

RECORD OF PROCEEDINGS

MINUTES OF JOINT SPECIAL MEETING

BOARD OF DIRECTORS

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

AND

PLATTE CANYON WATER AND SANITATION DISTRICT¹

Friday
December 15, 2017
Jefferson County, Colorado

A joint special meeting of the Board of Directors of the Southwest Metropolitan Water and Sanitation District (“Southwest”) and the Board of Directors of the Platte Canyon Water and Sanitation District (“Platte Canyon”) convened on Friday, December 15, 2017, at 8:30 a.m. in the Districts’ office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123. The meeting was convened in lieu of the Boards’ December 22nd joint regular meeting, that was canceled due to the Christmas holiday. Although jointly conducted, a portion of the meeting pertained solely to one District or the other and, accordingly, at times only the vote of one Board or the other was required.

The following Southwest Directors were in attendance, to-wit:

Anthony M. Dursey
George E. Hamblin, Jr.
Chuck Hause
Bernard J. Sebastian, Jr.

The following Platte Canyon Directors were in attendance, to wit:

William Buckner
Anthony M. Dursey
Louis J. Fohn
George E. Hamblin, Jr.
Richard Rock

The following Platte Canyon staff members were in attendance: Patrick J. Fitzgerald, manager; Cynthia Lane, assistant manager; Vanessa Shipley, financial

¹ and each District’s Water and Sanitary Sewer Activity Enterprise.

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administrator; Scott Hand, operations supervisor; Tony Cocozzella, construction, plan review and special projects coordinator; and Alyssa Quinn, administrative assistant.²

Also in attendance were: Richard Cassens, from ENS Consulting, Platte Canyon's consulting engineer; and Timothy J. Flynn, from Collins Cockrel & Cole, P.C., legal counsel for both Districts.

CALL TO ORDER

The meeting was called to order by Southwest President Anthony M. Dursey, who presided as Chair.

SOUTHWEST ACTION ITEMS

1. **Approval of Southwest Agenda.** A motion was made by Southwest Director Hause and seconded by Southwest Director Sebastian to approve, as presented, the Southwest agenda. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

2. **Director's Absence Excused.** Following a brief discussion, a motion was made by Southwest Director Hause and seconded by Southwest Director Sebastian to excuse the absence of Southwest Director Kenton C. Ensor, Jr., who was unable to attend the meeting. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

SOUTHWEST CONSENT AGENDA ITEMS

A motion was made by Southwest Director Sebastian and seconded by Southwest Director Hamblin to approve the Southwest consent agenda items 1 and 2 as set forth

² Southwest has no employees. The above-named personnel are Platte Canyon employees who, pursuant to contract with Platte Canyon, provide management, operation and maintenance services for Southwest.

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below by a single motion. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

1. **Interim Disbursements and Current Payables.** Ratification of the Southwest interim disbursements for the month of December 2017, including checks written by the manager for less than \$2,500, and approval of and authority for Directors to sign checks for the current December payables as set forth on a list and supplemental list of checks (Southwest check numbers 18940 through 18967, inclusive) and electronic fund payments in the total aggregate amount of \$169,483.85.

2. **Southwest November Investment Transactions.** Ratification of the purchase on November 10, 2017 of a two-year treasury note for a discounted price of \$997,400, having a face rate of interest of 1.5%, a maturity date of October 31, 2019, and a yield-to-maturity of 1.633% per annum.

SOUTHWEST ACTION ITEMS

1. **Approval of Integrated System Distribution Agreement with Denver Water.** The manager reviewed with the Southwest Board an Integrated System Distribution Agreement with Denver Water which incorporates new regulatory requirements required by the Colorado Department of Public Health & Environment. The agreement clarifies water quality and operation responsibilities between Denver Water and Southwest for the purpose of meeting public drinking water statutes and regulations. At the conclusion of a brief discussion, a motion was made by Southwest Director Hause and seconded by Southwest Director Sebastian to approve the Integrated System Distribution Agreement and to authorize its execution by appropriate officers of Southwest. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

