MINUTES OF JOINT REGULAR MEETING

BOARD OF DIRECTORS

PLATTE CANYON WATER AND SANITATION DISTRICT

AND

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

Friday
October 23, 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, October 23, 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. Those Board members who could not or 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.

1 and each District’s Water and Sanitary Sewer Activity Enterprise.
The following Platte Canyon staff members were physically in attendance in the Board room: Patrick J. Fitzgerald, manager; and Vanessa Shipley, financial administrator. The following Platte Canyon staff members attended virtually although they were physically present in their office: Cynthia Lane, assistant manager; 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 Vice President, George E. Hamblin, Jr., who presided as Chair.

**APPROVAL OF PLATTE CANYON AGENDA**

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

Following a brief discussion, a motion was made by Platte Canyon Director Rock and seconded by Platte Canyon Director Buckner 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 October 2020 in the aggregate amount of $270,638.49 represented by Platte Canyon Check Nos. 33303 through 33356, 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 September 2020, Platte Canyon did not purchase any treasury notes or agency securities. It did, however, renew one certificate of deposit at Flatirons Bank on September 22, 2020, for 365 days in the amount of $145,000, and bearing interest at the rate of 0.3% per annum.

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>
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</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 ACTION ITEMS**

There were not action items to come before the Platte Canyon Board.

**PLATTE CANYON INFORMATION/DISCUSSION ITEMS**

1. **Proposed 2021 Platte Canyon Budget.** To facilitate all Board members’, and in particular, the Platte Canyon Board members’ understanding of the Platte Canyon proposed 2021 budget, Vanessa Shipley provided a comprehensive budget overview. The overview included a review of the 2021 budget highlights. For 2021, Platte Canyon anticipates total revenues of $3,855,697 and total expenses of $5,129,199, consisting of $2,875,206 in operating expenses and $2,053,993 in capital expenses. For the year, expenditures will exceed revenues by $1,273,502. The shortfall will be funded from Platte Canyon’s accumulated reserves.

For 2021, property and specific ownership tax revenues will account for approximately 51% of total revenue. Platte Canyon’s general operations mill levy of 7.104 mills will not change. The preliminary assessed valuations show that the District’s total assessed valuation has increased slightly by .07% from $259,543,062 for 2019 to $259,724,266 for the 2020 assessed valuation. Total property tax revenue for 2021 is currently projected at $1,845,081, which is an increase of $1,724.

Vanessa Shipley’s review of the Platte Canyon 2021 proposed budget also included a review of the proposed budgets for Sub District No. 1 and Sub District No. 2. She noted that the function of the Sub Districts is to collect sufficient revenues to pay principal and
interest on each Sub District’s debt that was incurred to finance public infrastructure improvements within their respective boundaries.

2. **Platte Canyon Ten-Year Financial Plan.** The ten-year financial plan is prepared for purposes of complying with Platte Canyon’s policy to annually review and establish an adequate level of cash reserves for operations, capital improvements, debt service, and any other needs prescribed by the Board of Directors to meet expected service levels and provide adequate resources for infrastructure repair and replacement.

The ten-year financial plan projects that Platte Canyon’s ending fund balance will be $7,684,745 in 2021, $9,021,296 in 2025, and $11,358,329 in 2030. To achieve these ending fund balances, significant increases are projected in Platte Canyon’s infrastructure fee over the next 20 years, however for 2021, no increase in the infrastructure fee is currently proposed. This is due primarily because of the impacts on the District’s customers of the COVID-19 pandemic. An increase in Platte Canyon’s infrastructure fee is projected for 2022 in order to keep the proposed ending reserve fund balances on line with the above-referenced projections.

**PLATTE CANYON NEW BUSINESS**

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

**JOINT PARTICIPATION PORTION OF THE MEETING**

George Hamblin, Jr. continued to act as Chair of the joint participation portion of the meeting.

**APPROVAL OF JOINT MEETING AGENDA**

A motion was made by Southwest Director Sebastian and seconded by Platte Canyon Director Buckner 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:
JOINT MEETING CONSENT AGENDA

1. Approval of the Minutes of the Boards’ September 25, 2020 Joint Regular Meeting. Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Platte Canyon Buckner to approve the minutes of the Boards’ September 25, 2020 Joint Regular Meeting, with the understanding that the draft minutes were corrected to reflect accurately the Platte Canyon Board members who voted to approve the consulting services agreement with Hazen and Sawyer. 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 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

1. Maintenance Goals for 2021. Scott Hand reviewed the maintenance goals for Platte Canyon, Southwest, the Bow Mar Water and Sanitation, and Valley Sanitation District for 2021. The maintenance goals are prepared to facilitate the scheduling of water and wastewater maintenance for these districts, utilizing labor, equipment and materials in their most efficient and cost-effective manner. As part of his review, Mr. Hand discussed the quality assurance procedures Platte Canyon has in effect, including how Platte Canyon has utilized a computerized maintenance system to schedule maintenance, generate work orders and record all maintenance activities in the districts.
Following Mr. Hand’s review, a motion was made by Platte Canyon Director Rock and seconded by Platte Canyon Director Buckner to approve the 2021 maintenance goals as presented by Mr. Hand. 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 intergovernmental operating agreement between Platte Canyon and Southwest requires that Southwest also approve the maintenance goals for each year. Accordingly, a motion was made by Southwest Director Ensor and seconded by Southwest Director Sebastian, to approve the Platte Canyon 2021 Maintenance Goals.

