

RECORD OF PROCEEDINGS

MINUTES OF JOINT REGULAR MEETING

BOARD OF DIRECTORS

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

AND

PLATTE CANYON WATER AND SANITATION DISTRICT¹

Friday
April 26, 2024
Jefferson County, Colorado

The regular joint monthly 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, April 26, 2024, 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 so 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 Southwest Directors were in attendance, to-wit:

Anthony M. Dursey
Chuck Hause
Samuel Rivas, Jr.
Bernard J. Sebastian, Jr.

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

William D. Buckner
Anthony M. Dursey
Louis J. Fohn
Mark Swatek

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

The following Platte Canyon staff members were in attendance: Cynthia Lane, Manager; Alyssa Quinn, Assistant Manager; Vanessa Shipley, Financial Administrator; Justin Roquemore, Construction Program Manager. Bridget Butterfield, Communications and Administrative Services Coordinator; Adam Morse, GIS/Website/IT Technician; and Chris Cochran, Construction Coordinator attended the meeting virtually via Microsoft Teams.²

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

CALL TO ORDER – JOINT MEETING

The joint meeting of the Southwest and Platte Canyon’s Boards was called to order by Southwest’s President, Chuck Hause, who presided as Chair. The joint meeting convened before the Southwest meeting so each Board could interview candidates to fill a vacate position on each Board created by the resignation of George E. Hamblin Jr. who sat on both the Platte Canyon and Southwest Board.

From approximately 8:30 a.m. to 9:00 a.m., the Southwest Board with the Platte Canyon Board members in attendance interviewed Ismael Gomez and Clarice O’Hanlon both candidates for the Southwest Board. The interview of Mr. Gomez occurred first. After he had left the room, the Board interviewed Clarice O’Hanlon. Both provided a brief statement as to their backgrounds, interests and reasons for wanting to serve on the Southwest Board. The Chair, asked each candidate three questions followed by a general question and answer session with the Southwest Board.

From approximately 9:00 a.m. to 9:30 a.m., the Platte Canyon Board with the Southwest Board being in attendance, interviewed Damien Mulvany and Michael Mercier, both candidates for the vacant position on the Platte Canyon Board. The interview of Mr. Mulvany was first. After he left the room, the Board interviewed Michael Mercier. Both candidates provided a brief statement as to their backgrounds, interests and reasons for wanting to serve on the Platte Canyon Board. Platte Canyon’s President, asked each candidate three questions followed by a general question and answer session with the Platte Canyon Board.

At the conclusion of the interviews, the Southwest Board meeting was convened.

CALL TO ORDER

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

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.

APPROVAL OF SOUTHWEST AGENDA

Following a brief discussion, 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
Chuck Hause	Aye
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	Aye

SOUTHWEST CONSENT AGENDA ITEMS

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

1. Ratification of Interim Disbursements and Approval of Current Payables. The Southwest payables and supplemental disbursements for the month of April 2024, in the aggregate amount of \$242,510.58 represented by Southwest check numbers 21183 through 21208, including any checks for less than \$5,000.00 written by the manager pursuant to prior Board authorization, together with various electronic fund payments for utility and other authorized electronic fund payment vendors.

2. Southwest Investment/Deposit Transaction Report. During the month, Southwest did not: (i) purchase any treasury or other securities, (ii) sell any treasury notes or agency securities or have any securities mature or redeem, or (iii) purchase, renew or rollover any certificates of deposit or have any certificates of deposit mature.

With respect to consent agenda item Nos. 1 and 2 above, the Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
Chuck Hause	Aye
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	Aye

SOUTHWEST ACTION ITEMS

1. Nominations to Fill Vacancy on the Southwest Board. The Southwest Board discussed the qualifications of each of the candidates who submitted applications to fill the vacancy on the Southwest Board. The Board felt that both candidates were excellent, and each Board member was impressed by the resumes that were submitted and the interviews that took place.