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2. **Approval of Generator Service and Maintenance Agreement with EC Power Systems.** The manager reviewed with the Southwest Board a proposed agreement with EC Power Systems for the routine maintenance of Southwest generators at the Hogback Water Pump Station. EC Power has provided service to the Hogback Water Pump Station for over 21 years and it is proposing a small increase of \$100 per year for the services provided as part of routine maintenance. At the conclusion of the discussion, and based upon the manager's recommendation, a motion to approve the agreement and to authorize its execution by appropriate officers of Southwest was made by Southwest Director Sebastian and seconded by Southwest Director Hamblin. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

3. **Approval of Heating & Air Conditioning Maintenance Agreement with Denver Heating & Air Conditioning.** The manager reviewed a proposed agreement with Denver Heating & Air Conditioning for the routine maintenance of the heating and cooling systems at the District office, as well as the three unit heaters in the Hogback Water Pump Station. The services are provided for a total cost not to exceed \$2,100, which is billed to Southwest monthly at the rate of \$577.50. At the conclusion of the discussion, a motion to approve the agreement and to authorize its execution by appropriate officers of Southwest was made by Southwest Director Sebastian and seconded by Southwest Director Hamblin. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

4. **Approval of Elevator Maintenance Agreement with Cohn, Inc.** This matter was tabled until the Boards' January 2018 meeting in order for staff to work out the terms of an agreement that is acceptable to both parties.

5. **Approval of Collins Cockrel & Cole, P.C. Engagement Letter.** Legal counsel reviewed with the Southwest Board the terms and provisions of Collins Cockrel & Cole's engagement letter for 2018. He noted that his rate is increasing by \$10 from \$355 per hour to \$365 per hour, but that he should be able to perform all legal services

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required by Southwest for 2018 for the budgeted amount of \$35,000. At the conclusion of a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Hause to approve Collins Cockrel & Cole, P.C.'s legal engagement letter and to authorize its execution by appropriate officers of Southwest. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

6. **Increase in Southwest Warranty and Maintenance Bond Requirements.** As a condition to approving any extension and/or relocation of Southwest water and/or wastewater facilities by a third party, Southwest has required the posting of collateral in the form of a warranty and maintenance bond, letter of credit or cash deposit in the amount of 25% of the construction cost. Recent experience has shown that this is not sufficient to cover the maintenance and other costs that may arise during the period between conditional acceptance and final acceptance of facilities, primarily due to increased costs of working in paved road right-of-way and labor and material cost, etc.

Following a brief discussion, and based upon the manager's recommendation, a motion was made by Southwest Director Dursey and seconded by Southwest Director Hause to increase Southwest's collateral requirement from 25% of construction costs to 100% of construction costs, effective as of the date of this meeting, and directing legal counsel to prepare an appropriate resolution for consideration at the Board's January 2018 meeting reflecting the action taken by the Board. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

SOUTHWEST INFORMATION/DISCUSSION ITEMS

There were no information or discussion items to come before the Southwest Board.

SOUTHWEST NEW BUSINESS

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There was no new business to come before the Southwest Board.

JOINT PARTICIPATION PORTION OF THE MEETING

Southwest President Anthony M. Dursey continued to act as Chair for the joint participation portion of the meeting.

APPROVAL OF JOINT MEETING AGENDA

Following a brief discussion, a motion was made by Southwest Director Hamblin and seconded by Platte Canyon Director Buckner to approve the joint meeting agenda as presented. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian	Aye

The Chair then called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

JOINT MEETING CONSENT AGENDA ITEMS

1. **Approval of the Boards' November 17, 2017 regular meeting minutes.**

Following a brief discussion, a motion was made by Southwest Director Hause and seconded by Southwest Director Sebastian to approve, as written, the minutes of the Boards' November 17, 2017 joint regular meeting. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian	Aye

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The Chair then called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

The approved minutes of the Boards' November 17, 2017 joint regular meeting were then presented to the members of each Board for signature as further evidence of ratification, confirmation and approval.

