

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, 2019
Jefferson County, Colorado

The joint regular 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, 2019, 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 D. Buckner
Anthony M. Dursey
Louis J. Fohn
George E. Hamblin, Jr.
Richard Rock

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

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The following Platte Canyon staff members were in attendance: Patrick J. Fitzgerald, manager; Cynthia Lane, assistant manager; Vanessa Shipley, financial administrator; Scott Hand, operations supervisor; Tony Cocozzella, construction programs manager; Alyssa Quinn, business programs specialist; and Bridget Butterfield, communication and administrative services coordinator.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 Sebastian 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 Hamblin and seconded by Southwest Director Sebastian to approve Southwest Consent Agenda Items 1, 2, 3, and 4, as set forth below, by a single motion:

1. **Approval of Accounts Payable and Ratification of Interim Disbursements.** Southwest payables and supplemental payables for the month of November 2019 in the aggregate amount of \$352,367.61 represented by Southwest Check Nos. 19696 through 19720, inclusive, including any checks written by the manager pursuant to prior Board authorization for less than \$2,500, as well as various electronic payments for utility 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.

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2. **Southwest Investment/Deposit Transaction Report.** During the month of October, 2019, Southwest did not purchase any treasury or agency securities. One Southwest treasury note having a par value of \$1,000,000 matured on October 31, 2019, generating \$1,000,000 in principle proceeds plus accrued interest. Also, on October 1, 2019, a \$100,000 certificate of deposit at Bank of Denver renewed for one year at a rate of 1.6% per annum.

3. **Schilling & Company, Inc. 2019 Audit Engagement Letter.** Schilling & Company's 2019 Audit Engagement Letter dated October 31, 2019 which provides for the performance of the District's 2019 Audit for a fee not to exceed \$5,700.

4. **Southwest Master Plan for 2020 through 2029.** This document is on the Board portal and was reviewed by the Board at prior meetings. The Capital Master Plan is used to schedule water and waste water facility expansion, rehabilitation, and replacement projects.

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

1. **Adoption of 2020 Budget.** The Chair opened the public hearing on Southwest proposed 2020 Budget. Notice of the public hearing was published in accordance with the Local Government Budget Law of Colorado by staff. No members of the public appeared in person, or otherwise registered any objections or offered any amendments to the proposed 2020 Budget, which is balanced as required by law. The Chair then closed the public hearing on the 2020 Budget.

Following a brief a discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Hamblin to adopt Southwest Resolution 2019-11-1, which Resolution formally adopts the proposed 2020 Budget, as heretofore submitted and amended, as the official budget for Southwest for calendar year 2020 subject to whatever minor adjustments, if any, need to be made when the final assessed valuations are received from Arapahoe, Douglas and Jefferson Counties, Colorado. 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

A copy of Resolution 2019-11-1 is attached to the original of these minutes as Exhibit A.

2. **Adoption of Resolution Appropriating Funds for the 2020 Budget.** The Southwest Board then considered Southwest Resolution 2019-11-2 which Resolution authorizes and appropriates the sum of \$2,744,950 for expenditure by Southwest in calendar year 2020. A motion to adopt said Resolution 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:

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

A copy of Resolution 2019-11-2 is attached to the original of these minutes as Exhibit B.

3. **Adoption of a Resolution Certifying a Zero Property Tax Mill Levy.** The Southwest 2020 Budget does not contemplate the expenditure of any property tax revenue. Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Hamblin to adopt Resolution 2019-11-3 which authorizes the certification of a zero property tax mill levy to the Clerk and Recorder of Arapahoe, Jefferson and Douglas Counties, Colorado. 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

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A copy of Resolution 2019-11-3 is attached to the original of these minutes as Exhibit C.

4. **Adoption of Resolution 2019-11-4 Increasing the Water and Sanitary Sewer Service Fee for Southwest.** The manager reviewed Resolution 2019-11-4 which implements an increase in the District's Sanitary Sewer/Water Service Fee as of January 1, 2020 by \$1.00 per single family residential equivalent tap from \$7.00 per single family residential equivalent tap to \$8.00 per single family residential equivalent tap per month. Notice of the Board's intent to increase its Sanitary Sewer/Water Service Fee was duly provided by staff in accordance with the requirements of the Special District Act.

