

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
November 22, 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, November 22, 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 log-in 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
Ismael Gomez
Chuck Hause
Samuel Rivas, Jr.
Bernard J. Sebastian, Jr.

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

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

William D. Buckner
Anthony M. Dursey
Louis J. Fohn (by Teams)
Damian Mulvany
Mark Swatek

The following Platte Canyon staff members were physically present: Cynthia Lane, Manager; Vanessa Shipley, Financial Administrator; Armando Quintana, Operations Supervisor; and Justin Roquemore, Construction Program Manager. Bridget Butterfield, Communications and Administrative Services Coordinator; and Adam Morse, GIS/Website/IT Technician, attended the meeting virtually via Microsoft Teams.²

Also in attendance was Timothy J. Flynn, from Ireland Stapleton Pryor and, legal counsel for both Districts.

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, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Dursey 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
Ismael Gomez	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 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. Southwest payables and supplemental disbursements for November 2024, in

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.

the aggregate amount of \$224,890.89 represented by Southwest check numbers 21389 through 21410, inclusive, including any checks for less than \$5,000.00 written by the manager pursuant to prior Board authorization, as well as various electronic fund payments for utility and other authorized electronic fund payment vendors.

2. Southwest Investment/Deposit Transaction Report. During the month, Southwest purchased a \$2,000,000 par value Federal Home Loan Bank Note that matures October 9, 2029, and that has a coupon rate of interest of 4% per annum. During the month Southwest did not: (i) sell treasury notes or other securities or have any securities mature or redeem, or (ii) purchase, renew or rollover any certificates of deposit.

With respect to Consent Agenda Items 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
Ismael Gomez	Aye
Chuck Hause	Aye
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	Aye

SOUTHWEST ACTION ITEMS

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

SOUTHWEST INFORMATION/DISCUSSION ITEMS

1. Southwest 2025 Proposed Budget. Vanessa Shipley provided a comprehensive overview of Southwest proposed 2025 budget. For 2025 Southwest anticipates revenues of \$7,550,710 and total expenditures of \$6,714,313, resulting in an increase in the year-end fund balance of \$836,397. For 2025 water and sewer service fee revenue is projected to be \$2,252,020.

Investment income is projected to be \$732,470. Tap fee revenue for 2025 is budgeted at \$4,437,400. Southwest receives no property tax revenue and cannot impose a property tax mill levy without prior voter approval currently there is no voter authorization for Southwest to impose a property tax mill levy.

Capital expenditures for 2025 are projected at \$3,992,725 and includes two capital water projects involving the replacement of 2,168 linear feet of asbestos cement pipe for a projected cost of \$962,620 and one capital sewer project which entails the upsizing of the 33-inch diameter D-Line Interceptor. The cost of this project is currently projected at \$2,900,975.

2. Southwest 10-Year Financial Plan. The Southwest 10-year Financial Plan complies with Southwest's policy to annually review and establish an adequate level of

cash reserves for operations, capital improvements, debt service if any, and any other needs prescribed by the Southwest Board to meet required service levels and provide adequate resources for infrastructure repair and replacement.

The 10-year Financial Plan projects that the Southwest service fee will be \$12 a month through 2026 and increase to \$15 a month in 2027. Service fee revenue represents approximately 58.5% of total Southwest revenue over the 10-year planning period. Over the 10-year planning period capital water projects will total approximately \$17,170,337 of which \$3.9M or 22.7% is scheduled in 2030.

3. Mile High Flood District Dutch Creek Realignment Project. The manager presented a PowerPoint presentation and background information regarding the Mile High Flood District's proposed rehabilitation and realignment of a portion of the Dutch Creek Drainage Way that runs through a portion of Southwest. Southwest's C-Line Interceptor runs adjacent to and crosses at two locations Dutch Creek. Mile High's plan for reclaiming the Dutch Creek Drainage Way includes a number of options; one of which entails relocation of Southwest's C-Line Interceptor and provides Southwest with an access road that would improve its ability to maintain the Interceptor over time. Another option involves stabilizing and improving the two crossing points, but does not include providing an access road.

The cost of the option that provides Southwest with an access road is extremely high especially in relation to the benefit afforded Southwest. Accordingly, staff recommends that Southwest cost share in Mile High's alternative that involves stabilizing the two points at which the C-Line Interceptor crosses Dutch Creek.

