MINUTES OF JOINT REGULAR MEETING
BOARD OF DIRECTORS
PLATTE CANYON WATER AND SANITATION DISTRICT
AND
SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

Friday
May 25, 2018
Jefferson County, Colorado

The regular 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, May 25, 2018, at 8:30 a.m. in the Districts’ office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123. 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 Buckner
  Anthony M. Dursey
  Louis J. Fohn
  George E. Hamblin, Jr.
  Richard Rock

The following Southwest Directors were in attendance, to-wit:
  Anthony M. Dursey
  Kenton C. Ensor, Jr.
  George E. Hamblin, Jr.
  Chuck Hause
  Bernard J. Sebastian, Jr.

The following Platte Canyon staff members were in attendance: Cynthia Lane, assistant manager; Vanessa Shipley, financial administrator; Scott Hand, operations

1 and each District’s Water and Sanitary Sewer Activity Enterprise.
supervisor; Tony Cocozzella, construction, plan review and special projects coordinator; and Alyssa Quinn, administrative assistant.\(^2\)

Also, in attendance was Timothy J. Flynn, from Collins Cockrel & Cole, P.C., legal counsel for both Districts.

CALL TO ORDER

The meeting was called to order by Platte Canyon President, Richard Rock, who presided as Chair.

APPROVAL OF PLATTE CANYON AGENDA

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:

<table>
<thead>
<tr>
<th>Name</th>
<th>Vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>William Buckner</td>
<td>Aye</td>
</tr>
<tr>
<td>Anthony M. Dursey</td>
<td>Aye</td>
</tr>
<tr>
<td>Louis J. Fohn</td>
<td>Aye</td>
</tr>
<tr>
<td>George E. Hamblin, Jr.</td>
<td>Aye</td>
</tr>
<tr>
<td>Richard Rock</td>
<td>Aye</td>
</tr>
</tbody>
</table>

PLATTE CANYON CONSENT AGENDA ITEMS

Following a brief discussion, a motion was made by Platte Canyon Director Hamblin and seconded by Platte Canyon Director Buckner to approve Platte Canyon Consent Agenda Items 1 through 2, inclusive, as set forth below, by a single motion:

1. **Approval of Platte Canyon Payables.** The Platte Canyon payables and supplemental payables for the month of May 2018 in the aggregate amount of $196,785.24, represented by Platte Canyon check numbers 31803 through 31849, inclusive, including those checks written by the manager pursuant to prior Board authorization for less than $2,500, as well as various electronic payments for employee salaries, utility payments, and other authorized electronic fund payment vendors.

---

\(^2\) 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.
2. **Approval and Ratification of Platte Canyon April 2018 Investment Transactions.** The April 2018 Platte Canyon Investment Transaction Report reflects that during the month, Platte Canyon renewed a $100,000 certificate of deposit at Fowler State Bank, and a $249,000 certificate of deposit at Solera National Bank, each for one year, at interest rates of 1.75% and 2.0% respectively.

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 ACTION ITEMS**

1. **Oaths of Office for Re-elected Directors and Election of Officers.** Alyssa Quinn who is a Notary administered the Oath of Office for re-elected Platte Canyon Directors Dursey, Fohn and Hamblin. The executed Oaths were delivered to legal counsel who will cause the Oaths of Office to be filed with the Arapahoe County District Court, the Division of Local Government, and the Arapahoe and Jefferson Counties Clerk and Recorder offices. All three Directors were deemed elected to a four-year term of office that will expire in May 2022.

The Board then discussed the election of officers, during which discussion it was determined that Platte Canyon’s officers should remain the same. A motion was then made by Platte Canyon Dursey and seconded by Platte Canyon Director Hamblin to elect Richard Rock to serve as Platte Canyon’s president; William Buckner to serve as Platte Canyon’s secretary-treasurer; and for Platte Canyon Directors Dursey, Fohn, and Hamblin to serve as vice-presidents and assistant secretaries. 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
2. **Approval of Mobile Device Use Policy.** Assistant manager, Cynthia Lane, reviewed with the Board an updated and revised proposed Mobile Use Policy, to be effective as of May 25, 2018. The Policy clearly addresses Platte Canyon’s requirements regarding the use of mobile devices at work, the personal use of mobile devices, and Platte Canyon’s requirements for the safe use of mobile devices by employees.

