

# RECORD OF PROCEEDINGS

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## MINUTES OF JOINT REGULAR MEETING

### BOARD OF DIRECTORS

### PLATTE CANYON WATER AND SANITATION DISTRICT

### AND

### SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT<sup>1</sup>

Friday  
March 23, 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, March 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 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: Patrick J. Fitzgerald, manager; Cynthia Lane, assistant manager; Vanessa Shipley, financial

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<sup>1</sup> 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.<sup>2</sup>

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 Fohn and seconded by Platte Canyon Director Hamblin 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**

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

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<sup>2</sup> 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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1. **Ratification of March 2018 Interim Disbursements and Current Payables.** The Platte Canyon interim disbursements paid and current payables for the month of March 2018 in the aggregate amount of \$216,818.64, represented by Platte Canyon check numbers 31685 through 31744, inclusive, including those checks written by the manager pursuant to prior Board authority 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 Platte Canyon February 2018 Investment Transaction Report.** The February 2018 Platte Canyon Investment Transaction Report reflects that during the month, Platte Canyon did not purchase any investment securities nor were any Platte Canyon investments redeemed or renewed.

### **PLATTE CANYON ACTION ITEMS**

1. **Approval of Revised Platte Canyon Purchasing Manual and Policy.** The manager reviewed with the Boards in detail the proposed new Platte Canyon Purchasing Manual, which, as indicated at last month's meeting, has been streamlined to simplify the purchasing policies and procedures for Platte Canyon, as well as strengthening the checks and balances to make sure that Platte Canyon funds are being spent for approved and budgeted purposes and within the limits established by the purchasing policy. The purchasing policy incorporates various forms of agreements that are to be used by Platte Canyon when purchasing services and entering into construction contracts. Southwest Director Hause noted that the standard construction contract does not include an indemnification provision. Following a discussion, the Platte Canyon Board agreed that such a provision should be included in its standard construction contract.

A motion was then made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Buckner to approve the Platte Canon Purchasing Policy Manual with the understanding that the form of construction contract incorporated into the Manual would be modified to include an indemnification provision. 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

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2. **Approval of Platte Canyon Training and Education Policy**. Assistant manager Cynthia Lane reviewed in detail a proposed new Platte Canyon Training and Education Policy, which incorporates into one document the education programs, training opportunities, and training requirements for all Platte Canyon staff, including key management and field positions. The policy identifies what training requirements are mandatory and what additional opportunities are available for interested employees to further their education and training in ways that will benefit them personally and Platte Canyon as a whole. A training and education policy of this nature is key to attracting and keeping valued employees.

The policy includes provisions for the reimbursement of employees who take at their initial expense educational courses and classes. Reimbursement is available as long as the participating employee obtains a C grade or higher in the class. The amount of reimbursement is being increased by the new policy from the current level of \$1,000 to \$1,500 per year.

There was a discussion as to whether increasing the reimbursement amount was desirable at this point in time. After it was explained that the increase would not adversely affect Platte Canyon's previously approved and adopted budget and that the training policy will be funded within budgeted amounts, the Platte Canyon Board became comfortable with the reimbursable increase.

For the first time, a management training program is offered for those employees who are interested. Participation in the program requires the submission of a letter requesting participation. The letter must then be reviewed and accepted by Platte Canyon's management in order for the employee to become a participant in the management training program.

At the conclusion of the discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Hamblin to adopt the Training and Education Policy 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

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3. **Approval of Platte Canyon Expense Reimbursement Policy.** The assistant manager noted that in streamlining Platte Canyon’s Purchasing Manual, various provisions regarding employee out-of-pocket expense reimbursement previously contained in the Manual were deleted and now need to be incorporated into a separate comprehensive reimbursement policy, which is encaptioned “Platte Canyon Water and Sanitation District Expense Reimbursement Policy”.

The assistant manager reviewed the expense reimbursement policy with both Boards. At the conclusion of her presentation, a motion to adopt the Platte Canyon Expense Reimbursement Policy as presented was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Dursey. 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. **Acceptance of 2017 Audit.** Vanessa Shipley, Platte Canyon’s finance administrator, reviewed with the Boards the 2017 Audit Report prepared by Schilling & Company. In past years, Vanessa’s review focused primarily on the Management and Discussion Analysis portion of the audit. This year, she gave a PowerPoint presentation which covered the Management and Discussion Analysis, but included a number of other provisions of the audit, including a review of the numbers and notes contained in the audit. Her review was detailed.

