

PURGATORY METROPOLITAN DISTRICT
LA PLATA / SAN JUAN SUBDISTRICT
MINUTES OF JOINT BOARD OF DIRECTORS MEETING

A joint regular meeting of the Boards of Directors of the Purgatory Metropolitan District and the La Plata / San Juan Sub-District was held on Wednesday, April 6, 2022, at the Purgatory Metropolitan District Community Center. Directors John Ogier, Sharon Henschen, and Dee Dee Carlson were present at the meeting in person. Directors, Mark Gebhardt and Susan Voorhees participated via Zoom. Also in attendance were District Manager Eric Hassel and Attorney for the District, David Smith. Special Bond Counsel, Kim Crawford, participated via Zoom, as did Gary Derck on behalf of Purgatory Village Land, LLC. District Finance Officer, Frankie White, was excused due to a conflicting commitment.

Minutes:

Sharon Henschen made a motion to approve the minutes from the March 16, 2022 meeting of the Boards. Dee Dee Carlson seconded the motion. Motion passed.

Public Input:

There was no public input at this time.

New Business:

- Approval of Parameters Resolution for Loan Agreement with Colorado Water Resources and Power Development Authority (“CWRPDA”). The La Plata / San Juan Subdistrict of the Purgatory Metropolitan District has negotiated a loan not to exceed \$14,000,000 (U.S.) through the CWRPDA for the construction of a new, advanced mechanical wastewater treatment plant, including an operations center and laboratory, to serve the needs of the residents of the Purgatory Metropolitan District (inclusive of the la Plata / San Juan Subdistrict) and to meet the future discharge limitations of the Colorado Department of Public Health and Environment (“CDPHE”). The purpose of the proposed resolution is to approve the form of the Financing Documents, consisting of the Pledge Agreement, the Loan Agreement and the Bond to be issued by the Subdistrict evidencing the loan and the re-payment obligations owing to CWRPDA. This loan is part of the CWRPDA’s revolving loan program and the Financing Documents will not be finalized until CWRPDA issues its bond to obtain funds for the multiple loans that are being made under the revolving loan program. The resolution approves the form of the Financing Documents and authorizes the President and Secretary of the Subdistrict Board to sign the final documents, subject to final changes approved by the Subdistrict Board president or Subdistrict Manager, and further subject to certain parameters which Kim Crawford explained to include:
 - Principal loan amount not to exceed \$14,000,000;
 - Interest rate not to exceed 4%; and
 - Final maturity date not to extend beyond December, 2055.

Director Mark Gebhardt moved that the Subdistrict Board approve the referenced resolution. The motion was seconded by Sharon Henschen and, after discussion, the Resolution was unanimously approved.

- Approval of Joint Resolution Ratifying an Intergovernmental Agreement (“IGA”) adopted by the Boards on October 12, 2016, as subsequently amended, and Ratifying a form of Pledge Agreement Pledging Certain Revenue of the District and Subdistrict to the Payment of a Loan with the Colorado Water Resources and Power Development Authority. The purpose of this joint resolution is for both the Board of the Purgatory Metropolitan District and the Board of the La Plata / San Juan Subdistrict to ratify the 2016 IGA, as well as the amendment to the IGA previously approved by the respective Boards on February 28, 2022, and for both Boards to also ratify the Capital Pledge Agreement approved on February 28, 2022, dedicating certain tax revenues of each of the Districts to the payment of the Loan Agreement with the CWRPDA entered into between the Subdistrict and the CWRPDA.

After discussion and explanation of the purpose of the Joint Resolution, Mark Gebhardt made a motion that the Subdistrict Board approve the Joint Resolution. The motion was seconded by Susan Voorhees and unanimously approved.

Thereafter, Sharon Henschen made a motion that the Purgatory Metropolitan District Board approve the Joint Resolution. The motion was seconded by Dee Dee Carlson and unanimously approved.
- Approval of Engagement Letter between Butler Snow (Kim Crawford) and Purgatory Metropolitan District. Kim Crawford has previously been engaged as special bond counsel by the La Plata/San Juan Subdistrict in conjunction with the CWRPDA loan. The form of opinion letter required of bond counsel by CWRPDA requires certain opinions and representations regarding Purgatory Metropolitan District, in addition to opinions and representations regarding the La Plata/San Juan Subdistrict. For this reason a formal attorney/client relationship needs to be established. The fixed fee for this expansion of the representation is minimal. After explanation, Dee Dee Carlson made a motion that the engagement letter with Butler Snow be approved by the PMD Board. Mark Gebhardt seconded the motion and the motion was unanimously approved.
- Approval of Supplemental Will Serve Request for The Nugget. Kevin Wright is seeking additional sewer service for The Nugget due to an increase in the seating area of the bar from 35 seats to 48. His prior request was approved in January of 2018. Eric explained he had met with Kevin and reviewed the additional EQR’s that would be required (.845 EQR’s) as well as the fee. Upon motion by Dee Dee Carlson, seconded by Sharon Henschen, the request for additional service to The Nugget was approved.
- Congressionally Directed Spending. As part of the recently adopted Federal Infrastructure legislation, funds have become available for State projects. Senator Hickenlooper previously contacted the Special District Association regarding this availability. John Ogier and Eric have been looking into this program to determine if there is an opportunity for some funding assistance for our proposed new wastewater treatment plan. Our project has the advantage of being ready to go. Eric and John will continue the effort. The application deadline is April 8th.

Financial Report: There was not financial report this month due to the timing of this month’s meeting and the fact that the Districts’ financial officer is in the middle of tax season.

Manager report

Eric advised the Boards that Aaron Cookland has given his notice, effective April 30th. Aaron is going back to work at the ski area. Eric advised that he will be looking for a replacement for Aaron.

Eric presented a letter from San Juan Engineering requesting a second change order to the contract the PMD has with San Juan Engineering for the design of the WWTP. There are two components to Change Order No. 2: odor control design and structural design. Both components were originally estimated at \$30,000 in the original budget. SJE has entered into a contract with Webster Environmental Associates, Inc. to complete the project's odor control design for \$129,000. SJE has also entered into a contract with JVA, Inc. to complete the structural design for \$40,000, except for the production of the structural design drawings and details, which SJE will provide under the direction of JVA, and which SJE estimates will cost an additional \$30,000. The proposed Change Order No. 2 provides for an increase of \$99,000 to the odor control design component to cover the cost of the Webster Environmental contract and an increase of \$40,000 to the structural design component to cover JVA contract and the \$30,000 to SJE for the structural design drawings and details. Upon motion by Mark Gebhardt, seconded by Dee Dee Carlson, Change Order No. 2 was approved by the PMD Board.

The meeting adjourned.

Next Monthly Meeting:

May 18, 2022 (9 a.m.) at PMD Community Center