Department regarding potential future partnerships. The board confirmed that these conversations are underway and noted that similar discussions are being held with the Town of Larkspur's water and sanitation department. Additionally, Mr. Mathewson sought information concerning the possible sale of District properties, specifically the gravel pit and the prospective reservoir site. The board stated that no definitive decisions have been made at this time.

In response to a question regarding bond issuance terms previously addressed in the meeting, Directors Maras and McCusker outlined the drawbacks of extending terms beyond twenty years, clarifying that a twenty-year term is consistent with industry standards.

- 2.15 Board Member Discussion Items – Director Maras reminded board members to review case studies from Colorado Waterwise related to their Colorado Water Loss Initiative.

Director Maras reminded board members of an opportunity offered by the UNC School of Government Environmental Finance Center. He encouraged board

members and the utility assistant to attend webinars related to core responsibilities of managing a public water/wastewater utility.

Director Arthurs provided an update on completed tasks since the previous board meeting. These included supplying information about the Special District Grant Accessibility Act to the Perry Park Water Together Alliance, conducting a random bank account reconciliation and presenting findings to the auditor, and continuing discussions with the Perry Park Water Together Alliance concerning monitoring activity at the hydrants designated for construction water.

3.0 Adjournment - A motion was made and seconded: (RESOLUTION 25-098) TO ADJOURN THE REGULAR MEETING. The motion passed unanimously. The meeting was adjourned at 16:56.

Jim Maras, Secretary