At the conclusion of the discussion, a motion was made by Southwest Director Dursey and seconded by Southwest Director Hause to appoint Ismael Gomez to fill the seat on the Southwest Board created by the resignation of former Director George E. Hamblin Jr. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
Chuck Hause	Aye
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	Aye

The manager will notify Mr. Gomez of his appointment and legal counsel will cause an appropriate Oath of Office and Certificate of Appointment to be prepared so that Mr. Gomez can take his seat on the Southwest Board at the Southwest May meeting.

2. Release of Easement. Justin Roquemore advised the Board that the QuikTrip Corporation, which owns certain real property located at the southwest corner of South Santa Fe Drive and West Bellevue Avenue is developing the property and has asked that Southwest vacate the sanitary sewer line easement that crosses the property and which is no longer being used. For that purpose, legal counsel prepared a Release of Easement that was included in the meeting packet.

Following a brief discussion, a motion to approve the Release of Easement was made by Southwest Director Dursey and seconded by Southwest Director Sebastian. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
Chuck Hause	Aye
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	Aye

The motion included authority for appropriate officers of Southwest to execute the Release of Easement which conveys any Southwest facilities located within the Easement to the QuikTrip Corporation. The Board was advised, however, that Southwest no longer has any sanitary sewer facilities within the Easement Area.

SOUTHWEST INFORMATION/DISCUSSION ITEMS

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

SOUTHWEST NEW BUSINESS

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

JOINT PARTICIPATION PORTION OF THE MEETING

Chuck Hause, the President of Southwest, 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 Rivas 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
Chuck Hause	Aye
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	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
Mark Swatek	Aye

JOINT MEETING CONSENT AGENDA

1. Approval of the Minutes of the Boards’ March 22, 2024 Joint Regular Meeting. Following a brief discussion and review, a motion was made by Platte Canyon Director Swatek and seconded by Southwest Director Rivas to approve the minutes of the Boards’ March 22, 2024, joint regular meeting, as presented. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
Chuck Hause	Aye
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	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
Mark Swatek	Aye

The approved minutes will be presented to the members of each Board for signature as soon as practical, 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 three-month period ending March 31, 2024, were presented to the Boards:

(i) Statement of Net Assets, dated March 31, 2024, showing Platte Canyon’s Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the three-month period ending March 31, 2024;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the three-month period ending March 31, 2024; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the three-month period ending March 31, 2024.

Vanessa Shipley’s review of the financial statements highlighted those areas where spending or revenues deviated from the adopted 2024 budget. Because it is so early in the year there were no areas that she felt necessary to highlight. At the conclusion of her presentation, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Swatek 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 Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
Mark Swatek	Aye

(b) **Southwest Financial Statements.** The following unaudited Southwest financial statements, prepared by Vanessa Shipley for the three-month period ending March 31, 2024, were presented to the Boards:

(i) Statement of Net Assets, dated March 31, 2024, showing Southwest’s Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the three-month period ending March 31, 2024;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the three-month period ending March 31, 2024; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the three-month period ending March 31, 2024.

Following Vanessa Shipley’s review of the financial statements, a motion was made by Southwest Director Rivas and seconded by Southwest Director Sebastian 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
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’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 local government investment pools. As of March 31, 2024, Platte Canyon’s investments and deposits totaled \$11,184,456.74, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$202,706.87	1.81%
Certificates of Deposit	\$250,000.00	2.24%
Colo Trust-Edge	\$573,716.74	5.13%
Colo Trust-Plus	\$3,082,925.72	27.56%
Colo Trust-Trust Account	\$1,021,336.95	9.13%
CSAFE-Core	\$2,034,683.68	18.19%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$2,517,234.51	22.51%
U.S. Government Agencies and Instrumentalities	\$1,501,852.27	13.43%
TOTAL	<u>\$11,184,456.74</u>	<u>100.00%</u>

The average yield on Platte Canyon’s investments for the month of March 2024, as calculated by staff, was 3.8024% per annum.