Following a brief discussion, a motion to adopt Resolution 2019-11-4 was made by Southwest Director Sebastian and seconded by Southwest Director Hause. 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

A copy of Resolution 2019-11-4 is attached to the original of these minutes as Exhibit D.

5. **Approval of Resolution 2019-11-5 Approving Southwest Rates, Fees and Charges Schedule for 2020.** The manager then reviewed with the Southwest Board Resolution 2019-11-5 which reaffirms, ratifies, and approves the Southwest Rates, Fees and Charges Schedule for 2020 as more particularly set forth on Exhibit A as attached to the Resolution. After an extensive discussion, a motion to adopt Resolution 2019-11-5 was made by Southwest Director Hamblin and seconded by Southwest Director Hause. 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

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A copy of Resolution 2019-11-5 is attached to the original of these minutes as Exhibit E.

The Southwest 2020 Rates, Fees and Charges Schedule includes a new \$500 fee for performing a sewer capacity study as well as a \$500 fee for processing a fire line application. The District's sewer tap fee has increased from \$1,100 to \$1,518 per single family equivalent tap and the District's water tap fee remains unchanged at \$7,000 per three-quarter inch equivalent water tap.

At the conclusion of the discussion, a motion to adopt Resolution 2019-11-5 was made by Southwest Director Hamblin and seconded by Director Hause. 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

A copy of Resolution 2019-11-5 is attached to the original of these minutes as Exhibit E.

6. **Approval of Resolution 2019-11-6 Consenting to the Organization of the RiverPark Metropolitan District.** The manager explained that State law requires that any proposed new special district that would exercise water and sanitary sewer service authority within the boundaries of Southwest needs the consent of Southwest before it can be organized with water and sanitation service authority. The boundaries of the proposed RiverPark Metropolitan District encompass a proposed mixed-use development on the southwest corner of Mineral Avenue and South Santa Fe Drive.

The Consent Resolution prepared by Southwest legal counsel, contains a number of restrictions on the ability of the proposed RiverPark Metropolitan District to exercise any water and/or sanitary sewer service authority that would conflict with Southwest's exercise of those powers. In essence, the proposed district would exercise water and sewer service authority solely for the purpose of financing the water and sewer infrastructure that will serve the above described development. Once the water and sewer infrastructure has been constructed, it will be conveyed to Southwest for future operation maintenance, repair, and replacement.

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Following a discussion, a motion to adopt Resolution 2019-11-6 was made by Southwest Director Hause and seconded by 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

A copy of Resolution 2019-11-6 is attached to the original of these minutes as Exhibit F.

7. **Morgan Stanley Account Application and Delivery versus Deposit Agreements.** Morgan Stanley currently acts as a broker dealer for both Southwest and Platte Canyon for the purchase of treasury and agency securities. Vanessa Shipley updated both Boards on Morgan Stanley's proposed new policy concerning the minimum dollar amount of accounts they require in order to provide broker dealers services. The minimum amount will be \$10 million starting April 1, 2020. Southwest clearly meets that minimum requirement but at the present time, Platte Canyon is slightly under it. It is hoped that Morgan Stanley will treat both Districts as a single entity for purposes of determining the minimum amount requirements that would apply to both Southwest and Platte Canyon.

