MINUTES OF JOINT REGULAR MEETING

BOARD OF DIRECTORS

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

AND

PLATTE CANYON WATER AND SANITATION DISTRICT

Friday
May 22, 2020
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, May 22, 2020, at 8:30 a.m. in the Districts’ office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123. Due to the COVID-19 pandemic, the meeting was also conducted virtually using Microsoft Teams Meeting. Accordingly, those Board members who could not or were not comfortable physically attending, could attend by telephone or by on-line virtual meeting. The web address and call-in information were included in the meeting notice so that interested members of the public could also attend. Although jointly conducted, a portion of the meeting pertained solely to one District or the other and, accordingly, at times only the vote of one Board or the other was required.

The following Southwest Directors were in attendance, to-wit:

Anthony M. Dursey (by telephone)
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 (by telephone)
Louis J. Fohn

1 and each District’s Water and Sanitary Sewer Activity Enterprise.
George E. Hamblin, Jr.
Richard Rock

The following Platte Canyon staff members were physically in attendance in the Board room: Patrick J. Fitzgerald, manager. The following Platte Canyon staff members attended virtually, although they were physically in their office: Cynthia Lane, assistant manager; Alyssa Quinn, business program specialist coordinator; Vanessa Shipley, financial administrator; Scott Hand, operations supervisor; Tony Cocozzella, constructions program manager; and Bridgett Butterfield, communications and administrative services coordinator.²

Also, in attendance by telephone 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

Following a brief discussion, a motion was made by Southwest Director Hause and seconded by Southwest Director Hamblin 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 Hause and seconded by Director Sebastian to approve Southwest Consent Agenda Items 1 and 2, as set forth below, by a single motion:

1. **Ratification of Interim Disbursements and Approval of Current Payables.** Southwest payables and supplemental disbursements for the month of May

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.
2020, in the aggregate amount of $157,581.06, represented by Southwest check nos. 19889 thru 19909, 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 payment vendors.

2. **Southwest Investment/Deposit Transaction Report.** On April 6, 2020, a Federal Farm Credit Bank note matured generating $1 million in principle proceeds, plus accrued interest to Southwest. It was the only investment transaction for the month as Southwest did not purchase any treasury notes or agency securities, nor did Southwest purchase or renew any certificates of deposit.

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

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

**SOUTHWEST ACTION ITEMS**

1. **Administration of Oaths for Newly Elected Directors.** Pursuant to prior authorization of the Board which the Board ratified, approved and confirmed at this meeting, the District’s manager, Patrick Fitzgerald, prior to convening the Board meeting, administered the oath of office to newly elected Directors Kenton C. Ensor, Jr. and Chuck Hause. Those oaths will be filed with the Jefferson County, Arapahoe County and Douglas County Clerk and Recorder Office, the Division of Local Government and the Jefferson County District Court by staff and/or Southwest’s legal counsel. Director Ensor and Director Hause were each elected to a three-year term that will expire in May 2023.

2. **Election of Officers.** The officers for Southwest are currently as follows:

<table>
<thead>
<tr>
<th>DIRECTORS</th>
<th>OFFICE</th>
</tr>
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<tbody>
<tr>
<td>Anthony M. Dursey</td>
<td>President</td>
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<tr>
<td>Kenton C. Ensor, Jr.</td>
<td>Vice President/Assistant Secretary</td>
</tr>
<tr>
<td>Chuck Hause</td>
<td>Vice President/Assistant Secretary</td>
</tr>
<tr>
<td>Bernard J. Sebastian, Jr.</td>
<td>Vice President/Assistant Secretary</td>
</tr>
<tr>
<td>George E. Hamblin, Jr.</td>
<td>Secretary/Treasurer</td>
</tr>
</tbody>
</table>

Following a brief discussion, a motion to re-elect the same slate of officers was made by Director Sebastian and seconded by Director Ensor.
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 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 Southwest Director Sebastian and seconded by Southwest Director Hamblin 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

The Chair then called for a vote of the Platte Canyon Board, and the vote was as follows:
JOINT MEETING CONSENT AGENDA ITEM

1. **Approval of the Minutes of the Boards’ April 24, 2020 Joint Regular Meeting.**

   Following a brief discussion, a motion was made by Southwest Director Hause and seconded by Southwest Director Sebastian to approve, as written, the minutes of the Boards’ April 24, 2020 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 Buckner: Aye
   - Anthony M. Dursey: Aye
   - Louis J. Fohn: Aye
   - George E. Hamblin, Jr.: Aye
   - Richard Rock: Aye

   The approved minutes of the Boards’ April 24, 2020 joint regular meeting will be presented to the members of each Board for signature as soon as practical, as further evidence of ratification, confirmation and approval.