Following a brief discussion, a motion was made by Platte Canyon Director Dursey and seconded by Platte Canyon Director Buckner to accept the Platte Canyon Schedule of Investment and Deposit Report 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
Louis J. Fohn	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 March 31, 2024, Southwest’s investments and deposits totaled \$25,223,340.75, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$9,852.51	0.04%
Certificates of Deposit	\$249,000	0.99%
ColoTrust-Edge	\$890,170.49	3.53%
ColoTrust-Plus	\$2,158,322.94	8.56%
ColoTrust-Trust Account	\$428,577.19	1.70%
CSAFE-Core	\$1,049,492.10	4.16%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$12,456,999.83	49.39%
U.S. Government Agencies and Instrumentalities	\$7,980,925.69	31.64%
TOTAL	<u>\$25,223,340.75</u>	<u>100.00%</u>

The average yield on Southwest’s investments for the month of March 2024, as calculated by staff, was 2.3754% per annum.

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

2. **Management Report.** The manager referred both Boards to her written management report for the month of March 2024, a copy of which was included in the meeting packet. In addition to answering questions concerning the management report, the manager discussed the following matters:

(a) **Employee Retirement.** A long-time employee announced that he will be retiring in the near future. His last day of work will be July 10, 2024. He was unable to be at the meeting today because of a medical procedure. The manager is in the process of posting to fill the position and any other position that may need to be filled.

(b) **HB 24-1463.** There was a general discussion concerning HB 24-1463, which is passed, will impose burdens and restrictions on every special district's ability to impose tap fees. It will require expert analysis in connection with the adoption of tap fees. Also, the methodology and a schedule of tap fees will need to be filed with any local government within the special district's boundaries that request such information. Legal counsel and the manager reviewed the proposed legislation in detail. At the present time there is significant opposition growing to the bill and it is a possibility it may not pass, at least in its present form.

3. **Maintenance Summary Report.** Armando Quintana, sitting in for Scott Hand, reviewed the Operations and Maintenance Summary Report for the month of March 2024. He noted that Southwest had no water service interruptions during the reporting period, but Platte Canyon experienced one water service interruption on March 30th at 5780 Snowberry Drive. The break was caused by a corroded pipe that had been exposed and was repaired by a 6"x15" repair clamp installed by C&L Water Solutions. A PowerPoint presentation was provided to the Board showing the nature and extent of the damaged caused by the break as well as the repair activity that was undertaken.

During the reporting period neither Platte Canyon nor Southwest had any sewer service interruptions.

During the month of March staff completed the fire hydrant/nozzle head replacement program for 2024. Fifty-seven fire hydrant nozzles were replaced in Southwest and nine were replaced in Platte Canyon.

4. **Update on Security System.** Alyssa Quinn provided an update as to the status of the new security system that is being implemented for the office building and the other facilities being operated by both Platte Canyon and Southwest. The District is moving away from keys and will be using keycards for access in the future. The keycards are being tested and within the next few weeks should be totally operational.

5. **Capital Projects Report.** Justin Roquemore reviewed with the Board the Capital Project Report for Platte Canyon and Southwest. As part of his report, Mr.

Roquemore updated the Board as to the status of all ongoing Platte Canyon and Southwest projects including developer and District specific projects. Included in the report was the status of the waterline relocation and other work that is in process in the South Santa Fe Corridor in connection with both the River Park Development and the Toll Brothers Development.

NEW BUSINESS

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

PLATTE CANYON PORTION OF THE JOINT MEETING

CALL TO ORDER

Mark Swatek, President of Platte Canyon, called the Platte Canyon portion of the joint meeting to order and acted as Chair.