Vanessa Shipley then review with both Boards, Morgan Stanley's new account application form and Delivery Versus Deposit Agreement, both of which had been modified slightly by legal counsel. At the conclusion of the discussion, a motion to approve the Morgan Stanley account application form and Delivery Versus Deposit Agreement with respect to Southwest was made by Southwest Director Hamblin and seconded by Southwest Director Hause. 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

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In so far as Platte Canyon is concerned, a similar motion was made by Platte Canyon Director Hamblin 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 D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

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's 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 Canyon Director Rock 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
Kenton C. Ensor, Jr.	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

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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
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

JOINT MEETING CONSENT AGENDA

1. **Approval of the Minutes of the Boards' October 25, 2019 Joint Regular Meeting.** Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Southwest Director Rock to approve, as written, the minutes of the Boards' October 25, 2019 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, 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
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

The approved minutes of the Boards' October 25, 2019 joint regular meeting were then presented to the members of each Board for signature as further evidence of ratification, confirmation, and approval.

JOINT MEETING ACTION ITEMS

There were no action items to come before this joint regular meeting of the Boards.

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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 ten-month period ending October 31, 2019, were presented to the Boards:

(i) Statement of Net Assets, dated October 31, 2019, showing Platte Canyon's Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the ten-month period ending October 31, 2019;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the ten-month period ending October 31, 2019; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the ten-month period ending October 31, 2019.

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 D. 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 ten-month period ending October 31, 2019, were reviewed by the Boards:

(i) Statement of Net Assets, dated October 31, 2019, showing Southwest's Assets, Liabilities, and Net Assets;

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(ii) Statement of Revenue, Expenses, and Changes in Net Assets for the ten-month period ending October 31, 2019;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the ten-month period ending October 31, 2019; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the ten-month period ending October 31, 2019.

At the conclusion of Vanessa Shipley’s review of the 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, 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 October 31, 2019, Platte Canyon’s investments and deposits totaled \$9,722,054.49, itemized as follows:

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<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$230,076.03	2.37%
Certificates of Deposit	\$744,000.00	7.65%
ColoTrust-Prime	\$0.00	0.00%
ColoTrust-Plus	\$2,581,479.24	26.55%
ColoTrust-Trust Account	\$1,422,071.99	14.63%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$2,244,427.23	23.09%
U.S. Government Agencies and Instrumentalities	\$2,500,000.00	25.71%
TOTAL	\$9,722,054.49	100.00%

The average yield on Platte Canyon’s investments for the month of October 2019, as calculated by staff, was 2.0192% per annum.

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 D. 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 October 31, 2019, Southwest’s investments and deposits totaled \$24,901,381.36, itemized as follows:

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<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$13,277.04	0.05%
Certificates of Deposit	\$494,000.00	1.98%
ColoTrust-Prime	\$0.00	0.00%
ColoTrust-Plus	\$7,043,430.51	28.29%
ColoTrust-Trust Account	\$1,338,802.75	5.38%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$6,7139.17	24.12%
U.S. Government Agencies and Instrumentalities	\$10,004,731.89	40.18%
TOTAL	\$24,901,381.36	100.00%

The average yield on Southwest’s investments for the month of October 2019, as calculated by staff, was 2.2591% per annum.

Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Hamblin 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:

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

2. **Management Report.** The manager and assistant manager reviewed, as more particularly set forth below, the written Management Report dated November 2019, a copy of which was previously provided to the members of both Boards.

(a) **Century Communities Inclusion of Land into Platte Canyon.**

The manager advised the Platte Canyon Board that Century Communities is in the process of petitioning for the inclusion of approximately 10.6 acres of land located in Arapahoe County into Platte Canyon. The property once included would obtain water service from Platte Canyon and is capable of obtaining sewer service from Platte Canyon, but such service may in the future be provided through an inter-governmental agreement with Southwest. Because no formal petition has been received by Platte Canyon, this matter was presented to the Board as an informational item.

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(b) **Potential Inclusion of Land on West Bowles Avenue at Platte Canyon Road.** The developer of property on the northwest corner of Platte Canyon Road and Bowles Avenue is also interested in including that property into Platte Canyon. The property may be included into Platte Canyon for sewer service only. Platte Canyon could provide water service if the Denver Water will allow a connection to a Denver Water total service main that is in the vicinity of the property. Negotiations are ongoing to allow such a connection. Again, no formal petition has been submitted to Platte Canyon at this time. The manger briefed the Board on this item as an information item only.