JOINT MEETING INFORMATION/DISCUSSION ITEMS

1. **Financial Matters.**

(a) **Platte Canyon Financial Statements.** Vanessa Shipley explained that due to the early date of the meeting, Platte Canyon's November 2017 financial statements had not been finalized. She stated that nothing unusual will be presented in the November financial statements, and that she would send them out to both Boards as soon as they are finalized.

A motion was then made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn that the November 2017 Platte Canyon Financial Statements to be prepared by Vanessa Shipley, will be deemed accepted, unless any Platte Canyon Director raises a question within ten (10) days following receipt of those statements. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

(b) **Southwest Financial Statements.** Vanessa Shipley again explained that due to the early date of the December meeting, the November 2017 Southwest financial statements had not been completed. She stated that nothing unusual will be contained in the November 2017 financial statements and that she will send them out to both Boards as soon as they are finalized. A motion was made by Southwest Director

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Sebastian and seconded by Southwest Director Hause that the Southwest November 2017 Financial Statements, to be prepared by Vanessa Shipley, be deemed accepted unless any Southwest Director raises a question within ten (10) days following receipt of those financial statements. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian	Aye

(c) **Platte Canyon Investment/Deposit Report.** The Boards reviewed a list of Platte Canyon’s investments in U.S. Government treasury notes, agency securities, certificates of deposit, and money market funds, together with a report showing the funds Platte Canyon has in approved state depositories and authorized investment pools. As of November 30, 2017, Platte Canyon’s investments and deposits totaled \$10,377,907.35, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$208,210.58	2.01%
Certificates of Deposit	\$994,000.00	9.58%
ColoTrust-Prime	\$0.00	0.00%
ColoTrust-Plus	\$2,676,016.31	25.79%
ColoTrust-Trust Account	\$512,544.50	4.94%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$996,436.03	9.60%
U.S. Government Agencies and Instrumentalities	\$4,990,699.93	48.09%
TOTAL	\$10,377,907.35	100.00%

The average yield on Platte Canyon’s investments for the month of November 2017, as calculated by staff, was 1.4061% per annum.

Following a brief discussion, a motion was made by Platte Canyon Director Rock and seconded by Platte Canyon Director Hamblin to accept the Platte Canyon Schedule of Deposits and Investments, as presented. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Anthony M. Dursey	Aye

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Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

(d) **Southwest Investment/Deposit Report.** The Boards reviewed a list of Southwest's investments in U.S. Government treasury notes, agency securities, certificates of deposit, and money market funds, together with a report showing the funds Southwest has in approved state depositories and authorized investment pools. As of November 30, 2017, Southwest's investments and deposits totaled \$24,698,548.00, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$3,998.18	0.02%
Certificates of Deposit	\$2,348,117.16	9.51%
ColoTrust-Prime	\$0.00	0.00%
ColoTrust-Plus	\$2,360,036.68	9.56%
ColoTrust-Trust Account	\$3,935,816.56	15.94%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$6,019,351.60	24.37%
U.S. Government Agencies and Instrumentalities	\$10,031,227.82	40.61%
TOTAL	<u>\$24,698,548.00</u>	<u>100.00%</u>

The average yield on Southwest's investments for the month of November 2017, as calculated by staff, was 1.9279% per annum.

Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Hamblin to accept the Southwest Schedule of Deposits and Investments, as presented. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian	Aye

2. **Manager's Information Report.** The manager and assistant manager reviewed the Management Information Report with respect to the portion of that report prepared by each. The report is dated December 2017, a copy of which was previously

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provided to the members of both Boards. As part of the report, the manager discussed the following matters:

(a) **Insurance Policy Renewals.** The Colorado Special District Property & Liability Pool renewal quotes for 2018 have been received by Platte Canyon and Southwest. Platte Canyon's premium for liability, equipment breakdown, automobile liability, crime, auto physical damage, public official's liability, property, excess liability and no fault coverage is \$38,559.36, which is 4.03% greater than 2017. Southwest's premium for the same coverages is \$10,420.02, which is 7.8% greater than the 2017 premium.

The manager further noted that both Southwest and Platte Canyons' worker's compensation carrier, Pinnacle Assurance, has announced a decrease in rates, averaging 7.4% for members in 2018. Pinnacle also provided notice of its intent to issue a general dividend of approximately \$50 million to policy holders in 2018, marking the third year of general dividends.