APPROVAL OF PLATTE CANYON AGENDA

Following a brief discussion, a motion was made by Platte Canyon Director Buckner 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
Mark Swatek	Aye

PLATTE CANYON CONSENT AGENDA ITEMS

A motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn to approve Platte Canyon Consent Agenda Items No. 1 and No. 2, as set forth below:

1. Ratification of Interim Disbursements and Approval of Current Payables. Platte Canyon payables and supplemental payables for the month of April 2024, in the aggregate amount of \$432,317.89 represented by Platte Canyon check NOS. 35298 through 35348, inclusive, including any checks written by the manager pursuant to prior Board authorization for less than \$5,000 as well as various electronic fund payments for employee salaries, utilities and other authorized electronic fund payment vendors.

2. Platte Canyon Investment/Deposit Report. During the month, Platte Canyon did not: (i) purchase any treasury or other securities, (ii) sell any treasury notes or

agency securities or have any securities mature or redeem, or (iii) purchase, renew or rollover any certificates of deposit or have any certificates of deposit mature.

With respect to the above referenced Consent Agenda Items No. 1 and No. 2, 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
Mark Swatek	Aye

PLATTE CANYON ACTION ITEMS

1. Nominations to Fill Vacancy on the Platte Canyon Board. The Platte Canyon Board discussed the qualifications of each of the candidates who submitted applications to fill the vacancy on the Platte Canyon Board. The Board felt both candidates were excellent, and each Board member was impressed by the resumes that were submitted and the interviews that took place. A paper ballot election then took place. After the first paper ballot, there was a tie vote. A second paper ballot was then taken. After the second paper ballot, that manager announced that candidate Mulvany was elected to fill the vacant position.

The District's manager will notify Mr. Mulvany of his appointment and legal counsel will cause an appropriate Oath of Office and Certificate of Appointment to be prepared so that Mr. Mulvany can take his seat on the Platte Canyon Board at the Platte Canyon May meeting.

PLATTE CANYON INFORMATION DISCUSSION ITEMS

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

NEW BUSINESS

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

ADJOURNMENT

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

Anthony M. Dursey	Aye
William Buckner	Aye

Louis J. Fohn	Aye
Mark Swatek	Aye

At this time, the Platte Canyon Board members left the room. The Southwest Board meeting continued.

SOUTHWEST EXECUTIVE SESSION

At approximately 10:35 a.m. a motion was made by Southwest Director Rivas and seconded by Southwest Director Sebastian to go into Executive Session pursuant to Section 24-6-402(4)(b), C.R.S. for the purpose of obtaining advice from legal counsel regarding a proposed funding agreement with Toll Brothers relative to the D-Line Interceptor capacity expansion that needs to occur in order to serve the development in South Santa Fe Park. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
Chuck Hause	Aye
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	Aye

Present during the Executive Session were all four Southwest Board members, the manager, the assistant manager, and legal counsel.

At approximately 11:00 a.m. the Southwest Board returned to open public meeting.

ADJOURNMENT

There being no further to come before the Southwest Board, a motion to adjourn was made by Southwest Director Dursey and seconded by Southwest Director Sebastian. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
William Buckner	Aye
Louis J. Fohn	Aye
Mark Swatek	Aye

Whereupon, Southwest portion of the joint meeting of the Platte Canyon and Southwest Board of Directors adjourned at approximately 11:00 a.m. The next regular joint meeting of both Boards will be held on Friday, May 24 , 2024, at 8:30 a.m. in the Platte Canyon and Southwest office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123.

Respectfully submitted,

Timothy J. Flynn, Recording Secretary

ATTORNEY'S STATEMENT

Pursuant to Section 24-6-402(2)(d.5)(II)A, C.R.S., I, Timothy J. Flynn, attest that I am the attorney for the Southwest Metropolitan Water and Sanitation District and that I was present at the time the Southwest Board went into Executive Session on Friday, April 26, 2024 at approximately 11:00 a.m. I further attest the Executive Session was not recorded because it constituted a privileged attorney client communication. The Board did not adopt any policy, rule or regulation or take any formal action during the Executive Session.

Timothy J. Flynn

Date

RECORD OF PROCEEDINGS

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

Chuck Hause

Anthony M. Dursey

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