

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
February 23, 2018
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, February 23, 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 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 Directors were in attendance, to wit:

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

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

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

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

Also in attendance 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 Southwest President Anthony M. Dursey, who presided as Chair.

APPROVAL OF 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 and 2 as set forth below by a single motion:

1. **Ratification of Payables.** The Southwest list of payables and supplemental payables for the month of February 2018, in the aggregate amount of \$97,847.16, represented by Southwest check numbers 19011 through 19040, inclusive, including any checks written by the manager pursuant to prior Board authority for less than \$2,500.

2. **Ratification of Southwest Investment Transactions.** The purchase on January 18, 2018, of a CDARS certificate of deposit for 364 days that matures on January 17, 2019, in the amount of \$249,000 and earns interest at the rate of 1.55% per annum.

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

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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 ACTION ITEMS

There were no Southwest action items presented to the Southwest Board.

SOUTHWEST INFORMATION/DISCUSSION ITEMS

There were no information or discussion 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

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

APPROVAL OF JOINT MEETING AGENDA

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

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

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

JOINT MEETING CONSENT AGENDA ITEM

Following a brief discussion, a motion was made by Southwest Director Hause and seconded by Southwest Director Sebastian to approve the joint meeting consent agenda item 1 as set forth below by a single motion:

1. **Approval of January 26, 2018 Joint Regular Meeting Minutes.** The minutes of the Boards' January 26, 2018 joint regular meeting.

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

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

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

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

The approved minutes of the Boards' January 26, 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.**

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(a) **Platte Canyon Financial Statements.** The following Platte Canyon financial statements, prepared by Vanessa Shipley, for the one-month period ending January 31, 2018, were presented to the Boards:

(i) Statement of Net Assets, dated January 31, 2018, showing Platte Canyon's Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the one-month period ending January 31, 2018;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the one-month period ending January 31, 2018; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the one-month period ending January 31, 2018.

At the conclusion of Vanessa Shipley's review of the Platte Canyon financial statements, 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 Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

(b) **Southwest Financial Statements.** The following unaudited Southwest financial statements, prepared by Vanessa Shipley for the one-month period ending January 31, 2018, were presented to the Boards:

(i) Statement of Net Assets, dated January 31, 2018, showing Southwest's Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses, and Changes in Net Assets for the one-month period ending January 31, 2018;

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(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the one-month period ending January 31, 2018; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the one-month period ending January 31, 2018.

At the conclusion of Vanessa Shipley’s review of the Southwest financial statements, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Hause 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	Aye

(c) **Platte Canyon Investment/Deposit Report.** The Boards reviewed a list of Platte Canyon’s investments in U.S. Government treasury notes, agency securities, certificates of deposit, and money market funds, together with a report showing the funds Platte Canyon has in approved state depositories and authorized investment pools. As of January 31, 2018, Platte Canyon’s investments and deposits totaled \$9,976,589.46, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$243,054.75	2.44%
Certificates of Deposit	\$994,000.00	9.96%
ColoTrust-Prime	\$0.00	0.00%
ColoTrust-Plus	\$2,207,025.37	22.12%
ColoTrust-Trust Account	\$542,805.95	5.44%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$997,650.11	10.00%
U.S. Government Agencies and Instrumentalities	\$4,992,053.28	50.04%
TOTAL	\$9,976,589.46	100.00%

The average yield on Platte Canyon’s investments for the month of January 2018, as calculated by staff, was 1.4739% per annum.

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Following a brief discussion, a motion was made by Platte Canyon Director Rock and seconded by Platte Canyon Director Buckner 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

(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 January 31, 2018, Southwest's investments and deposits totaled \$24,619,561.26, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$41,295.53	0.17%
Certificates of Deposit	\$2,348,117.16	9.54%
ColoTrust-Prime	\$0.00	0.00%
ColoTrust-Plus	\$2,198,501.22	8.93%
ColoTrust-Trust Account	\$3,984,348.35	16.18%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$6,018,417.96	24.45%
U.S. Government Agencies and Instrumentalities	\$10,028,881.04	40.74%
TOTAL	\$24,619,561.26	100.00%

The average yield on Southwest's investments for the month of January 2018, as calculated by staff, was 2.0035 % 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:

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

2. **Management Report.** The manager and assistant manager reviewed as follows the February Management Report with respect to the portion of that report prepared by each.

(a) **2018 Regular Board of Directors Election.** The manager noted that notice of the Platte Canyon and Southwest elections was published in the Littleton Independent and the Columbine Courier. To date, self-nominating petitions have been filed by all the Directors whose terms will expire. No other petitions have been received and it is expected that the election will be canceled on March 6, 2018 if no additional nominating petitions or affidavits of intent to run as write-in candidates are received.

(b) **Purchasing Policies and Procedures.** The manager noted that the staff is in the process of finalizing revised Purchasing Policies and Procedures for Platte Canyon with the expectation that a similar set of policies and procedures will be prepared for Southwest. The manager will review the revised purchasing policies and procedures later during the Platte Canyon meeting.

(c) **Communication Plans for Southwest and Platte Canyon.** The assistant manager noted that Tayler Newkirk is continuing to work on the development of communication plans for both Southwest and Platte Canyon. Once developed, the plans will serve as a model for the other districts for which Platte Canyon provides services. Major components of the communication plans include the approach to designing and launching a new website, redesign of the Platte Canyon and Southwest newsletters, use of social media to communicate with varied audiences (customers, contractors and developers) and increasing community engagement activities. A formal presentation concerning the communication plans for Southwest and Platte Canyon will be presented to the Boards within the next few months.

