MINUTES OF JOINT REGULAR MEETING

BOARD OF DIRECTORS

PLATTE CANYON WATER AND SANITATION DISTRICT

AND

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

Friday
August 28, 2020
Jefferson County, Colorado

The joint 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, August 28, 2020, at 8:30 a.m., in the District’s 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 were not comfortable physically attending, could attend by telephone or by online virtual meeting. The web address and the 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 Platte Canyon Directors were in attendance, to wit:

    William D. 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  (by telephone)
    Kenton C. Ensor, Jr.
    George E. Hamblin, Jr.
    Chuck Hause
    Bernard J. Sebastian, Jr.

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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 present in their office: Cynthia Lane, assistant manager; Vanessa Shipley, financial administrator; Scott Hand, operations supervisor; Tony Cocozzella, construction program manager; Alyssa Quinn, business programs specialist coordinator; and Bridget Butterfield, communications and administrative services coordinator.  

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 Platte Canyon President, Richard Rock, who presided as Chair.

**APPROVAL OF PLATTE CANYON AGENDA**

Following a brief discussion, 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:

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

**PLATTE CANYON CONSENT AGENDA ITEMS**

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

1. **Ratification of Interim Disbursements and Approval of Current Payables.** Platte Canyon payables and supplemental disbursements for the month of August 2020 in the aggregate amount of $202,982.79 represented by Platte Canyon Check Nos. 33211 through 33254, inclusive, together with various electronic fund

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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.
payments for employee salaries, utility payments, and other authorized electronic fund payment vendors.

2. **Platte Canyon Investment/Deposit Transaction Report.** During the month of July 2020, Platte Canyon did not purchase any treasury notes or agency securities, nor did it renew or rollover any certificates of deposit. On July 15, 2020, two one-year Platte Canyon treasury notes matured generating aggregate principal proceeds in the amount of $1,250,000, plus accrued interest.

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. **Approval of Second Addendum to Intergovernmental Agreement dated February 25, 1975 between Platte Canyon and the Grant Water and Sanitation District.** This item was deferred at the request of the manager due to a Grant Water and Sanitation District recent request to change certain provisions in the Addendum. This matter will be considered by the Board at its September meeting.

2. **Approval of Resolution 2020-8-1 Authorizing Participation in the Colorado Surplus Asset Fund Trust and Approval of Resolution 2020-8-2 Approving an Amended Investment Policy.** During the July meeting, the Platte Canyon Board heard a presentation from representatives of the Colorado Surplus Asset Fund Trust (CSAFE), which is a local government investment pool. Platte Canyon’s investment policy limits investments in local government investments pools to 35% of the District’s total investment portfolio. Currently, Platte Canyon has approximately 50% of its portfolio in ColoTrust. This deviation from the Platte Canyon’s investment policy has been authorized each month by the Platte Canyon Board.

   Staff is now asking the Board to permanently amend the Platte Canyon’s investment policy to allow up to 50% of the District’s investment portfolio to be invested in local government pools, as long as only 35% is invested in only one pool. Resolution 2020-8-1 authorizes Platte Canyon to participate in CSAFE and Resolution 2020-8-2 amends the District’s investment policy as discussed above.

   Following a brief discussion, a motion was made by Platte Canyon Director Hamblin and seconded by Platte Canyon Director Fohn to adopt Resolutions 2020-8-1 and
2020-8-2, copies of which are attached to the original of these minutes as Exhibits A and A-1. 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  

3. **Approval of Professional Design Engineering Services Agreement with RG & Associates, LLC.** Tony Cocozzella and the manager reviewed briefly a proposed agreement with RG & Associates, LLC for design and project management services for the replacement of 1,900 lineal feet of water main in South Depew Street, 700 lineal feet in West Alder Way and 1,700 lineal feet in South Newland Circle for an amount not to exceed $100,027.84.

Following a brief discussion and based upon staff’s recommendation, a motion was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Dursey to approve the Agreement and authorize its execution by appropriate representatives of Platte Canyon. 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 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

A motion was made by Southwest Director Hause and seconded by Platte Canyon Director Fohn 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 D. Buckner  Aye
- Anthony M. Dursey  Aye
- Louis J. Fohn  Aye
- George E. Hamblin, Jr.  Aye
- Richard Rock  Aye

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

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

JOINT MEETING CONSENT AGENDA

1. Approval of the Minutes of the Boards’ July 24, 2020 Joint Regular Meeting. Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Southwest Director Hause to approve, as written, the minutes of the Boards’ July 24, 2020 Joint Regular Meeting. 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

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
The approved minutes of the Boards’ July 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 of the Boards.