(c) **Columbine High School Water Main Extension.** Platte Canyon staff continues to work with Denver Water and Jefferson County School representatives to determine a plan for extension of a water main or mains to serve the Columbine High School property. Jefferson County and Denver Water have been informed that inclusion of the high school property into Platte Canyon will be required as a condition to Platte Canyon's provision of water and sewer service to the school. At the present time, the Columbine High School is located in the Grant Water and Sanitation District, a total service distributor of Denver Water. Platte Canyon has agreed to own the water main that would be constructed to serve the school property provided it is constructed totally at the school's cost and in accordance with Platte Canyon standards. In addition, as stated above, the high school property will need to be included into Platte Canyon with the consent of the Grant Water and Sanitation District.

(d) **Re-negotiation of Inter-Governmental Agreement with Grant Water and Sanitation District.** The manager advised that the Grant Water and Sanitation District recently paid approximately 96% of the cost of upgrading a Platte Canyon sewer main in Sheridan Boulevard. Grant Water was unaware of its obligations under the Agreement until being presented with a bill by Platte Canyon. Accordingly, Grant Water has requested the opportunity to re-negotiate the inter-governmental agreement in the future. The manager anticipates that a revised agreement will be developed over time and presented to the Board at a future Board meeting.

The assistant manager, Cynthia Lane then reviewed the following portions of the Management Report:

(e) **Valley Sanitation District's Sewer Interceptor Relocation Project.** Due to delays in procuring the lift station equipment, the construction start date for this project has been pushed back to January 2, 2020. The contractor has requested this schedule adjustment to keep from incurring additional costs and multiple mobilizations and guarantee consistent resource allocation throughout the project. While

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not optimal, Valley District has agreed to move forward with these adjustments in the project schedule and will communicate with impacted residents and stakeholders.

(f) **Denver Water's Lead Service Line Replacement Plan.** Cynthia Lane reported that Denver Water anticipates receiving a variance from the Lead and Copper Rule on or about December 2, 2019. Representative from the Region 8 Office and the Colorado Department of Public Health and Environment are presently in favor of granting the variance. However, it is not entirely certain that EPA headquarters in Washington, D.C. is comfortable with granting the variance. Cynthia Lane then described in detail the complex nature of the Lead Service Line Reduction Plan that Denver Water will need to implement in the event the variance is granted. Replacing the lead service lines will be on an accelerated basis and it will be highly complicated. In addition, water filtration kits will need to be distributed to all those customers who currently have lead service lines or have copper service lines that have lead solder which have caused high levels of lead to be detected in the homes. Cynthia Lane will continue to monitor Denver Water's variance request and will update the Board as necessary at future meetings.

3. **Operations and Maintenance Summary Report.** Scott Hand reviewed the Operations and Maintenance Summary Report dated October 2019. During the reporting period, neither Platte Canyon nor Southwest experienced any sewer service interruptions. Platte Canyon experienced one water service interruption which occurred at 7932 South Otis Street, on October 5, 2019. Southwest experience three water service interruptions. One was at 8279 West Calhoun Drive, one at 5957 South Jellison Street on October 5, 2019, and one at 12325 West Bowles Avenue on October 31, 2019.

Mr. Hand gave a power point presentation showing the repair activities that were undertaken in order to restore water service within both Districts. Mr. Hand did not review in detail the balance of his report because of the heavy agenda. He merely asked if there were any questions from Board members and there were none.

4. **Construction Project Report.** Tony Cocozzella reviewed with both Boards the Capital Projects Information and Construction Status Report for 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 his 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, December 20, 2019, at 8:30 a.m. 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 Item portion of the joint meeting was called to order by Platte Canyon President, Richard Rock, who presided as Chair.

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:

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

PLATTE CANYON CONSENT AGENDA

Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Hamblin to approve the Platte Canyon Consent Agenda Items 1, 2, 3 and 4, as set forth below, by a single motion.