(d) **Staff Training Program.** The assistant manager noted that with the increasing competitive job market for utility staff, work has begun on an official staff training program. This program will provide staff who are interested with the ability to expand their skills and to invest in themselves to be prepared when supervisory management level positions become available. The official training program will include familiarizing staff with the required and optional training associated with several critical

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roles including the Operators, Project Coordinators, and Business Program Specialists. There will also be a defined management training program including an advanced level for those employees who are very interested and dedicated to the Districts. The program will also include a list of pre-approved course work for those who want to further their education on job related matters, and for that purpose, there will be an expansion of the tuition reimbursement policy currently in place to encourage staff to further their education and training.

A formal policy with respect to the staff training program will be presented to the Boards within the next couple of months.

3. **Operations and Maintenance Summary Report.** Scott Hand reviewed the Operations and Maintenance Summary Report dated January 2018. During the January 2018 reporting period, neither Southwest nor Platte Canyon had any sanitary sewer service interruptions. Southwest had no water service interruptions; however, Platte Canyon had a water service interruption on January 4, 2018, at 5935 South Jay Court. Mr. Hand discussed the cause of the break and provided an overview of the repair activities undertaken to restore service. He noted that the water main on which this break occurred is scheduled for replacement in 2018.

(a) **2018 Remedial Water Repairs.** C&L Water Solutions requested an amendment to its agreement for non-emergency repair services so that they could be given a certain amount of non-emergency repair work. It is believed this will be beneficial to both C&L and Platte Canyon and Southwest Metro because C&L will be guaranteed a minimum amount of work for an agreed-upon price. This allows C&L to better schedule its crews and to use them more efficiently. This will also help ensure that C&L will be able to continue to provide emergency response services within Southwest and Platte Canyon. During the month, Mr. Hand and the manager were able to work with C&L Water Solutions, Inc. to prepare a proposed scope of work for 2018 which primarily focuses on valve box replacements.

(b) **Meetings and Training.** During January, Corey Taylor applied for and took the Operator's Certification Distribution Level III Examination. He took the exam on February 8, 2018 and is awaiting the results.

(c) **SCADA System Upgrade.** Southwest's SCADA System and Communication upgrade is in the process of proceeding. A contract was awarded to Browns Hill for this work. It is anticipated that the contractor will begin working soon. The scope of work will include a portion for the Columbine Water and Sanitation

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District's Bookhaven Lift Station. The work performed on Columbine's lift station will be back-charged to Columbine.

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

NEW BUSINESS

There was no new business to come before the joint participation portion of the meeting. The next joint regular meeting of the Boards is scheduled for Friday, March 23, 2018 in the Districts' office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123.

PLATTE CANYON ACTION ITEMS

CALL TO ORDER

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

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

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

PLATTE CANYON CONSENT AGENDA ITEMS

A motion was made by Platte Canyon Director Dursey and seconded by Platte Canyon Director Fohn to approve Platte Canyon Consent Agenda items 1 and 2 as set forth below by a single motion:

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1. **Platte Canyon Payables.** The Platte Canyon payables and supplemental payables for the month of February 2018, in the aggregate amount of \$178,006.35, represented by Platte Canyon check nos. 31640 through 31673, inclusive, including checks written by the manager pursuant to prior Board authority for less than \$2,500.

2. **Platte Canyon January 2018 Investment Transactions.** The acceptance of the January 2018 Investment Transactions Report which showed no investment transactions occurred during the month.

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. **Approval of Construction Contract for Geddes Circle Water Main Replacement.** Following a brief discussion and based on staff's recommendation, a motion was made by Platte Canyon Director Hamblin and seconded by Platte Canyon Director Fohn to approve and authorize execution of a construction contract with Levi Contractors to perform Platte Canyon's 2018 water main replacement project in West Geddes Circle between the north and south intersections of South Platte Canyon Drive for a total contract price not to exceed \$271,745. 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 motion included authority for Platte Canyon's president and other appropriate officers to execute the Notice of Award.

2. **Approval of Contract for the Expansion of the Storage Facility at the Scott J. Morse Pump Station.** The manager reviewed in detail with the Boards a proposal for constructing a materials storage facility on property recently acquired from

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Denver Water. Five bids were received and the lowest responsive bid was from W. O. Danielson Construction Company in an amount not to exceed \$286,999.85.

There was a lengthy discussion concerning the project, and, in particular, the expense that was being incurred by Platte Canyon to construct a wall around the site. After discussing the matter at length, the Board determined that the project should go forward. A motion was then made to award a contract for the project to W. O. Danielson Construction Company for a contract price not to exceed \$286,999.85 by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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

It was noted that a portion of the contract cost will be paid by Southwest. Southwest Directors were given the opportunity to comment on the project, which they did. At the end of the discussion, all Southwest Directors were in favor of going forward with the project.

3. **Platte Canyon Purchasing Policy.** The manager reviewed in detail a revised Platte Canyon purchasing policy which was included in the meeting packet, but which the Board members were not being asked to take formal action at this time. As a way of facilitating each Board member's review of the revised policy, the manager, identified the changes and reviewed the policy. This matter will be on the agenda for approval at the March regular meeting.

PLATTE CANYON INFORMATION/DISCUSSION ITEMS

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

PLATTE CANYON NEW BUSINESS

There was no new business presented to the Platte Canyon Board.

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ADJOURNMENT

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

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

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

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

Whereupon, this joint special meeting of the Southwest and Platte Canyon Boards of Directors adjourned at approximately 10:10 a.m. The next joint regular meeting of the Boards will be held on Friday, March 23, 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

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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

Kenton C. Ensor, Jr.

Anthony M. Dursey

George E. Hamblin, Jr.

Louis J. Fohn

Chuck Hause

George E. Hamblin, Jr.

Bernard J. Sebastian, Jr.

Richard Rock