

Wyss volunteered to help with the refinancing.

Manire explained that the bonds issued in 2011 would be locked out of prepayment and refinancing for 10 years. He said the anticipated \$5 million in savings represented about 25 percent of the district's outstanding debt. "The timing is right" to refinance, he said.

Manire recommended that the district retain Sherman & Howard LLC as bond counsel, adding they had served

in that role in 2011. A request for proposal would be put together to choose an underwriter to market the new bonds, Manire said.

Board President Brian Bush said Hilltop Securities' offer included a survey and analysis of the district's financial resources and asked Manire to provide options to the board concerning refinancing, especially the length of time required for the bonds to mature, adding that he would prefer to have the bonds

become due in 2036, which is when the 2011 bonds would mature. Bush said he would consider an earlier maturity date. Bush asked if the board could spend the district's cash reserves to enable it to issue fewer bonds, and then use the district's Renewable Water Investment Fee for four to five years to replenish reserves. Bush asked Manire to investigate using \$2 million to \$5 million from reserves in the bond refinancing analysis.

Manire agreed that Bush was framing the issue correctly and said the district had some flexibility in how the new bonds would be issued. He said he would provide the board with options. Manire cautioned the board about any decision that might lower the district's credit rating.

Wyss said the 2011 bonds specified no prepayment for 10 years and asked if a 10-year lockout was still a requirement. Manire said in general a "no prepayment" guarantee was still the norm, but the length of time was negotiable and that the board could consider eight- or nine-year no-prepayment terms.

Shaffer said in terms of the timeline, he expected an underwriter will have been selected before the board's June meeting. The board would need to make a final decision by August, he said.

Following the discussion with Manire, the board considered letters of engagement with Hilltop Securities and Sherman & Howard LLC that laid out the services the companies would provide. Hilltop Securities' letter specified it would act as the district's Municipal Advisor and would provide financial planning and other services, including supervising the sale of the bonds and selecting an underwriter, for a fee of \$29,500. Sherman & Howard's letter said it would serve as bond counsel and special counsel and would provide an objective legal opinion with respect to the authorization and issuance of the bonds, including the preparation of the Official Statement for the Bonds, for a fee of \$90,000. The board voted unanimously to approve both letters of engagement.

Aging residential water meters give customers a break

At each monthly meeting, the board reviews reports that detail the district's water use, including "unaccounted for water"—water that is pumped and processed but not billed to a customer.

Several things can contribute to this measurement, such as main breaks and inaccurate meters in residences and processing plants.

At the May meeting, the impact of aging residential meters was discussed. Bush pointed out that most of the residential meters are 15 years old and are at the end of their useful life. Older meters tend to err in favor of the consumer by undermeasuring the water used. New meters cost about \$300, Bush said. He said the board should begin thinking about meter replacement.

Shaffer agreed that as meters age their accuracy declines, and they tend to measure less than was used. The district needs to be proactive in replacing older meters, he said. In response to a question from board member Lee Hanson, Shaffer said the district did a study in 2006 and found that residential meters were undermeasuring by about 4 percent and the district replaced some meters in 2007. He recommended the district consider replacing meters in 2022.

Operations Superintendent Dan LaFontaine explained that older meters may not capture low flows, such as a dripping faucet, but are more accurate with high flows.

Hanson pointed out that customers might not understand a sudden increase in their bill due to a meter replacement.

Highlights of operational reports

- The Central Water Treatment Plant (CWTP) is offline while hardware is being upgraded. The work should be complete by Aug.1.
- Water restrictions may need to be implemented depending on how capital improvements to the CWTP, South Water Treatment Plant and the Lake Pump Station proceed.
- The Pikes Peak Regional Water Authority water reuse study held its kickoff meeting.

The next meeting is scheduled for June 14 at 1 p.m. Meetings are usually held on the second Monday of each month at 1 p.m. Meetings are currently held at the Woodmoor Barn Community Center rather than the district office; please see www.woodmoorwater.com or call 488-2525 to verify meeting times and locations.

James Howald can be reached at jameshowald@ocn.me.

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