She noted that the auditor’s opinion is unmodified. This means that in the opinion of Schilling & Company, Platte Canyon’s financial statements for 2017 present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Platte Canyon, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. The auditors recommended no adjustments to Platte Canyon’s financial statements for 2017.

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At the conclusion of Vanessa Shipley’s review of the 2017 Audit Report, a motion to accept the 2017 audit and authorize its filing with the State Auditor 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

5. **Approval of Property Merger Agreement with Jefferson County.** Legal counsel asked that this matter be deferred as he has not received the appropriate form of merger agreement from the Jefferson County Planning & Zoning Department. Mr. Flynn will follow up with Jefferson County so that the form of agreement can hopefully be presented to the Board for execution at its April meeting.

6. **Approval of the Purchase of a 2018 High Cube Van Mounted Multi-Conductor, Color CCTV Inspection System.** Scott Hand reviewed the bids received in response to Platte Canyon’s request for proposals for a 2018 14,500 GVWR High Cube van-mounted multi- conductor, color CCTV Inspection System. This equipment is scheduled for replacement this year. The unit proposed for purchase is used in conjunction with the preventative and unscheduled sewer maintenance cleaning program, as well as customer services and complaints with respect to Platte Canyon’s sanitary sewer collection system.

The low bid submitted by Cues meets or exceeds all specifications of Platte Canyon. In addition, Cues has been a well-known, proven and reputable supplier of CCTV equipment to Platte Canyon for a number of years. Funds are available in the amount of \$220,000 for this purchase, which came in higher than expected. The total bid net of the amount that will be credited for the trade-in on the existing equipment is \$274,554. The additional \$54,554 is available from other funds in Platte Canyon’s budgeted Capital Improvements Program for 2018.

Following a brief discussion, a motion was made by Platte Canyon Director Hamblin and seconded by Platte Canyon Director Dursey to approve the purchase of this unit from Cues, for a price not to exceed \$274,554. The Chair 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

### **PLATTE CANYON INFORMATION/DISCUSSION ITEMS**

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

### **PLATTE CANYON NEW BUSINESS**

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

### **JOINT PARTICIPATION PORTION OF THE MEETING**

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 Platte Canyon Director Buckner and seconded by Southwest Director Hause 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

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Bernard J. Sebastian, Jr.      Aye

### **JOINT MEETING CONSENT AGENDA ITEMS**

Following a brief discussion, a motion was made by Southwest Director Hamblin and seconded by Platte Canyon Director Buckner to approve the one item as set forth below, which was on the Joint Meeting Consent Agenda, by a single motion.

1.      **Approval of February 23, 2018 Joint Regular Meeting, 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 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 approved minutes of the Boards' February 23, 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 two-month period ending February 28, 2018, were presented to the Boards:

(i)      Statement of Net Assets, dated February 28, 2018, showing Platte Canyon's Assets, Liabilities, and Net Assets;



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(ii) Statement of Revenue, Expenses, and Changes in Net Assets for the two-month period ending February 28, 2018;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the two-month period ending February 28, 2018; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the two-month period ending February 28, 2018.

Vanessa Shipley had very few comments regarding the year-to-date financials, but noted that the developer project in the Leawood Subdivision on South Sheridan Boulevard does not look like it is going to go forward this year.

At the conclusion of her discussion, 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 two-month period ending February 28, 2018, were presented to the Boards:

(i) Statement of Net Assets, dated February 28, 2018, showing Southwest's Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses, and Changes in Net Assets for the two-month period ending February 28, 2018;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the two-month period ending February 28, 2018; and

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(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the two-month period ending February 28, 2018.

Because it is early in the year, Vanessa Shipley had no comments on the Southwest financial statements. A motion was then made by Southwest Director Dursey 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
Kenton C. Ensor, Jr.	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	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 investment pools. As of February 28, 2018, Platte Canyon’s investments and deposits totaled \$9,991,467.62, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$242,885.08	2.43%
Certificates of Deposit	\$994,000.00	9.95%
ColoTrust-Prime	\$0.00	0.00%
ColoTrust-Plus	\$2,209,754.62	22.12%
ColoTrust-Trust Account	\$554,351.54	5.55%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$998,015.64	9.99%
U.S. Government Agencies and Instrumentalities	\$4,992,460.74	49.97%
TOTAL	\$9,991,467.62	100.00%

The average yield on Platte Canyon’s investments for the month of February, 2018, as calculated by staff, was 1.5052% per annum.