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 INFORMATION/DISCUSSION ITEMS

1. Financial Matters

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

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

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

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

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 financial statements, as presented: 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>
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</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>

(b) **Southwest Financial Statements.** The following unaudited Southwest financial statements prepared by Vanessa Shipley for the nine-month period ending September 30, 2020, were presented to the Boards:

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

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

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

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

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 Ensor to accept the Southwest financial statements, as presented. 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>
</tr>
</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>
(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 September 30, 2020, Platte Canyon’s investments and deposits totaled $10,327,442.16, itemized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking</td>
<td>$232,353.45</td>
<td>2.25%</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>$744,000.00</td>
<td>7.2%</td>
</tr>
<tr>
<td>ColoTrust-Prime</td>
<td>$0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>ColoTrust-Plus</td>
<td>$2,093,368.39</td>
<td>20.27%</td>
</tr>
<tr>
<td>ColoTrust-Trust Account</td>
<td>$3,752,698.92</td>
<td>36.34%</td>
</tr>
<tr>
<td>CSAFE-Core</td>
<td>$1,098,048.00</td>
<td>9.68%</td>
</tr>
<tr>
<td>Treasury Bills</td>
<td>$0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>Treasury Notes</td>
<td>$1,004,922.92</td>
<td>9.73%</td>
</tr>
<tr>
<td>U.S. Government Agencies and</td>
<td>$1,500,000.00</td>
<td>14.52%</td>
</tr>
<tr>
<td>Instrumentalities</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$10,327,442.16</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

The average yield on Platte Canyon’s investments for the month of September 2020, as calculated by staff, was 0.5813% per annum.

Vanessa Shipley noted that during September, Platte Canyon had funds invested in local government investment pools which exceeded the per pool percentage limitation established by Platte Canyon’s Investment Policy. Accordingly, she asked the Board to approve the exceedance.

Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Rock to accept the Platte Canyon Investment/Deposit Report, as presented and to approve the exceedance of the percentage limitation on Platte Canyon’s funds that can be invested in local government investment pools under Platte Canyon’s current Investment Policy. 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 local government investment pools. As of September 30, 2020, Southwest’s investments and deposits totaled $24,041,868.50, itemized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking</td>
<td>$9,064.48</td>
<td>0.04%</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>$199,000.00</td>
<td>0.83%</td>
</tr>
<tr>
<td>ColoTrust-Prime</td>
<td>$0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>ColoTrust-Plus</td>
<td>$5,311,559.37</td>
<td>22.09%</td>
</tr>
<tr>
<td>ColoTrust-Trust Account</td>
<td>$9,514,381.91</td>
<td>39.57%</td>
</tr>
<tr>
<td>CSAFE-Core</td>
<td>$1,098,048.00</td>
<td>4.16%</td>
</tr>
<tr>
<td>Treasury Bills</td>
<td>$0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>Treasury Notes</td>
<td>$6,007,164.26</td>
<td>24.99%</td>
</tr>
<tr>
<td>U.S. Government Agencies and</td>
<td>$2,000,000.00</td>
<td>8.32%</td>
</tr>
<tr>
<td>Instrumentalities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$24,041,868.50</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

The average yield on Southwest’s investments for the month of September 2020, as calculated by staff, was 1.1051% per annum.

Vanessa Shipley noted that during September, Southwest had funds invested in local government investment pools which exceeded the per pool percentage limitation established by Southwest’s Investment Policy. Accordingly, she asked the Board to approve the exceedance.

Following a brief discussion, a motion was made by Southwest Director Hause and seconded by Southwest Director Sebastian to accept the Southwest Investment/Deposit Report, as presented and to approve the exceedance of the percentage limitation on Southwest’s funds that can be invested in local government investment pools under Southwest’s current Investment Policy. 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

2. **Management Report.** The manager and assistant manager reviewed, as more particularly set forth below, the written Management Report dated October 2020, a copy of which was previously provided to each member of both Boards.
(a) **Denver Water Rate Increase for 2021.** The manager updated the Boards as to Denver Water’s proposed revenue increase for 2021. In lieu of a cost of service study, Denver Water staff proposed a 1.5% revenue increase, which amounts to approximately $4.5 million for 2021. The funds generated by the revenue increase will be used solely for Denver Water’s Lead Reduction Program costs.