1. **Approval of Accounts Payable and Ratification of Interim Disbursements.** Platte Canyon's payables and supplemental payables for the month of November 2019 in the aggregate amount of \$636,422.05, represented by Platte Canyon Check Nos. 32750 through 32809, inclusive, including any checks written by the manager pursuant to prior Board authorization for less than \$2,500, as well as various electronic payments for utility and other authorized electronic fund vendors.

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2. **Platte Canyon Investment/Deposit Transaction Report.** During the month of October 2019, Platte Canyon did not purchase any treasury or agency securities nor did Platte Canyon have any such securities redeem or mature. On October 4, 2019, Platte Canyon renewed a \$100,000 Certificate of Deposit at Bank of Denver for one-year at an interest rate of 1.6% per annum.

3. **Schilling & Company, Inc. 2019 Audit Engagement Letter.** Schilling & Company's 2019 Audit Engagement Letter dated October 31, 2019 which provides for the performance of the District's 2019 Audit for a fee not to exceed \$7,400; and

4. **The Platte Canyon Capital Master Plan for 2020 through 2029.** The Platte Canyon Capital Master Plan is on the Board portal and was reviewed by the Platte Canyon Board at a prior meeting. The Capital Master Plan is used to schedule water and waste water facility expansion, rehabilitation, and replacement projects.

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
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

PLATTE CANYON ACTION ITEMS

1. **Adoption of 2020 Budget.** The Chair opened the public hearing on Platte Canyon's proposed 2020 Budget. Notice of the hearing was published in accordance with the Local Government Budget Law by staff. No members of the public appeared in person, or otherwise registered any objections or offered any amendment to the proposed 2020 Budget, which is balanced as required by law. The Chair then closed the hearing.

Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn to adopt Platte Canyon Resolution 2019-11-1, which Resolution formally adopts the proposed 2020 Budget as heretofore submitted and amended, as the official budget for Platte Canyon for calendar year 2020 subject to whatever minor adjustments, if any, need to be made when the final assessed valuations are received from the Arapahoe and Jefferson Counties, Colorado. 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

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Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

A copy of Resolution 2019-11-1 is attached to the original of these minutes as Exhibit G

2. **Adoption of Resolution Appropriating Funds for the 2020 Budget.** The Platte Canyon Board then considered Platte Canyon Resolution 2019-11-2 which Resolution authorizes and appropriates the sum of \$4,861,738 for expenditures by Platte Canyon in calendar year 2020. The motion to adopt said Resolution was made 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 D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

A copy of Resolution 2019-11-2 is attached to the original of these minutes as Exhibit H.

3. **Adoption of Resolution Certifying a Property Tax Mill Levy.** Platte Canyon's 2020 Budget contemplates the expenditure of property tax revenues, and the manager addressed the need for certifying a property tax mill levy. Following a brief discussion, a motion was made by Platte Canyon Director Dursey and seconded by Platte Canyon Director Buckner to adopt Resolution 2019-11-3, which Resolution authorizes certification of a property tax mill levy for tax year 2019, in the amount of 7.121 mills consisting of an operations and maintenance mill levy of 7.104 mills and a mill levy for recovery of refunds and abatements of 0.017 mills. 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
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

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A copy of Resolution 2019-11-3 is attached to the original of these minutes as Exhibit I. The above referenced resolutions were adopted subject to whatever adjustments are necessary when the final assessed valuation for Platte Canyon is received from the Arapahoe and Jefferson Counties, Colorado. The motion also authorized the District's manager and/or an officer of Platte Canyon to sign the mill levy certification forms to both Arapahoe and Jefferson Counties, Colorado.

4. **Approval of Resolution 2019-11-4 approving the Platte Canyon Rates, Fees and Charges Schedule for 2020.** The manager then reviewed with the Platte Canyon Board, Resolution 2019-11-4 which reaffirms, ratifies and approves Platte Canyon's rates, fees and charges schedule for 2020, as more particularly set forth on Exhibit A as attached to the Resolution. Platte Canyon's sewer tap fee will be increasing effective January 1, 2020 from \$1,000 to \$1,341 per single family equivalent tap. The District's water tap fee remains unchanged at \$2,900 per single family equivalent tap. In 2020, Platte Canyon will charge a sewer capacity study fee in the amount of \$500 and a fire line processing fee in the amount of \$500.