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Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn that 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 February 28, 2018, Southwest investments and deposits totaled \$24,717,256.95, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$92,321.86	0.37%
Certificates of Deposit	\$2,348,117.16	9.50%
ColoTrust-Prime	\$0.00	0.00%
ColoTrust-Plus	\$2,211,234.77	8.95%
ColoTrust-Trust Account	\$4,019,765.89	16.26%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$6,017,996.08	24.35%
U.S. Government Agencies and Instrumentalities	\$10,027,821.20	40.57%
TOTAL	\$24,717,256.96	100.00%

The average yield on Southwest’s investments for the month of February 2018, as calculated by staff, was 2.0201% 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, Jr.	Aye

2. **Management Information Report.** The manager and assistant manager reviewed as follows the March 2018 Management Information Report with respect to the portion of that report prepared by each.

(a) **2018 Regular Board of Directors Election.** The manager reiterated that the Platte Canyon and Southwest elections were canceled and that all candidates were deemed elected because there were not more candidates running for seats on each Board than were seats available. The Oaths of Office for the newly-elected Directors will be administered at the Boards' May meeting.

(b) **Bow Mar, Columbine, and Valley District Elections.** In connection with the foregoing discussion, the manager noted that the Bow Mar Water and Sanitation District, Columbine Water and Sanitation District, and Valley Sanitation District regular Board of Directors elections scheduled for May 8, 2018 were also canceled and that all candidates were deemed elected. As part of the administrative services Platte Canyon provides to each of these districts, Platte Canyon assists in the running of their individual elections.

(c) **Water Main Replacement Criteria.** The Platte Canyon staff has discussed and is considering proposing to Platte Canyon's Water Main Asset Evaluation criteria which is used in making the determination of when to replace water lines and related appurtenances. A pilot program has been initiated to track proposed changes to see how they would impact water main replacement decisions. When the pilot program and database that has been assembled for that purpose is completed, the results and potential amendments to Platte Canyon's 10-Year Capital Plan will be presented to both the Platte Canyon and Southwest Boards.

(d) **Platte Canyon Condemnation Adjacent to the Property to the Scott J. Morse Pump Station.** The manager reported that the access easement which needed to be acquired from Denver Water to allow Platte Canyon to access the property acquired from Denver Water by condemnation to and from Zephyr Street has been obtained and recorded. The conveyance of this access easement to Platte Canyon was part of the stipulation entered into at the time the condemnation case was settled. As

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reported earlier in the meeting, the one remaining item to be completed in order to satisfy the condemnation is the processing of a merger agreement with Jefferson County Planning & Zoning. When completed, the newly-acquired property will be merged into the existing Platte Canyon pumping station property and will be treated as a single property rather than two separate parcels.

(e) **Legislative Matters.** The manager's report included a summary of various state and federal legislative matters. The manager noted for both Boards that the state law affecting the timing of Special District board of director elections was passed by the legislature and has been signed by the governor. The statute requires that beginning in 2023, regular board of director elections be held in odd-numbered years rather than in even-numbered years. As a transition in 2020, directors up for election will run for a three-year term. Directors up for election in 2022 will also run for a three-year term. Thereafter, beginning with the first odd-numbered year in 2023, all director terms will return to four years and remain staggered.

(f) **Denver Water Pure Water Colorado Demonstration Project.** Cynthia Lane reported to the Boards that Denver Water has invited all board members and interested distributors to tour Denver Water's Pure Water Colorado demonstration project. This project treats the wastewater from homes to a standard that allows the treated water to be used for drinking purposes. Denver Water's recycling plant is located at 5650 York Street in Commerce City, and a tour will be given of the facility on April 10, 2018 at 9:00 a.m. There were a few Platte Canyon Directors who indicated a desire to attend the tour.

(g) **Valley Sanitation District Interceptor Relocation Project.** Platte Canyon staff has had positive meetings with both Englewood and Sheridan in recent weeks working through important issues associated with the Valley Sanitation sanitary sewer interceptor relocation project. The project team for Valley met with representatives from Englewood to explain the project. Englewood did not have any major comments or concerns.

The meeting with Sheridan was necessary to discuss the status of Sheridan's paving project for South Clay Street. Due to interceptor project delays that are beyond Valley's control, Valley will not be able to install the relocated interceptor line in South Clay Street before the street is reconstructed and paved by the City of Sheridan. As a result, both Valley and the City of Sheridan have agreed that the City will not put the final lift of asphalt on Clay Street and Valley will assume responsibility for performance

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of that work. While this is not an optimal solution, it does save Valley the cost of a full-width asphalt milling and overlay.