(b) **Replacement of Roof and Siding at Scott J. Morse Pump Station.** The manager noted that the materials for the siding replacement for the Scott J. Morse Pump Station were delivered to the site and the contractor is scheduled to begin installation the week of December 3, 2017.

Platte Canyon's plans to construct a material storage facility on property located immediately west of and adjacent to the Scott J. Morse Pump Station and that is owned by Denver Water, were presented to the Jefferson County Planning Commission as part of a location and extent hearing. The Planning Commission approved the Platte Canyon's plans and gave approval to proceed. Platte Canyon is planning to bid the project for the material storage facility in January and hopefully begin construction in February 2018.

The assistant manager reviewed the following matters with both Boards:

(c) **Water Research Foundation Research Project.** The assistant manager reported that the Water Research Foundation has a program designed to facilitate the implementation of innovation within water utilities. In the past, the project has consisted of large utilities and a weakness was identified that no smaller utilities were involved. Southwest and Platte Canyon submitted a proposal to the Foundation at the end of September and hopes to receive notification that they were selected to participate in the project. The Districts were asked to join the team on this research project that looks into how to implement a previously developed framework to help utilities launch innovate programs to transform their organizations, improve their services, and increase

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value to stakeholders. The assistant manager indicated that additional information on this project will be presented at the January 2018 Board meeting.

(d) **Employee Health Insurance Benefits**. Enrollment in Platte Canyon's health insurance and other employee benefit plans is in the process of being completed for the new insurance programs that were approved at last month's meeting. Five Platte Canyon employees enrolled for life insurance coverage which they previously did not have. It was reported that Platte Canyon employees are very happy with the new health insurance and other benefits provided. The employees are aware that Platte Canyon's benefit package is more comprehensive and beneficial than is offered to the employees of many other similarly situated water and sewer utilities.

(e) **New Employee**. Platte Canyon has hired a new employee, Tayler Gray, who will fill the communication and administrative services coordinator position. Tayler was selected from a candidate pool that consisted of over 125 resumes. The pool was narrowed down to five very qualified individuals who were then interviewed. Tayler was the one who received an offer from the District and she is expected to start on December 18, 2017.

(f) **Valley Sanitation District**. On December 6, 2017, the Valley Sanitation District signed a contract with Dewberry Engineers for \$250,000 for design and construction services in connection with the relocation of Valley's sanitary sewer interceptor line. The assistant manager is currently working with Englewood, Denver Water and Sheridan to resolve some remaining issues associated with right-of-way and construction scheduling. The goal is to have the final design along with the Colorado Water Resource and Power Development Authority loan application submitted by early April 2018. This will allow for project review and loan execution to be completed by August 2018 with construction scheduled to commence shortly thereafter.

3. **Operations and Maintenance Summary Report**. Scott Hand reviewed the Operations and Maintenance Summary Report dated November 2017. During the November reporting period, neither Southwest nor Platte Canyon had any sanitary sewer service interruptions. Platte Canyon had one water service interruption that occurred on November 5, 2017 at 6096 South Lamar Drive, which is basically at the intersection of Sheridan Boulevard and Hinsdale Avenue. A butterfly valve broke at this location. Mr. Hand presented a PowerPoint presentation showing the repair activities that were undertaken to restore water service.

Mr. Hand reported that the staff is moving forward with the completion of an RFP for the improvement of the SCADA system at the Scott J. Morse pump station. The hope

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is to improve the communication between the pumps so that they are working together which will improve efficiency as well as extend the life of the pumps.

4. **Construction Project Report.** Tony Cocozzella reviewed with both Boards the Capital Projects Information and Construction Status Report for both Platte Canyon and Southwest. The report updated the Boards as to the status of all on-going Platte Canyon and Southwest projects, including developer and District-specific projects. As part of the review, Mr. Cocozzella also addressed those projects that are in design-phase at the present time.

NEW BUSINESS

There was no new business to come before the joint participation portion of the meeting. The next joint regular meeting of the Boards is scheduled for Friday, January 26, 2018 in the Districts' office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123.