After a brief discussion, a motion to adopt Resolution 2019-11-4 was made 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 D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

A copy of Resolution 2019-11-4 is attached to the original of these minutes as Exhibit J.

5. **Approval of Resolution Adopting a Revised Cash Reserve Policy.** The manager then reviewed briefly a draft of Platte Canyon's revised Cash Reserve Policy which amends the existing Capital Reserve component. The amendment provides that the District will maintain sufficient cash reserves to cover capital requirements for the next three years instead of the next five years. Following a brief discussion, a motion to adopt Resolution 2019-11-5, was made 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 D. Buckner	Aye
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Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

A copy of Resolution 2019-11-5 is attached to the original of these minutes as Exhibit K.

6. **Approval of Revisions to Employee Handbook.** The manager and assistant manager reviewed with the Platte Canyon Board proposed revisions to Platte Canyon's Employee Handbook. These revisions include provisions that require staff to submit a minimum of three business days' notice in advance of any planned leave for either vacation or personal leave. There is a new provision addressing what occurs when an employee does not show up for work on time and has not called their supervisor to inform the supervisor that the employee will be absent or late.

There is also a provision which eliminates duplication of the District's electronic usage policy which is covered elsewhere.

At the conclusion of the discussion, a motion to adopt the revisions to the employee handbook was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn. The Chair called for a vote, and the vote was as follows:

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

7. **Approval of Additional Hire.** The manager discussed his plans to hire an additional certified operator in 2020. He discussed in detail how the new hire would be utilized to help relieve pressures on current employees, including but not limited to the construction and plan review coordinator Tony Cocozzella. At the conclusion of the discussion a motion to authorize the manager to hire a new certified operator was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director. 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

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George E. Hamblin, Jr.	Aye
Richard Rock	Aye

8. **Employee Salary and Benefit Review.** At this point in the meeting, all Platte Canyon employees left the meeting except for the manager and assistant manager. The manager reviewed with the Board his proposed salary and benefit schedules for next year. He noted that the average salary increase for comparable employees in the metro area is approximately 2.8%. The amount budgeted for 2020 for Platte Canyon employees is 3.2%. It was noted that the amount budgeted for wages and salaries gives the manager discretion to allocate those funds amongst employees based upon a cost of living adjustment and a merit evaluation. At the conclusion of the discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn to approve the proposed wage increase for Platte Canyon employees for calendar year 2020 as proposed by the manager and to approve the proposed performance award adjustment as well as the employee benefit package as discussed by the manager and assistant manager. 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
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

EXECUTIVE SESSION

At approximately 11:00 a.m., a motion was made by Platte Canyon Director Buckner and seconded by Southwest Director Sebastian to go into Executive Session pursuant to Section 24-6-402(4)(f) C.R.S. for the purpose of discussing a personnel matter which did not involve any individual employee. 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

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

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

The Executive Session lasted for approximately fifteen minutes and was recorded as required by law. No decisions or formal actions were taken during the Executive Session. At approximately 11:15 a.m., the Platte Canyon and Southwest Boards returned to open public session.

Shortly after coming out of Executive Session, a motion was made by Southwest Director Sebastian and seconded Platte Canyon Director Buckner to appoint Platte Canyon Directors Hamblin and Rock and Southwest Director Hause to an Executive Committee that would perform a preliminary review of the manager's performance for 2019 and recommend the manager's salary for 2020. 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

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
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

PLATTE CANYON NEW BUSINESS

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

RECORD OF PROCEEDINGS

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 Sebastian 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, 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
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

Whereupon, this joint regular meeting of the Southwest and Platte Canyon Boards of Directors adjourned at approximately 11:20 a.m. The next joint regular meeting of the Boards will be held on Friday, December 20, 2019, 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

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

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