cash flow from existing revenue meets the requirement for coverage equal to 1.25 times the debt service of the additional debt. \$1.8 million currently in a reserve for repayment of the 2011 bonds will be used for the 2021 bonds, according to Manire, reducing the total amount the district is borrowing.

Manire told the board the bond refinancing would yield \$6.8 million in Present Value savings to the district. Present Value is the current value of a future sum of money or stream of cash flows given a specified rate of return.

The bonds will be sold at a premium, Manire said, and will generate funds beyond their face value to the district. Manire estimated the bonds will require \$1.95 million in annual debt service

The current bonds are rated AA minus, Manire said, but there was a small possibility that rate might be raised in response to a presentation Shaffer gave to

Standard and Poor's.

Manire said he expected the bonds to be sold one week prior to Labor Day.

The board voted unanimously to approve Resolution 21-05.

Daniel Beyley appointed to the board

Daniel Beyley was appointed to the board at the August meeting. Beyley worked for 13 years in the seismic industry and 17 years for the Colorado Department of Public Health and Environmental Water Quality Control Division, where he dealt with water quality issues related to construction, mining, and agriculture on the Western Slope.

Bush administered the oath of office to Beyley, who will serve until May 20, 2022.

Service plans for Monument Junction metro districts considered

Shaffer told the board that Resolution 21-04 gave the district's consent to have two new metro districts, Monument Junction Districts (MJD) 1 and 2, created within WWSD, which is itself a special district. MJD1 will be south of Highway 105 and east of Jackson Creek Parkway, and MJD 2 will be south of Highway 105 and west of Jackson Creek Parkway, Shaffer said. The metro districts will receive water and sewer service from WWSD,

which will bill their residents directly for those services. WWSD will not build the infrastructure required to deliver those services. Classic Homes intends to begin building in MJD1 first, according to Shaffer, and anticipates building a total of 1,100 single-family residences.

Shaffer said the developer would sell bonds to build infrastructure such as roads, sidewalks, curbs, gutters and water and sewer pipes. Homeowners would pay off those bonds via their property taxes, Shaffer said.

District Attorney Erin Smith explained that the developer was required to get WWSD's consent before it could create the metro districts. She said the resolution put restrictions on the new metro districts to prohibit them from offering their own water and sewer service and to prohibit them from charging for those services, which would be provided by WWSD. She recommended that the board approve the resolution.

Bush pointed out that WWSD would charge home-builders a tap fee of \$33,000 per residence to connect to WWSD's service lines.

The board voted unanimously to approve the resolution.

Budget reviewed at mid-year

Shaffer detailed changes in revenues and expenditures in the district budget between its approval in January and the present. Highlights included:

- e Estimated lease income rose from \$94,500 to \$144,500 due to an easement agreement at Woodmoor Ranch with JUWI Solar Inc.
- Estimated interest income dropped from \$44,395 to \$30,300 due to re-investment of securities at lower interest rates.

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- Estimated revenues from supplemental water sales rose from \$132,423 to \$185,120 due to increased sales.
- Estimated construction of facilities expenditures increased from \$7.48 million to \$7.62 million due to increased costs at the Lake Pump Station.
- Estimated expenditures for meter replacements increased from \$23,250 to \$35,000 due to unexpected commercial meter failures.
- Estimated professional fees dropped from \$416,000 to \$359,000 due to less than expected use of consulting services.
- Expenditures at Woodmoor Ranch dropped due to lower labor costs.

Contract to paint water tank awarded

District Engineer Ariel Hacker told the board she had received six bids on the district's project to repaint two storage tanks in the northern portion of the WWSD service area. The low bid came from Worldwide Industries Corp. (WIC), which submitted a bid for \$259,510, which was about \$100,000 lower than the five others due to its superior process for lead abatement. Hacker recommended that the board accept the WIC's bid.

The board voted unanimously to award the contract to WIC.

Highlights of the operational reports

Operations Superintendent Dan LaFontaine told the board he had located one of the causes of the district's unbilled water: a piece of PVC that had lodged in a valve at the South Water Treatment Plant and allowed water to flow through the valve when the system controls









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