PLATTE CANYON ACTION ITEMS

CALL TO ORDER

The Platte Canyon Action Items portion of the joint regular meeting was called to order by Platte Canyon President Richard Rock, who presided as Chair.

1. **Approval of Platte Canyon Agenda.** Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn to approve, as presented, the Platte Canyon agenda. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

PLATTE CANYON CONSENT AGENDA ITEMS

A motion was made by Platte Canyon Director Dursey and seconded by Platte Canyon Director Buckner to approve Platte Canyon Consent Agenda items 1 and 2 as set forth below by a single motion. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

1. **Interim Disbursements and Current Payables.** Ratification of the Platte Canyon interim disbursements for December 2017, including checks written by the manager for less than \$2,500, and approval of and authority for Directors to sign checks for the current December payables as set forth on a list and supplemental list of checks (Platte Canyon check nos. 31504 through 31532, inclusive,) and electronic fund payments in the total aggregate amount of \$88,451.50.

2. **Platte Canyon November Investment Transactions.** The November Investment Transaction Report showed that no investment transactions occurred during the month. Accordingly, the report was accepted as presented.

PLATTE CANYON ACTION ITEMS

1. **Approval of Integrated System Distribution Agreement with Denver Water.** The manager reviewed with the Platte Canyon Board a proposed Integrated System Distribution Agreement with Denver Water, which incorporates all new regulatory requirements required by the Colorado Department of Public Health & Environment to treat Denver Water and its Distributor systems as an integrated system. As noted earlier in the meeting, when discussing this matter with Southwest, the agreement is necessary to clarify responsibilities between Denver Water and Southwest to meet public drinking water statutes and regulations.

Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn to approve the Integrated System Distribution Agreement and to authorize its execution by appropriate officers of Platte Canyon. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

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2. **Approval of Agreement for Information Technologies Service and Support with North Star, Inc.** The manager then reviewed with the Boards a proposed form of agreement with North Star, Inc., which has provided IT service to both Platte Canyon and Southwest for the last twenty years. Currently, North Star monitors five servers and nine work stations 24 hours a day, seven days a week, and helps identify and correct any issues that may arise. Following a brief discussion and based upon the staff's recommendation, a motion to approve the agreement for information technology support services with North Star, Inc. was made by Platte Canyon Director Dursey and seconded by Platte Canyon Director Buckner. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

It was noted that total compensation to North Star during 2018 shall not exceed \$6,528 without the District's prior written consent. This is an increase in fees of approximately \$755 over 2017 costs to Platte Canyon.

3. **Approval of 100% Warranty and Maintenance Bond Requirements.** As a condition to approving any extension and/or relocation of Platte Canyon water and/or wastewater facilities by a third party, Southwest has required the posting of collateral in the form of a warranty and maintenance bond, letter of credit or cash deposit in the amount of 25% of the construction cost. Recent experience has shown that this is not sufficient to cover the maintenance and other costs that may arise during the period of conditional acceptance and final acceptance of facilities primarily due to increased costs of working in paved road right-of-way's, etc. Following a brief discussion, and based upon the manager's recommendation, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn authorizing an increase in the collateral requirement from 25% of construction costs to 100% of construction costs, effective as of the date of this meeting, and directing legal counsel to prepare an appropriate resolution for consideration at the Board's January 2018 meeting. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

4. **Approval of Collins Cockrel & Cole, P.C. Engagement Letter.** Legal counsel discussed with the Platte Canyon Board the terms and provisions of his engagement letter with Platte Canyon for 2018. He noted that his rate is increasing by \$10 from \$355 per hour to \$365 per hour. He also noted that although there is an increase, his legal services fees should still remain within the amount budgeted for 2018 which is \$35,000.

At the conclusion of a brief discussion, a motion was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Buckner to approve Collins Cockrel & Cole, P.C.'s engagement letter and to authorize its execution by appropriate officers of Platte Canyon. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

PLATTE CANYON INFORMATION/DISCUSSION ITEMS

There were no information or discussion items presented to the Platte Canyon Board.