Following a brief discussion, a motion to adopt the Mobile Use Policy effective as of May 25, 2018 was made by Platte Canyon Director Dursey and seconded by Platte Canyon Director Hamblin. 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

3. **Approval of Electronic Usage Policy.** Assistant manager, Cynthia Lane, reviewed with the Board a proposed Platte Canyon electronic use policy which sets forth Platte Canyon’s requirements regarding the use of Platte Canyon-provided electronic communication resources by Platte Canyon employees, including, but not limited to, the use of the Internet, external email, telephone voice mail, Internet access, mobile devices and computer hardware and software.

Following a brief discussion, a motion to approve the Electronic Usage Policy effective May 25, 2018 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:

- 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 to come before the Platte Canyon Board.
RECORD OF PROCEEDINGS

PLATTE CANYON NEW BUSINESS

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

TEMPORARY RECESS

A motion was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Hamblin to temporarily recess the Joint Regular Meeting so that the Platte Canyon Board could re-convene as the *ex officio* Board of the Platte Canyon Water and Sanitation Subdistrict No. 1 and Subdistrict 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
- George E. Hamblin, Jr.: Aye
- Richard Rock: Aye

The Chair then 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, Jr.: Aye

Whereupon, the Joint Regular Meeting was temporarily recessed at approximately 9:35 a.m.

JOINT PARTICIPATION PORTION OF THE MEETING

The Joint Participation Portion of the Platte Canyon and Southwest Board meeting reconvened at approximately 9:45 a.m. Platte Canyon’s president, Richard Rock, 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 Dursey 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 Buckner   Aye
Anthony M. Dursey Aye
Louis J. Fohn Aye
George E. Hamblin, Jr. Aye
Richard Rock Aye

The Chair then 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, Jr. Aye

**JOINT MEETING CONSENT AGENDA ITEM**

Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Southwest Director Sebastian to approve the one joint meeting consent agenda item as set forth below:

1. **Approval of April 27, 2018 Joint Regular Meeting Minutes.**

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

The Chair called for a vote of the Southwest Board, and the vote was as follows:
The approved minutes of the Boards’ April 27, 2018 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.** The following unaudited Platte Canyon financial statements, prepared by Vanessa Shipley for the four-month period ending April 30, 2018, were presented to the Boards:

   (i) Statement of Net Assets, dated April 30, 2018, showing Platte Canyon’s Assets, Liabilities, and Net Assets;

   (ii) Statement of Revenue, Expenses, and Changes in Net Assets for the four-month period ending April 30, 2018;

   (iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the four-month period ending April 30, 2018; and

   (iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the four-month period ending April 30, 2018.

   Vanessa Shipley had no comments regarding the Platte Canyon financial statements and there were no questions from the Board. A motion was made by Platte Canyon Director Dursey and seconded by Platte Canyon Director Hamblin 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:
2. **Southwest Financial Statements.** The following unaudited Southwest financial statements, prepared by Vanessa Shipley for the four-month period ending April 30, 2018, were presented to the Boards:

   (i) Statement of Net Assets, dated April 30, 2018, showing Southwest’s Assets, Liabilities, and Net Assets;

   (ii) Statement of Revenue, Expenses, and Changes in Net Assets for the four-month period ending April 30, 2018;

   (iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the four-month period ending April 30, 2018; and

   (iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the four-month period ending April 30, 2018.

Vanessa Shipley had no comments on the Southwest financial statements and there were no questions from the Southwest Board. A motion was then made by Southwest Director Sebastian and seconded by Southwest Director Hamblin 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
- Kenton C. Ensor, Jr.  Aye
- George E. Hamblin, Jr.  Aye
- Chuck Hause  Aye
- Bernard J. Sebastian, Jr.  Aye

3. **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 April 30, 2018, Platte Canyon’s investments and deposits totaled $10,460,483.63, itemized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking</td>
<td>$200,879.38</td>
<td>1.92%</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>$994,000.00</td>
<td>9.50%</td>
</tr>
<tr>
<td>ColoTrust-Prime</td>
<td>$0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>ColoTrust-Plus</td>
<td>$2,717,896.36</td>
<td>25.98%</td>
</tr>
<tr>
<td>ColoTrust-Trust Account</td>
<td>$555,547.48</td>
<td>5.31%</td>
</tr>
<tr>
<td>Treasury Bills</td>
<td>$0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>Treasury Notes</td>
<td>$998,811.99</td>
<td>9.55%</td>
</tr>
<tr>
<td>U.S. Government Agencies and</td>
<td>$4,993,348.42</td>
<td>47.74%</td>
</tr>
<tr>
<td>Instrumentalities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$10,460,483.63</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