**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 seven-month period ending July 31, 2020, were presented to the Boards:

   (i) Statement of Net Assets, dated July 31, 2020, showing Platte Canyon’s Assets, Liabilities, and Net Assets;

   (ii) Statement of Revenue, Expenses and Changes in Net Assets for the seven-month period ending July 31, 2020;

   (iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the seven-month period ending July 31, 2020; and

   (iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the seven-month period ending July 31, 2020.

   Following Vanessa Shipley’s review of the July Platte Canyon financial statements, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Hamblin to accept the Platte Canyon financial statements, as presented: The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

   - 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 seven-month period ending July 31, 2020, were presented to the Boards:
(i) Statement of Net Assets, dated July 31, 2020, showing Southwest’s Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses, and Changes in Net Assets for the seven-month period ending July 31, 2020;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the seven-month period ending July 31, 2020; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the seven-month period ending July 31, 2020.

Following 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 local government investment pools. As of July 31, 2020, Platte Canyon’s investments and deposits totaled $10,773,223.14, itemized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking</td>
<td>$280,248.09</td>
<td>2.60%</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>$744,000.00</td>
<td>6.91%</td>
</tr>
<tr>
<td>ColoTrust-Prime</td>
<td>$0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>ColoTrust-Plus</td>
<td>$3,503,604.00</td>
<td>32.52%</td>
</tr>
<tr>
<td>ColoTrust-Trust Account</td>
<td>$3,740,144.87</td>
<td>34.72%</td>
</tr>
<tr>
<td>Treasury Bills</td>
<td>$0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>Treasury Notes</td>
<td>$1,005,226.18</td>
<td>9.33%</td>
</tr>
<tr>
<td>U.S. Government Agencies and Instrumentalities</td>
<td>$1,500,000.00</td>
<td>13.92%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$10,773,223.14</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
The average yield on Platte Canyon’s investments for the month of July 2020, as calculated by staff, was 0.7155% per annum.

Following Vanessa Shipley’s review of the Platte Canyon investment deposit report, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Hamblin to accept the Platte Canyon investment deposit report, 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

The motion also included approval of any deviation from the Platte Canyon investment policy as the same as existed during July, 2020.

(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 July 31, 2020, Southwest’s investments and deposits totaled $24,092,804.43, itemized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking</td>
<td>$10,387.52</td>
<td>0.04%</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>$344,000.00</td>
<td>1.43%</td>
</tr>
<tr>
<td>ColoTrust-Prime</td>
<td>$0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>ColoTrust-Plus</td>
<td>$6,233,876.38</td>
<td>25.87%</td>
</tr>
<tr>
<td>ColoTrust-Trust Account</td>
<td>$9,495,622.13</td>
<td>39.41%</td>
</tr>
<tr>
<td>Treasury Bills</td>
<td>$0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>Treasury Notes</td>
<td>$6,008,918.40</td>
<td>24.94%</td>
</tr>
<tr>
<td>U.S. Government Agencies and</td>
<td>$2,000,000.00</td>
<td>8.30%</td>
</tr>
<tr>
<td>Instrumentalities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$24,092,804.43</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

The average yield on Southwest’s investments for the month of July 2020, as calculated by staff, was 1.1911% per annum.

Following Vanessa Shipley’s review of Southwest’s investment deposit report, a motion was made by Southwest Director Ensor and seconded by Southwest Director Sebastian to accept the Southwest investment deposit report as presented, and to approve
any deviation from the District’s investment policy as the same existed during July 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: Aye

The motion also included approval of any deviation from the Southwest investment policy, as the same existed during July 2020.

2. **Management Report.** The manager and assistant manager reviewed, as more particularly set forth below, the written Management Report dated August 20, 2020. A copy of the Management Report was previously provided to each member of both Boards.

   (a) **Denver Water Rates and Fees Technical Advisory Committee.** The manager updated the Board as to the status of ongoing discussions with Denver Water concerning Denver Water’s 2021 rates. The manager reported that Denver Water is currently planning to have a 1.5% revenue increase for 2021 to generate approximately $4,500,000 which will be used to fund Denver Water’s Lead Reduction Program. The balance of the cost for the program for 2021 will be paid from Denver Water’s accumulated reserves. The key issue going forward is how will the costs for the Lead Reduction Program be allocated between inside and outside City users. The TAC and the manager will be heavily involved in discussions with Denver Water’s rate staff regarding this issue.