PLATTE CANYON NEW BUSINESS

1. **Salary and Benefit Schedule for Platte Canyon Employees for Calendar Year 2018.** At this point in the meeting, all Platte Canyon employees except the manager and assistant manager left the meeting. The manager then reviewed in detail the salary and benefit package for Platte Canyon employees for calendar year 2018. He explained that he is requesting that the Platte Canyon Board, with the consent of the Southwest Board, approve: (i) an increase in Platte Canyon employee wage ranges by 2.4-2.6% from 2017 levels; (ii) that he be authorized to make individual wage adjustments based on cost-of-living, longevity and performance within the wage ranges

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approved by the Platte Canyon Board; and (iii) that the employee benefit schedule as outlined in an exhibit delivered to both Boards be approved. He noted that the Platte Canyon employee wage rate increase is based upon information obtained annually from the Employer's Council (previously known as the Mountain States Employer's Council).

The discussion took approximately 35 minutes, at the end of which a motion to approve the manager's requests as outlined above was made by Platte Canyon Director Dursey and seconded by Platte Canyon Director Rock. The Chair called for a vote and the vote was as follows:

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

EXECUTIVE SESSION

A motion was made by Platte Canyon Director Dursey and seconded by Platte Canyon Director Rock to go into Executive Session pursuant to Section 24-6-402(4)(f), C.R.S. for personnel matters, and, in particular, the evaluation of the manager's performance during 2017. The Chair called for a vote of the Platte Canyon Board and the vote was as follows:

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

At this point in the meeting, the manager and assistant manager left and the Boards went into Executive Session, which commenced at approximately 10:00 a.m. The Executive Session was recorded as required by law. At approximately 10:30 a.m., the Boards returned to Open Meeting.

Upon returning to Open Public Meeting, the Chair noted that both the Platte Canyon and Southwest Boards are very pleased with the manager's performance during 2017. A motion was then made and seconded to increase his salary for 2018 by 3.1% effective January 1, 2018.

The Chair called for a vote of the Southwest Board, and the vote was as follows:

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Anthony M. Dursey	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian	Aye

The Chair then called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

ADJOURNMENT

There being no further business to come before this joint regular meeting of the Southwest and Platte Canyon Boards, a motion to adjourn was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Buckner. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
Kenton C. Ensor, Jr.	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian	Aye

The Chair then called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

Whereupon, this joint special meeting of the Southwest and Platte Canyon Boards of Directors adjourned at approximately 10:37 a.m. The next joint regular meeting of the Boards will be held on Friday, January 26, 2018, at 8:30 a.m. in the Districts' office, located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123.

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Respectfully submitted,

Timothy J. Flynn, Recording Secretary

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THE MINUTES OF THIS JOINT SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT AND THE BOARD OF DIRECTORS OF THE PLATTE CANYON WATER AND SANITATION DISTRICT ARE HEREBY RATIFIED, CONFIRMED AND APPROVED BY THE FOLLOWING NAMED INDIVIDUALS WHO, INDIVIDUALLY AND AS MEMBERS OF THE BOARD OF DIRECTORS OF SAID DISTRICTS, WAIVE ANY AND ALL NOTICE THAT MAY BE REQUIRED BY THE STATUTES OF THE STATE OF COLORADO PERTAINING TO THE CONVENING AND THE CONDUCTING OF THIS SPECIAL MEETING OF THE DISTRICTS' BOARDS OF DIRECTORS; AND THE UNDERSIGNED DO HEREBY CONSENT TO THE SAID MEETING BEING HELD ON THE DATE, AT THE TIME AND AT THE PLACE AS HEREINABOVE SET FORTH.

SOUTHWEST METROPOLITAN
WATER AND SANITATION DISTRICT

PLATTE CANYON WATER AND
SANITATION DISTRICT

Anthony M. Dursey

William D. Buckner

Kenton C. Ensor, Jr.

Anthony M. Dursey

George E. Hamblin, Jr.

Louis J. Fohn

Chuck Hause

George E. Hamblin, Jr.

Bernard J. Sebastian, Jr.

Richard Rock