The average yield on Platte Canyon’s investments for the month of April, 2018, as calculated by staff, was 1.6892% 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 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
Louis J. Fohn     Aye
George E. Hamblin, Jr. Aye
Richard Rock     Aye

4. **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 April 30, 2018, Southwest investments and deposits totaled $24,317,139.77, itemized as follows:
The average yield on Southwest’s investments for the month of April 2018, as calculated by staff, was 2.1418% per annum.

Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Hause 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
- Kenton C. Ensor, Jr.: Aye
- George E. Hamblin, Jr.: Aye
- Chuck Hause: Aye
- Bernard J. Sebastian, Jr.: Aye

5. **Management Information Report.** In the absence of the manager, Cynthia Lane, assistant manager, reviewed as follows the April 2018 Management Information Report. As part of her review, she commented on the following matters:

   (a) **Update on Water Quality Control Division Order Regarding Corrosion Control.** The Colorado Water Quality Control Division recently denied Denver Water’s request for an adjudicatory hearing to reconsider the Division’s recent order mandating that Denver Water use orthophosphate as a means of controlling corrosion within its distribution system. As a result of the denial, Denver Water is now under a compliance schedule to implement orthophosphate corrosion control in its distribution system by March 2020.
Other interested parties, including the Metro Wastewater Reclamation District, the City of Aurora, and the Greenway Foundation filed a request for adjudicatory hearing. That request was denied. These parties also simultaneously, with their request for an adjudicatory hearing, filed a lawsuit in Denver District Court requesting a declaratory judgment of their rights and obligations under certain state and federal statutes and health department regulations. Denver Water has now joined in that lawsuit. A request has been filed to stay any action in the legal proceeding for a 90-day period to allow the parties time to negotiate and see if they can arrive at a compromise settlement that is acceptable to everyone and that will be more protective of the environment and water quality throughout the metropolitan area as a whole.

(b) **Lead and Copper Exceedance.** Denver Water tested various sites in both Southwest and Platte Canyon for lead in the distribution system. Recently, there was a test in Platte Canyon where two of three sites tested exceeded appropriate levels. Denver Water is in the process of re-sampling. A notice of the exceedance was sent to Platte Canyon by mail.

(c) **Valley Sanitation District.** The Valley Sanitation District, utilizing Platte Canyon staff, is approximately three weeks away from submitting plans to the Colorado Department of Public Health & Environment for the Valley interceptor relocation project. Platte Canyon staff is currently working to acquire certain easements that will be needed for the project.

(d) **Scott J. Morse Pump Station Improvement Project.** The installation of the pumps in the pump station is going well and is expected to be completed on or about June 12, 2018.

The installation of the fence and other improvements at the material storage facility adjacent to the Scott J. Morse Pump Station property is working its way through the approval process with the Jefferson County Planning and Zoning Department. Platte Canyon staff will hold one or two meetings at the site in the very near future to advise neighbors surrounding the site as to what Platte Canyon intends to do, especially with respect to the fence and material storage facility that will be constructed.

6. **Operations and Maintenance Summary Report.** Scott Hand reviewed the Operations and Maintenance Summary Report dated April 2018. During the April 2018 reporting period, neither Platte Canyon nor Southwest had any sanitary sewer service interruptions. Southwest had no water service interruptions, but Platte Canyon had one interruption that occurred on April 29, 2018 at 7468 South Teller Street. In
addition, there was also a water main break at 5625 West Canyon Avenue in Columbine Hills. Mr. Hand presented an overview of the repair activities that were undertaken with respect to both of these breaks.

(a) **Remedial Water Repairs.** The Platte Canyon and Southwest 2018 remedial water repairs continue. The restoration of various valves and hydrants in both Platte Canyon and Southwest have been completed. C&L Water Solutions, Inc. and Platte Canyon staff are currently working on the replacement of two broken gate valves in West Bowles Avenue west of Simms Street in Southwest. These repairs are challenging due to traffic control considerations. It is anticipated that the broken gate valve repairs will be completed before the end of May 2018.

