

RECORD OF PROCEEDINGS

MINUTES OF JOINT REGULAR MEETING

BOARD OF DIRECTORS

PLATTE CANYON WATER AND SANITATION DISTRICT

AND

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT¹

Friday
October 27, 2023
Jefferson County, Colorado

The regular joint monthly meeting of the Board of Directors of the Platte Canyon Water and Sanitation District (“Platte Canyon”) and the Board of Directors of the Southwest Metropolitan Water and Sanitation District (“Southwest”) convened on Friday, October 27, 2023, at 8:30 a.m. in the Districts’ office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123. For purposes of convenience, the meeting was also conducted virtually using Microsoft Teams.

Any Board member who could not or was not comfortable physically attending, could attend by telephone or virtually. The web address and call-in information were included in the meeting notice so that interested members of the public could also attend. 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 Platte Canyon Directors were in attendance, to wit:

William D. Buckner
Anthony M. Dursey (by telephone)
Louis J. Fohn
George E. Hamblin, Jr.
Mark Swatek

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

Anthony M. Dursey (by telephone)
George E. Hamblin, Jr.
Chuck Hause
Samuel Rivas, Jr.
Bernard J. Sebastian, Jr.

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

The following Platte Canyon staff members were physically in attendance: Cynthia Lane, manager; Alyssa Quinn, assistant manager; Vanessa Shipley, financial administrator; Tony Cocozzella, construction program manager; Bridget Butterfield, communications and administrative services coordinator; Adam Morse, GIS/Website/IT technician; and Justin Roquemore, Construction Coordinator.

Also in attendance was Timothy J. Flynn, from Collins Cole Flynn Winn & Ulmer, PLLC, legal counsel for both Districts.

CALL TO ORDER

The meeting was called to order by Platte Canyon’s President, George E. Hamblin, Jr., who presided as Chair.

APPROVAL OF PLATTE CANYON AGENDA

Following a review and discussion, a motion was made by Platte Canyon Director Swatek and seconded by Platte Canyon Director Buckner 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 D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Mark Swatek	Aye

PLATTE CANYON CONSENT AGENDA

Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Swatek to approve Platte Canyon Consent Agenda Items No. 1 and No. 2, as set forth below, by a single motion:

1. Ratification of Interim Disbursements and Approval of Current Payables. Platte Canyon payables and supplemental disbursements for the month of October 2023, in the aggregate amount of \$587,580.33, represented by Platte Canyon check numbers 35034 thru 35085, inclusive, including any checks for less than \$5,000 written by the manager pursuant to prior Board authorization, together with various electronic fund payments for employee salaries, utility payments and other authorized electronic fund vendors.

2. Platte Canyon Investment/Deposit Transaction Report. During the month of September 2023, Platte Canyon did not purchase any treasury notes or agency securities, nor did Platte Canyon purchase have any certificates of deposit mature. On September 30,

2023, a two-year treasury note matured, generating \$500,000.00 in principal proceeds to the District, plus accrued interest. It was noted that these funds were reinvested at a significantly higher interest rate and the reinvestment transaction will appear on next month's investment deposit report.

With respect to Consent Agenda Item Nos. 1 and 2 above, the Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Mark Swatek	Aye

PLATTE CANYON ACTION ITEM

1. **Approval of Engineering Design Services Agreement with Johnson, Mirmiran & Thompson.** The manager provided background information on Johnson, Mirmiran & Thompson, a Maryland engineering firm that has offices in Colorado. She explained the reasons why staff is recommending that Johnson, Mirmiran & Thompson (“JMT”) be awarded an engineering design services agreement for Platte Canyon’s 2024 Capital Improvements Project. It was noted that staff requested proposals and three engineering firms responded. After reviewing the responses, staff determined that JMT’s personnel would be the most responsive and were well tuned into Platte Canyon’s 2024 Capital Improvement Project design needs.