Valley's site application for this project is still pending from the Colorado Department of Public Health & Environment. It is hoped that it will be approved soon. Solicitation for bids for the project will probably be initiated in January 2019 with construction to begin in March 2019.

3. **Operations and Maintenance Summary Report.** Scott Hand reviewed the Operations and Maintenance Summary Report dated February 2018.

During the February 2018 reporting period, neither Platte Canyon nor Southwest had any sanitary sewer or water service interruptions. As a result, no PowerPoint presentation was provided by Mr. Hand to the Boards.

**Remedial Water Repairs.** Scott Hand reviewed the remedial water line repair work awarded to C&L Water Solutions following C&L's request to amend its agreement for non-emergency repair services. Under the new arrangement, C&L will be provided certain non-emergency repair work to assist in the scheduling of its crews and the carrying costs associated with having men and equipment available to provide emergency services to Platte Canyon and other districts on an on-call 24-hour a day basis. The arrangement that was worked out will save Platte Canyon about 10% from what it would otherwise pay for the work.

**SCADA PLC/Communication System Upgrade.** Dewberry Engineers has managed the contract documents and provided them to Browns Hill and the District for signature. A pre-construction meeting will be held in March to launch the upgrade to the SCADA system and communication that Southwest uses to monitor its water pumping stations, as well as sewer main flows.

4. **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.

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### 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, April 27, 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.

### SOUTHWEST CONSENT AGENDA ITEMS

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. 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

1. **Southwest Payables.** The Southwest payables and supplemental payables for the month of March 2018 in the aggregate amount of \$216,818.64, represented by Southwest check numbers 31685 through 31744, inclusive, including any checks written by the manager pursuant to prior Board authority for less than \$2,500 and various electronic fund payments.

2. **Southwest February 2018 Investment Transactions.** The acceptance of the February 2018 Investment Transaction Report for Southwest which showed no investment transactions occurred during the month. Accordingly, the report was accepted as presented.

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### SOUTHWEST ACTION ITEMS

1. **Acceptance of 2017 Audit.** Vanessa Shipley reviewed Southwest's 2017 audit report prepared by Schilling & Company. She gave a PowerPoint presentation and detailed review of the Southwest audit, just like she had done with the Platte Canyon audit earlier in the meeting. She explained the differences between the Platte Canyon and Southwest audits.

The 2017 Southwest Audit Report contains an unmodified opinion by the auditor. This means that in the auditor's opinion, the Southwest financial statements present fairly, in all material respects, the financial position of Southwest as of December 31, 2017 and 2016, and the changes in its position and cash flows thereof for the years then ended in accordance with accounting standards generally accepted in the United States of America.

At the conclusion of Vanessa Shipley's review of the 2017 Audit Report, a motion to accept the audit and authorize its filing with the State Auditor 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
Kenton C. Ensor, Jr.	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

2. **Approval of Revised Southwest Purchasing Policy Manual.** The manager reviewed with both Boards in detail the proposed Southwest Purchasing Policy Manual which, as in the case of Platte Canyon discussed earlier in the meeting, streamlines and simplifies Southwest's purchasing policies and procedures. The revised Manual also strengthens the checks and balances to make sure that Southwest funds are being spent for approved and budgeted purposes and within the limits established by the policy.

At the conclusion of the manager's review, a motion to adopt the new Purchasing Manual and Policy was made by Southwest Director Hause and seconded by Southwest Director Sebastian. 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, Jr.	Aye

### 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 Southwest Director Sebastian and seconded by Platte Canyon Director Rock. 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, this joint regular meeting of the Platte Canyon and Southwest Boards of Directors adjourned at approximately 10:45 a.m. The next regular joint meeting of the

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Boards will held on Friday, April 27, 2018, at 8:30 a.m. in the Districts' office, located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123.

Respectfully submitted,

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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 REGULAR MEETING OF THE DISTRICT'S BOARD 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

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Anthony M. Dursey

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William D. Buckner

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Kenton C. Ensor, Jr.

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Anthony M. Dursey

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George E. Hamblin, Jr.

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Louis J. Fohn

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Chuck Hause

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George E. Hamblin, Jr.

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Bernard J. Sebastian, Jr.

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Richard Rock