It was the consensus of the Southwest Board that staff's recommendation be followed, and the manager was authorized to communicate the same to the Mile High Flood District's staff

SOUTHWEST NEW BUSINESS

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

JOINT PARTICIPATION PORTION OF THE MEETING

Southwest President, Chuck Hause, 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 Dursey 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
Ismael Gomez	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 D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
Damian Mulvany	Aye
Mark Swatek	Aye

JOINT MEETING CONSENT AGENDA

1. Approval of the Minutes of the Boards’ October 24, 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’ October 24, 2024, joint regular meeting, as written. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
Ismael Gomez	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 D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
Damian Mulvany	Aye
Mark Swatek	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 tenth-month period ending October 31, 2024, were presented to the Boards:

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

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

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

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

Vanessa Shipley pointed out those line items in the financial statements that deviate from the adopted budget. She noted that most of the remedial water and sewer system costs will be finalized soon and that all of Platte Canyon’s expenditures are projected to be within budget. At the conclusion of her review of the financial statements, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Dursey 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
Damian Mulvany	Aye
Mark Swatek	Aye

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

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

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

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

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

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
Ismael Gomez	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 investment pools. As of October 31, 2024, Platte Canyon’s investments and deposits totaled \$12,168,133.80 itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$179,798.48	1.48%
Certificates of Deposit	\$250,000.00	2.05%
ColoTrust-Edge	\$592,393.07	4.87%
ColoTrust-Plus	\$3,877,597.36	31.87%
ColoTrust-Trust Account	\$520,017.96	0.04%
CSAFE-Core	\$4,248,271.26	34.91%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$1,513,519.70	12.44%
U.S. Government Agencies and Instrumentalities	\$1,501,335.97	12.34%
TOTAL	\$12,168,133.80	100.00%

The average yield on Platte Canyon’s investments for the month of October 2024, as calculated by staff, was 4.0830% per annum.

At the conclusion of Vanessa Shipley’s review, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Dursey to accept the Platte Canyon Investment/Deposit report.

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
Damian Mulvany	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 October 31, 2024, Southwest’s investments and deposits totaled \$26,380,921.03, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$13,836.86	0.05%
Certificates of Deposit	\$249,000.00	0.94%
ColoTrust-Edge	\$919,148.43	3.48%
ColoTrust-Plus	\$2,749,252.82	10.42%
ColoTrust-Trust Account	\$1,652,242.82	6.26%
CSAFE-Core	\$1,340,494.72	5.08%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$9,473,529.21	35.91%
U.S. Government Agencies and Instrumentalities	\$9,983,416.17	37.84%
TOTAL	<u>\$26,380,921.03</u>	<u>100.00%</u>

The average yield on Southwest’s investments for the month of October 2024, as calculated by staff, was 2.8657% per annum.

During her review Vanessa Shipley noted that Southwest investments in local government investment pools exceeds the percentage specified in Southwest’s Investment Policy. During the discussion, the Southwest Board was advised as to the reasons the investment policy limits were exceeded and concurred that the exceedance was acceptable.

Following Vanessa Shipley’s review of the financial statements, a motion was then made by Southwest Director Dursey and seconded by Southwest Director Sebastian to accept the Southwest Schedule of Investments/Deposits and to approve the deviation from

Southwest investment policy for this month and any future month where that deviation should occur during the balance of calendar year 2025.

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

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

INFORMATION/ DISCUSSION ITEMS

1. **Management Report.** The manager referred both Boards to her written management report for the month of October 2024, a copy of which was included in the meeting packet and asked if there were any questions. In the interest of time, she did not review her management report in detail and the Board had no specific questions.

2. **December Board Meeting.** The manager noted that the December meeting agenda for both Boards contains many business items. As a result, she anticipates that the meeting will be longer than usual. She also stated that due to the Christmas holiday the December joint meeting would be on December 13, 2024. All Board member indicated that the early meeting was acceptable and that there were no conflicts with their schedules. Accordingly, it is anticipated that both Platte Canyon and Southwest will have a quorum for that meeting.

3. **Operations and Maintenance Summary Report.** Armando Quintana reviewed the operations and maintenance summary report for the month of October 2024. During the reporting period neither Southwest nor Platte Canyon had any sanitary sewer service interruptions nor did either District have any water service interruptions. As a result, Armando Quintana did not have a PowerPoint presentation. Armando briefly reviewed with the Boards the remedial repairs that occurred during the month. He noted that C&L Water Solutions repaired one water valve in Southwest and four water valves in Platte Canyon. All the remedial repairs for both Platte Canyon and Southwest are now complete for calendar year 2024.