Following a brief discussion and based upon staff’s recommendation, a motion was made by Platte Canyon Director Swatek and seconded by Platte Canyon Director Fohn to authorize the manager to execute an agreement for professional engineering services with JMT in an amount not to exceed \$174,740.00. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Mark Swatek	Aye

PLATTE CANYON INFORMATION/DISCUSSION ITEMS

1. **Update on Proposition HH.** The manager briefly reviewed with the Board the impacts that Proposition HH would have on Platte Canyon’s budget, if Proposition HH passes. It was noted that the revenue limitations under Proposition HH will not affect Platte Canyon because the voters effectively waived any revenue limit when they de-Bruced the

District. The only effect will be on the assessed valuation within Platte Canyon. If Proposition HH passes, it will be lower. Staff, however, is not in a position to estimate that, but at the time the budget is considered and adopted in December, authority will be delegated to staff to make whatever changes need to be made to the budget numbers, if the assessed valuation is lowered as the result of the passage of Proposition HH.

PLATTE CANYON NEW BUSINESS

There was no new business to come before the Platte Canyon Board.

JOINT PARTICIPATION PORTION OF THE MEETING

Platte Canyon Director Hamblin, continued to act as Chair and called the joint participation portion of the meeting to order.

APPROVAL OF JOINT MEETING AGENDA

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

William D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Mark Swatek	Aye

The Chair then 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
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	Aye

JOINT MEETING CONSENT AGENDA

1. **Approval of the Minutes of the Boards' September 22, 2023 Joint Regular Meeting.** Following a brief discussion and review, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Swatek to approve the minutes of the Boards' September 22, 2023 joint regular meeting, as written. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Mark Swatek	Aye

The Chair then 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
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	Aye

The approved minutes will be presented to the members of each Board for signature as soon as practical following the meeting, as further evidence of ratification, confirmation, and approval.

JOINT MEETING ACTION ITEMS

1. Financial Matters.

(a) **Platte Canyon Financial Statements.** The following unaudited Platte Canyon financial statements, prepared by Vanessa Shipley, for the nine-month period ending September 30, 2023, were presented to the Boards:

(i) Statement of Net Assets, dated September 30, 2023, showing Platte Canyon’s Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the nine-month period ending September 30, 2023;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the nine-month period ending September 30, 2023; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the nine-month period ending September 30, 2023.

Vanessa Shipley reviewed the Platte Canyon financial statements, noting that a certificate of deposit held at the Bank of Denver matured and the proceeds will be reinvested in another financial instrument because the interest rate at the Bank of Denver was not attractive. Vanessa also noted those items where there was a deviation in the year to date financials from the adopted budget. At the conclusion of her review, a motion was

made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn to accept the Platte Canyon financial statements, as presented. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Mark Swatek	Aye

(b) **Southwest Financial Statements.** The following unaudited Southwest financial statements, prepared by Vanessa Shipley for the nine-month period ending September 30, 2023, were presented to the Boards:

(i) Statement of Net Assets, dated September 30, 2023, showing Southwest’s Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the nine-month period ending September 30, 2023;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the nine-month period ending September 30, 2023; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the nine-month period ending September 30, 2023.

Following Vanessa Shipley’s review of the financial statements, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Rivas to accept the Southwest financial statements, 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
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	Aye

(c) **Platte Canyon Investment/Deposit Report.** The Boards reviewed a list of Platte Canyon 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 local government investment pools. As of September 30, 2023, Platte Canyon’s investments and deposits totaled \$11,049,120.38, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$208,488.73	1.89%
Certificates of Deposit	\$495,000.00	4.48%
COLOTRUST-Edge	\$557,102.99	5.04%
COLOTRUST-Plus	\$2,996,500.46	27.12%
COLOTRUST-Trust Account	\$1,083,530.61	9.81%
CSAFE-Core	\$420,746.64	3.81%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$3,785,457.17	34.26%
U.S. Government Agencies and Instrumentalities	\$1,502,293.78	13.60%
TOTAL	<u>\$11,049,120.38</u>	<u>100.00%</u>

The average yield on Platte Canyon’s investments for the month of September 2023, as calculated by staff, was 3.3010% per annum.

Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn to accept the Platte Canyon Investment/Deposit Report, as presented. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Mark Swatek	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 September 30, 2023, Southwest’s investments and deposits totaled \$25,070,835.73, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$68,514.95	0.27%
Certificates of Deposit	\$594,000.00	1.97%
COLOTRUST-Edge	\$864,392.83	3.45%
COLOTRUST-Plus	\$1,910,625.41	7.62%
COLOTRUST-Trust Account	\$2,259,593.31	9.01%
CSAFE-Core	\$1,020,664.82	4.07%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$11,473,227.91	45.76%
U.S. Government Agencies and Instrumentalities	\$6,979,816.50	27.84%
TOTAL	<u>\$25,070,835.73</u>	<u>100.00%</u>

The average yield on Southwest’s investments for the month of September 2023, as calculated by staff, was 2.3075% per annum.

Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Rivas to accept the Southwest Investment/Deposit Report, 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
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	Aye

INFORMATION/DISCUSSION ITEMS

1. **Management Report.** The manager reviewed her written management report for both Boards for the month of October 2023, a copy of which was previously included in the meeting packet. As part of her review, the manager discussed the following matters:

(a) **Financial Accounting Software.** Staff is in the process of purchasing a number of new software packages to update the District’s system and improve security protections. Due to supply chain and other issues, the certain software packages that the District has ordered have a delayed delivery date. This will delay the implementation of these new software packages until the first quarter of 2024.

(b) **Passing of Barbara Biggs.** The manager briefly noted for the Boards that a well-respected and longtime member of the water and sanitation community, Barbara Biggs, passed away recently. Her memorial is being held after this Board meeting and both the manager and legal counsel will be attending. Cynthia noted how important Ms. Biggs

was to Cynthia in the development of her career over the years. A link to a tribute to Barbara Biggs was included in the meeting packet.

(c) **Dutch Creek Stream Stabilization Project.** The Southeast Metro Storm Water Authority (SEMSWA) has begun design work on a stream stabilization project for Dutch Creek just west of Platte Canyon Drive. Platte Canyon, Southwest, and Columbine Water and Sanitation District have multiple infrastructure facilities in the area of the project. Staff is collaborating with the engineer for SEMSWA, Icon Engineering, to develop the best approach for how the stream stabilization project can be accomplished without disturbing the two existing sanitary sewer crossings and buried water mains that are in the area.

(d) **Miscellaneous Matters.** The manager noted that generally good progress is being made on the implementation of the Districts' goals for 2023 and asked the Board members if they had any questions or concerns. There were none.

2. Operations and Maintenance Summary Report. Scott Hand reviewed the Operations and Maintenance Summary Report for the month of September 2023. During the reporting period, Platte Canyon experienced a water service interruption on September 13, 2023 at 9519 W. Coal Mine Avenue. Mr. Hand had a PowerPoint presentation which showed the repair activities that were undertaken. The leak was caused by a failure on a 6" ductile iron pipe fire hydrant branch that was the result of severe corrosion. Mr. Hand then noted there were other water or sewer service interruptions that occurred in either Platte Canyon or Southwest during the reporting period.

During the month of September, five additional remedial repairs were completed. In addition, during the month, members of Platte Canyon's maintenance staff attended the Rocky Mountain AWWA Conference, which was held September 11, 12, and 13, 2023. Also, employees received training for the new CCTV unit in Indiana. All operations staff have been recertified for working in confined spaces.

3. Construction Projects Report. Tony Cocozzella reviewed the Construction Projects Report for Platte Canyon and Southwest for the month of October 2023. As part of his report, Mr. Cocozzella updated the Board as to the status of all ongoing Platte Canyon and Southwest projects, including developer and District specific projects, as well as those projects that are in the design phase. He focused in particular on the relocation of the water line in South Santa Fe Drive due to the CDOT highway work that is going on there. He also discussed the water and sewer lines that are being installed within the South Santa Fe River Park area by Toll Brothers.

NEW BUSINESS

There was no new business to come before the joint participation portion of this meeting.

SOUTHWEST PORTION OF THE JOINT MEETING

CALL TO ORDER

The Southwest portion of the joint meeting was called to order by Southwest’s President, Chuck Hause, who presided as Chair.