JOINT MEETING ACTION ITEMS

There were no action items to come before this joint regular meeting.
1. **Financial Matters.**

   (a) **Platte Canyon Financial Statements.** The following unaudited Platte Canyon financial statements, prepared by Vanessa Shipley, for the four-month period ending April 30, 2020, were presented to the Boards:

   (i) Statement of Net Assets, dated April 30, 2020, showing Platte Canyon’s Assets, Liabilities, and Net Assets;

   (ii) Statement of Revenue, Expenses and Changes in Net Assets for the four-month period ending April 30, 2020;

   (iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the four-month period ending April 30, 2020; and

   (iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the four-month period ending April 30, 2020.

   Vanessa Shipley reviewed those areas of the financial statements where there were significant year-to-date variances from budgeted amounts. She explained why these variances occurred and noted that over time she expects the variances to be eliminated because actual expenditures should correspond more closely with budgeted expenditures.

   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 four-month period ending April 30, 2020, were presented to the Boards:
RECORD OF PROCEEDINGS

(i) Statement of Net Assets, dated April 30, 2020, showing Southwest’s Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the four-month period ending April 30, 2020;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the four-month period ending April 30, 2020; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the four-month period ending April 30, 2020.

Vanessa Shipley noted those areas of the Southwest financial statements where there were variances in the year-to-date line item amounts as compared to the budgeted line item amounts and explained the reasons for the variances noting that over time, these variances should disappear and the budgeted numbers and the actual numbers should be more in line.

At the conclusion of the review of the Southwest financial statements, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Hamblin to accept the Southwest financial statements, as presented. The Chair called for a vote of the Southwest Board, and the vote was as follows:

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

(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 local government investment pools. As of April 30, 2020, Platte Canyon’s investments and deposits totaled $9,969,164.22, itemized as follows:
The average yield on Platte Canyon’s investments for the month of April 2020, as calculated by staff, was 1.3576% per annum.

Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn to accept the Platte Canyon Schedule of Deposits and Investments, as presented. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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

Southwest Investment/Deposit Report. The Boards reviewed a list of Southwest’s investments in U.S. Government treasury notes, agency securities, certificates of deposit, and money market funds, together with a report showing the funds Southwest has in approved state depositories and authorized investment pools. As of April 30, 2020, Southwest’s investments and deposits totaled $24,852,553.65, itemized as follows:
The average yield on Southwest’s investments for the month of April 2020, as calculated by staff, was 1.6972% per annum.

Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Ensor to accept the Southwest Schedule of Deposits and Investments, as presented. The Chair called for a vote of the Southwest Board, and the vote was as follows:

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

2. **Management Report.** The manager and assistant manager reviewed, as more particularly set forth below the written Management Report dated May 2020. A copy of the Management Report was previously provided to each member of both Boards.

(a) **Denver Water’s Rates and Fees Technical Advisory Committee.** The manager noted that the Denver Water Rates and Fees Technical Advisory Committee (TAC) consultants are working with Denver Water’s rate staff in an effort to come up with a mutually acceptable methodology for allocating the capital costs of Denver Water’s Lead Service Line Replacement Program. No agreement has been reached on a capital cost allocation formula as of the date of this meeting. The manager will keep both Board’s advised as to the outcome of the discussions that Denver Water’s rate staff and the TAC rate consultants are currently having.
(b) COVID-19 OPERATIONS UPDATE. The assistant manager updated the Boards as to the measures that Platte Canyon is implementing in response to the COVID-19 pandemic. It is expected that shortly, the staff will be returning to work in the District’s office. They will be scheduled at 50% staffing levels and will alternate to reduce the exposure of the overall staff, should someone become infected. At all times, social distancing is being observed. Customer contact is being kept to a minimum and many of Platte Canyon’s employees, especially the administrative staff will continue to work at home remotely as practical.

(c) Miscellaneous Matters. In the interest of time and due to the difficulties of communicating during a virtual meeting, the manager and assistant manager asked the members of both Boards if they had any questions concerning the written Manager’s Information Report. There being no questions, the meeting proceeded to the Operations and Maintenance Summary Report.

3. Operations and Maintenance Summary Report. Scott Hand reviewed the Operations and Maintenance Summary Report dated April 2020. During the reporting period, neither Southwest nor Platte Canyon had any sewer service or water service interruptions. As regards remedial repairs, Mr. Hand noted that eight more valve repairs were completed this month in Southwest – four were packing leaks and the others involved packing plate replacements. It was reported that the Hogback Water Pump Station has six hand valves that are beginning to leak slightly. Parts have been acquired and staff will plan a shut-down of the pumping station to install the parts in the near future. Unfortunately, when the station is offline, several customers will be without water service. This project will be planned and conducted during overnight hours to minimize the inconvenience to the impacted residents and businesses, all of which will be notified well in advance.

4. Construction Projects Report. Tony Cocozzella reviewed the Capital Projects Information Report for Platte Canyon and Southwest. As part of his report, Mr. Cocozzella updated the Boards as to the status of all ongoing Platte Canyon and Southwest projects, including developer and District-specific projects. Those projects, that are in design phase, were also included as part of the report.