(b) **SCADA System Upgrade.** Browns Hill continues to work on the SCADA System upgrades for both Platte Canyon and Southwest. Work is progressing satisfactorily.

7. **Construction Project Report.** Tony Cocozzella reviewed with both Boards the Capital Project Information and Construction Status Report for both Platte Canyon and Southwest. The Report updated the Boards as to the status of all ongoing 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 the 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 regular joint meeting of the Boards is scheduled for Friday, June 22, 2018 in the Districts’ offices located at 8739 West Coal Mine Avenue, Littleton, Colorado, 80123.

**SOUTHWEST ACTION ITEMS**

**CALL TO ORDER**

The Southwest Action Item portion of the joint regular meeting was called to order by Southwest President, Anthony M. Dursey, who presided as Chair.
RECORD OF PROCEEDINGS

SOUTHWEST AGENDA

A motion was made by Southwest Director Hamblin and seconded by Southwest Director Hause 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
- Kenton C. Ensor, Jr. Aye
- George E. Hamblin, Jr. Aye
- Chuck Hause 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 Hause to approve the Southwest Consent Agenda Items 1 through 2, inclusive, as set forth below by a single motion:

1. **Approval of Accounts Payable and Ratification of Interim Disbursements.** The Southwest interim disbursements paid and current payables for the month of April 2018 in the aggregate amount of $324,609.08, represented by Southwest check numbers 19103 through 19133, inclusive, including those checks written by the manager pursuant to prior Board Authorization for less than $2,500, as well as various electronic payments for employee salaries, utility payments, and other authorized electronic fund payment vendors.

2. **Acceptance of Southwest April 2018 Investment Transaction Report.** The April 2018 Southwest Investment Transaction Report reflects that during the month, Southwest did not purchase any investment securities nor were any Southwest investments redeemed or renewed.

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, Jr. Aye
RECORD OF PROCEEDINGS

SOUTHWEST ACTION ITEMS

1. **Administration of Oaths of Office and Re-election of Officers.** Alyssa Quinn, who is a Notary, administered the Oath of Office for re-elected Southwest Directors Dursey, Hamblin and Sebastian. The executed Oaths were delivered to legal counsel, who will cause the Oaths of Office to be filed with the Jefferson County District Court, the Division of Local Government, and the Arapahoe, Douglas and Jefferson Counties Clerks and Recorders. All three Directors were deemed elected to a four-year term of office that will expire in May 2022.

The Board then discussed the election of officers, during which discussion it was determined that Southwest officers should remain the same. A motion was made by Southwest Director Hause and seconded by Southwest Director Sebastian to elect Anthony M. Dursey to serve as Southwest’s president and chair; George E. Hamblin, Jr., to serve as Southwest’s secretary-treasurer; and for Southwest Directors Ensor, Hause and Sebastian to serve as vice-presidents and assistant secretaries. The Chair called for a vote of the Southwest Board, and the vote was as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anthony M. Dursey</td>
<td>Aye</td>
</tr>
<tr>
<td>Kenton C. Ensor, Jr.</td>
<td>Aye</td>
</tr>
<tr>
<td>George E. Hamblin, Jr.</td>
<td>Aye</td>
</tr>
<tr>
<td>Chuck Hause</td>
<td>Aye</td>
</tr>
<tr>
<td>Bernard J. Sebastian, Jr.</td>
<td>Aye</td>
</tr>
</tbody>
</table>

SOUTHWEST INFORMATION/DISCUSSION ITEMS

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

NEW BUSINESS

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

ADJOURNMENT

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

Whereupon, this joint regular meeting of the Platte Canyon and Southwest Boards of Directors adjourned at approximately 9:35 a.m. The next regular joint meeting of the Boards will held on Friday, June 22, 2018, 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

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

Anthony M. Dursey

Kenton C. Ensor, Jr.

George E. Hamblin, Jr.

Chuck Hause

Bernard J. Sebastian, Jr.

PLATTE CANYON WATER AND SANITATION DISTRICT

William D. Buckner

Anthony M. Dursey

Louis J. Fohn

George E. Hamblin, Jr.

Richard Rock