APPROVAL OF SOUTHWEST AGENDA

Following a brief discussion and review, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Rivas 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
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	Aye

SOUTHWEST CONSENT AGENDA

Following a brief discussion, a motion was made by Southwest Director Hamblin. and seconded by Southwest Director Rivas to approve Southwest Consent Agenda Items No. 1 and No. 2, as set forth below, by a single motion:

1. Ratification of Interim Disbursements and Approval of Current Payables. Southwest payables and supplemental disbursements for October 2023, in the aggregate amount of \$169,460.96, represented by Southwest check numbers 21030 through 21057, inclusive, including checks written by the manager for less than \$5,000 pursuant to prior Board authorization, as well as various electronic fund payments for utilities and other authorized electronic fund payment vendors.

2. Southwest Investment/Deposit Transaction Report. On September 15, 2023 and September 30, 2023, respectively, a \$1,000,000.00 treasury note owned by Southwest matured, generating a total of \$2,000,000.00 in principal proceeds plus interest to Southwest. On September 25, 2023, Southwest purchased a Federal Home Loan Mortgage Corporation Note having a par value of \$1,000,000.00 for a purchase price of \$997,750.00 and having a coupon rate of interest of 4.5%, with a yield to maturity of 4.962%. The note will mature on September 25, 2028. Southwest had no certificate of deposits that renewed or were rolled over during the month.

With respect to the above referenced consent items, 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
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	Aye

SOUTHWEST ACTION ITEMS

There were no action items to come before the Southwest Board.

SOUTHWEST INFORMATION/DISCUSSION ITEMS

1. **Update on Roof Damage to Office Building.** On June 22, 2023, the Southwest office building roof was severely damaged by a hailstorm. A claim was filed with the Colorado Special District Property and Liability pool. As a result of that claim, a check was issued to the District in the amount of \$82,320.13 for the replacement of the roof and the building's HVAC system. \$65,734.13 was for the roof and \$16,586.00 was for the HVAC system. It is estimated the check for the roof replacement will not cover approximately \$16,000.00 of the cost to replace the roof. The check for the HVAC system will not cover an estimated \$53,690.00 due to the fact the HVAC system was installed in 2000 and had been substantially depreciated. Staff is in the process of scheduling the roof repair this year. The HVAC units will not be replaced until 2024 due to the lead time needed to obtain the replacement units.

2. **Southwest 2024 Proposed Budget.** Vanessa Shipley reviewed a draft of Southwest's proposed 2024 budget. It was noted that budget projects a surplus of \$1,160,524.00. Total revenue is projected at \$4,188,860.00 and total expenses are projected at \$3,028,336.00. There was a discussion concerning Southwest's service fees as the proposed budget does not call for a fee increase in 2024. However, a number of Directors were interested in increasing fees, believing a small increase in 2024 would ease the burden on customers in future years. Staff was instructed to prepare scenarios for the Board's consideration, based upon a rate increase of \$1.00 per month up to a maximum of \$15.00 per month, the level which staff believes may need to be increased to in future years.

3. **10-Year Financial Plan Review.** Vanessa Shipley then reviewed with the Board the 10-year financial plan for Southwest. It was noted that no significant capital projects are scheduled in Southwest for 2024, however in future years it appears there will be a shortage of revenue based upon anticipated expenses. Vanessa Shipley described this for the Board in detail, although, she noted that no rate increase for Southwest was needed at the present time.

SOUTHWEST NEW BUSINESS

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

ADJOURNMENT

There being no further to come before this joint regular meeting of the Platte Canyon and Southwest Boards, a motion to adjourn was made by Platte Canyon Director Fohn and seconded by Southwest Director Hause.

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

William D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Mark Swatek	Aye

The Chair then 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
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	Aye

Whereupon, this joint regular meeting of the Platte Canyon and Southwest Boards of Directors adjourned at approximately 10:00 a.m. The next regular joint meeting of the Boards will be held on Friday, November __, 2023, at 8:30 a.m. in the Districts' office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123.

Respectfully submitted,

Timothy J. Flynn, Recording Secretary

THE MINUTES OF THIS JOINT REGULAR 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

George E. Hamblin, Jr.

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Chuck Hause

Louis J. Fohn

Samuel Rivas, Jr.

George E. Hamblin, Jr.

Bernard J. Sebastian, Jr.

Mark Swatek