In addition, Mr. Cocozzella updated both Boards as to the status of the Valley Sanitation District Sewer Interceptor Project. He noted that the lift station has been ordered. It is a pre-assembled plant that, as soon as it arrives, will be installed. Once the plant is installed, the project will essentially be completed. To-date, everything has gone very smoothly and Mr. Cocozzella and the Valley Board are pleased with the contractor’s performance.
NEW BUSINESS

There was no new business to come before the joint participation portion of the meeting.

JUNE MEETING

The next regular joint meeting of the Boards is scheduled for Friday, June 26, 2020, at 8:30 a.m. Because of the COVID-19 pandemic, the meeting will most likely have, as an option for those who are not comfortable attending, the ability to attend virtually over the internet or by telephone conference call. Those Directors who are comfortable and can make it, will be able to attend physically in the Board meeting room, in the Districts’ office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123.

PLATTE CANYON ACTION ITEMS

CALL TO ORDER

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

PLATTE CANYON AGENDA APPROVAL

A motion was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Buckner 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 Buckner 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:

1. Approval of Accounts Payables and Ratification of Interim Disbursements. The Platte Canyon payables and supplemental payables for the month of May 2020, in the aggregate amount of $220,823.42, represented by Platte Canyon check
Nos. 33061 through 33109, inclusive, including any checks written by the manager pursuant to prior Board authorization for less than $2,500, as well as various electronic fund payments for employee salaries, utilities and other authorized electronic fund payment vendors.

2. **Platte Canyon Investment/Deposit Report.** During the month of April 2020, Platte Canyon did not purchase any treasury notes or agency securities or have any treasury, agency or other securities mature or be redeemed. Platte Canyon did renew two certificates of deposit - one with Fowler State Bank for a one-year term in the amount of $100,000 at a rate of interest of 1.25% per annum and, a $250,000 certificate of deposit at Solera National Bank for one year, in the amount of $249,000 at an interest rate of 0.45% per annum.

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

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

**PLATTE CANYON ACTION ITEMS**

1. **Administration of Oaths of Office of Newly Elected Directors.** Pursuant to prior authorization which the Board ratified, approved and confirmed at this meeting, the District’s manager, Patrick Fitzgerald, prior to convening the joint regular meeting, administered the oath of office to newly elected Directors Rock and Buckner. Those oaths of office will be filed with the Jefferson County and Arapahoe County Clerk and Recorder, the Division of Local Government and the Arapahoe County District Court by staff and/or the District’s legal counsel. Directors Rock and Buckner were each elected to a three-year term that will expire in May 2023.

2. **Election of Officers.** The officers for Platte Canyon are currently as follows:

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<td>Richard Rock</td>
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<td>William Buckner</td>
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</tr>
<tr>
<td>George E. Hamblin, Jr.</td>
<td>Vice President/Assistant Secretary</td>
</tr>
</tbody>
</table>
Following a brief discussion, a motion to re-elect the same slate of officers was made by Director Hamblin and seconded by Director Fohn.

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

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

**PUBLIC HEARING**

1. **Public Hearing on Douglas and Kimberly Case Inclusion Petition.** The manager and legal counsel advised the Platte Canyon Board that a notice of hearing on a petition for inclusion of real property filed by Douglas and Kimberly Case for their property located at 5300 West Bowles Avenue was published in accordance with the Special District Act one time on Thursday, May 21, 2020, in the Littleton Independent and the Golden Transcript, weekly newspapers of general circulation in Arapahoe and Jefferson Counties, Colorado, respectively. The manager further explained that this inclusion is being processed as quickly as possible because the septic system serving the Case residence has failed and Mr. and Mrs. Case have been given permission to connect to the District’s sanitary sewer collection system. They have paid all tap fees and inclusion fees and other fees associated with obtaining sewer service.

The Chair then opened the public hearing on the petition. No persons residing or owning property within Platte Canyon appeared or otherwise filed any objection to the petition nor did any county or municipality appear or register any objection. At the conclusion of the discussion, the Chair closed the public hearing. A motion was then made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn to adopt Platte Canyon Resolution 2020-5-1 which orders the inclusion of this one-acre parcel of real property into Platte Canyon and directs the District’s legal counsel to seek and appropriate inclusion order from the Arapahoe County District Court.

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

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

A copy of Platte Canyon Resolution 2020-5-1 is attached to the original of these minutes.

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.

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 Dursey and seconded by Platte Canyon Director Hamblin. 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 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 9:40 a.m. The next regular joint meeting of the Boards will be held on Friday, June 26, 2020, at 8:30 a.m.

Respectfully submitted,

Timothy J. Flynn, Recording Secretary

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

Anthony M. Dursey

Kenton C. Ensor, Jr.

George E. Hamblin, Jr.

Chuck Hause

Bernard J. Sebastian, Jr.

PLATTE CANYON WATER AND SANITATION DISTRICT

William D. Buckner

Anthony M. Dursey

Louis J. Fohn

George E. Hamblin, Jr.

Richard Rock