   (b) **Denver Water Lead Service Line Replacement Program.** Cynthia Lane updated the Boards on the status of Denver Water’s Service Line Replacement Program, including the fact that Denver Water is now concerned about homes built between 1983 and 1987. These homes may have solder in the service lines or in the internal plumbing. Denver Water is going to attempt to identify if any of those homes are currently occupied by families that are feeding infants on formula or any other at-risk members of the population. If those homes are identified as having at-risk individuals in the homes, then Denver Water will provide the homes with a free lead-filter kit, including free filters.

   (c) **COVID-19 Operations Update.** The assistant manager updated the Board on the adjustments that Platte Canyon has continued to implement in response to the COVID-19 pandemic. To date, no members of the Platte Canyon’s staff have tested positive for COVID. At all times, social distancing is being observed. Customer contact continues to be kept to a minimum, and the District lobby remains closed to the public until further notice.
3. **Water Operations and Maintenance Summary Report.** Scott Hand reviewed the Operations and Maintenance Summary Report dated July 2020. During the reporting period, neither Platte Canyon nor Southwest had any sewer service interruptions. Platte Canyon experienced one water service interruption on July 16, 2020 at 6648 South Harlan Way. Southwest experienced no water service interruptions during the reporting period. Mr. Hand reviewed a PowerPoint presentation which showed the repair activities that were undertaken to repair the break on 6648 South Harlan Way, which was a break on a 6-inch asbestos cement pipe.

Mr. Hand noted that the valve replacement project at the Southwest Hog Back Pump Station was postponed in July due to the high temperatures and high demand. The hope is that this project can be completed near the end of August when the temperatures start to moderate, as does water demand from the pump station.

4. **Construction Project Report.** Tony Cocozzella reviewed with both Boards 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 the Valley Sanitary Sewer Interceptor Replacement Project which continues to go well. He also updated the Board as to the status of all ongoing Platte Canyon and Southwest projects, including developer and District specific projects. Projects that are in the design phase were also included as part of his report.

**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, September 25, 2020, at 8:30 a.m. Because of the COVID-19 pandemic, the meeting will most likely be held as a virtual meeting on the web and/or by conference call.

**CALL TO ORDER**

The Southwest portion of the joint 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 Hause 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:
SOUTHWEST CONSENT AGENDA ITEMS

A motion was made by Southwest Director Sebastian and seconded by Southwest Director Hamblin to approve the Southwest Consent Agenda Items 1 and 2, as set forth below, by a single motion.

1. **Approval of Accounts Payable and Ratification of Interim Disbursements.** The Southwest payables and supplemental payables for month of August 2020 in the aggregate amount of $140,531.77 represented by Southwest Check Nos. 19969 through 19995, 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.** During the month of July 2020, Southwest did not purchase any treasury or agency securities nor were any agency securities redeemed or matured. Further, Southwest did not renew, purchase or roll-over any certificates of deposit.

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

- **Approval of Resolution 2020-8-1 Authorizing Participation in the Colorado Surplus Assets Funds Trust and Resolution 2020-8-2 Approving an Amended Investment Policy.** This matter was discussed in detail during the Platte Canyon portion of the joint meeting. Accordingly, the staff gave a short overview.

Following a brief discussion, a motion was made by Southwest Director Hamblin and seconded by Southwest Director Ensor to adopt Resolutions 2020-8-1 and 2020-8-2, copies of which are attached to the original of these minutes as Exhibits B and B1. The Chair called for a vote of the Southwest Board, and the vote was as follows:
Tony Cocozzella reviewed briefly a proposed agreement with RG & Associates, LLC for design and project management services for the replacement of a watermain in S. Holland Way between West Arbor Place and South Garland Ct., located in the Kipling Villas Subdivision for an amount not to exceed $50,954.00.

Following a brief discussion and based upon staff’s recommendation, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Hause to approve the Agreement and authorize its execution by appropriate representatives of Southwest. 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.

ADJOURNMENT

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

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

Whereupon, this joint regular meeting of the Platte Canyon and Southwest Boards of Directors adjourned at approximately 9:30 a.m. The next joint regular meeting of the Boards will be held on Friday, September 25, 2020, at 8:30 a.m. As noted earlier, the meeting will most likely be a virtual meeting on the web and/or by telephone conference call.

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