There was nothing to report with respect to either Platte Canyon or Southwest facilities report other than that the fuel generator for the Hogback Pump Station was topped off with fuel.

Armando then briefly reviewed with the Boards the training and meetings that Platte Canyon's staff had attended during the month. His report also included information regarding the Platte Canyon's contract service operations and locates that were performed on behalf of both Districts.

4. **Construction Projects Report.** Justin Roquemore then reviewed with both Boards the Capital Construction Project report for both Platte Canyon and Southwest. He provided detail regarding both Platte Canyon’s capital projects for calendar 2024 noting the status and the budget amount for each project. He did the same thing with respect to Southwest 2024 capital projects. He also updated the Boards as to the status of the developer projects within each District.

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 review and discussion, a motion was made by Platte Canyon Director Buckner seconded by Platte Canyon Director Mulvany 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
Damian Mulvany	Aye
Mark Swatek	Aye

PLATTE CANYON CONSENT AGENDA ITEMS

Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Mulvany 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 disbursements for the month of October 2024, in the aggregate amount of \$650,992.11 represented by Platte Canyon check nos. 35609 through 35653, 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 of October 2024, Platte Canyon did not: (i) purchase any treasury notes or agency securities. (ii) sell treasury notes or other securities or have any securities mature or redeem, (iii) purchase, renew or rollover any certificates of deposit.

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
Damian Mulvany	Aye
Mark Swatek	Aye

PLATTE CANYON ACTION ITEMS

1. Approval of Purchase of 2025 Sewer Combination Jet Cleaner and Vacuum Unit. For purposes of replacing Platte Canyon’s 2015 high velocity combination sewer cleaner and vacuum truck Platte Canyon’s solicited bids from six manufacturers. Four of those manufactures submitted bids. The lowest bid that complied with Platte Canyon’s specifications was for a total net price of \$467,815 after providing Platte Canyon a credit for the trade-in of the existing sewer cleaner and vacuum truck in the amount of \$115,000.

Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Mulvany authorizing the purchase of a new 2025 high-velocity sewer cleaner and vacuum truck from Kois Brothers for a total contact price of \$467,815 which includes the trade-in credit.

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
Damian Mulvany	Aye
Mark Swatek	Aye

2. Bow Mar South HOA Basketball Court Easement Encroachment Request Update. The manager and legal counsel update the Platte Canyon Board with respect to the status of the Bow Mar South Homeowner’s Association request to install a basketball court within an existing Platte Canyon sewer line easement and to resurface tennis courts that also encroach within the Platte Canyon sewer line easement. The HOA has been given permission to proceed with the basketball court resurfacing. Legal descriptions and drawings are being prepared for an access easement that Platte Canyon

will need to obtain in order to clearly document its legal right to access a sewer manhole in the northwest corner of the HOA property. A proposed access route was depicted for the Platte Canyon Board on a drawing prepared by Platte Canyon staff. This will extend in part over and across an existing access easement that is used by the irrigation company that operated Tule Lake.

It is hoped that the legal description and drawing can be prepared in the near future so that this matter can be presented to the Platte Canyon Board for approval at its January 2025 Board meeting.

NEW BUSINESS

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

EXECUTIVE SESSION

Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Director Dursey to go into executive session pursuant to section 2024-6-402 (4)(e) CRS for the purpose of discussing personnel matters that did not involve any particular Platte Canyon employee.

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
Damian Mulvany	Aye
Mark Swatek	Aye

Present during the executive session were all five Platte Canyon Board members and all five Southwest Board members and the Districts' legal counsel. The Boards went into executive session at approximately 10:15 a.m. and returned to open public meeting at approximately 10:23 a.m.

The executive session was recorded by legal counsel as required by law.

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 Southwest Director

Hause and seconded by Platte Canyon Director Dursey. The Chair called for a vote of the Southwest Board, and the vote was as follows:

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

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
Damian Mulvany	Aye
Mark Swatek	Aye

Whereupon, this joint regular meeting of the Southwest and Platte Canyon Boards adjourned at approximately 10:30 a.m. The next regular joint meeting of both Boards will be held on Friday, December 13, 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

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

Ismael Gomez

Anthony M. Dursey

Bernard J. Sebastian, Jr.

Louis J. Fohn

Samuel Rivas, Jr.

Damian Mulvany

Chuck Hause

Mark Swatek