The Denver Water Rates and Fees Technical Advisory Committee (“TAC”) supported the proposal because the Lead Reduction Program costs are allocated 71% inside the City, and 29% outside the City for 2021. The primary objection that the TAC has to the methodology utilized by Denver Water to allocate the Lead Reduction Program costs is that Denver Water continues to add a 19% multiplier to the Lead Reduction Program costs allocated outside the City. The TAC intends to continue raising this objection in future years if Denver continues to apply the 19% multiplier.

(b) **District Communications with Customers.** The assistant manager reported that staff is continuing to work with Denver Water and Littleton regarding dissemination of information regarding Denver Water’s and Littleton’s proposed rate increases for 2021. Pertinent information will be provided in Platte Canyon’s and Southwest’s newsletters and also on their respective websites.

(c) **Valley Interceptor Project.** Cynthia Lane reported that the Valley Interceptor Project is going forward smoothly. Tony Cocozzella will provide a more detailed report during the Capital Projects portion of the meeting.

(d) **Districts’ COVID-19 Response.** Noting that the incidence of COVID-19 exposures appears to be increasing, staff has re-enforced its COVID response plan. District personnel continue to practice social distancing and wear masks while in the office at all times. The District is alternating employees so that not all employees are working in the office at the same time. Those employees who are not in the office are working remotely from their homes. Staff continues to monitor the COVID-19 pandemic and is complying with all Jefferson County Health Department Orders, State Public Health Department Orders, as well as the Orders issued by the Governor.

(e) **Update to Employee Handbook.** Cynthia Lane reported that staff is working with the Employer’s Council to update Platte Canyon’s Personnel Policies Handbook. Proposed changes to the Handbook will be presented to the Platte Canyon Board for approval at its December meeting. One of the more significant changes will be to the Platte Canyon sick leave policy. At the conclusion of the Managers Information Report, the manager and assistant manager asked if there were any questions concerning the written materials that were provided to the Board. There were no questions.

3. **Operations and Maintenance Summary Report.** Scott Hand reviewed the Operations and Maintenance Summary Report dated September 2020. During the reporting period, neither Platte Canyon nor Southwest had any water or sanitary sewer
service interruptions, and hence, there was no PowerPoint presentation. Mr. Hand did note there were three remedial repair projects completed during the month, utilizing C&L Water Solutions, Inc. This is part of an ongoing program to address maintenance issues as and when appropriate throughout the year.

The fencing and asphalt project at the Scott J. Morris pump station, has been completed. The Southwest Hogback water pump station improvements project is waiting for minor details to be worked out with the manufacturer of the equipment before it is installed and the valve repair project completed.

4. **Capital Projects Report.** Tony Cocozzella reviewed the Capital Projects 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 the design phase, were also included as part of his report.

In addition, Mr. Cocozzella provided a slide show presentation showing the status of the Valley Sanitary Sewer Interceptor Replacement Project. There are certain minor changes being made to the lift station. It is anticipated that that will be completed soon and that the project will be online in the very near future.

**NEW BUSINESS**

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

**SOUTHWEST PORTION OF THE JOINT MEETING**

**CALL TO ORDER**

The Southwest portion of the joint meeting was also chaired by George E. Hamblin, Jr., who called the meeting to order.

**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:
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 Dursey and seconded by Southwest Director Sebastian 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 October 2020 in the aggregate amount of $156,652.21 represented by Southwest Check Nos. 20021 through 20049, 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 September 2020, Southwest did not purchase any treasury notes or agency securities. Southwest did, however, renew one certificate of deposit at Flatirons Bank on September 22, 2020 for 365 days in the amount of $145,000, which certificate bears interest at the rate of 0.3% per annum.

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

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

SOUTHWEST ACTION ITEMS

There were not action items to come before the Southwest Board.

SOUTHWEST INFORMATION/DISCUSSION ITEMS

1. Proposed 2021 Southwest Budget. To facilitate all Board members’ understanding, and in particular the Southwest Board members’ understanding of the Platte Canyon proposed 2021 budget, Vanessa Shipley provided a comprehensive budget overview. The overview included a review of the 2021 budget highlights. For 2021, Southwest anticipates total revenues of $1,868,590 and total expenses of $2,552,204. For
the year, expenditures will exceed revenues by $655,614. The shortfall will be funded from Southwest’s accumulated reserves.

For 2021, investment income is projected at $121,820, which is $372,000 less than the 2020 budget. The average yield on Southwest investments is projected to be .5% per annum. The Southwest budget assumes tap fees will remain at current levels; $7,000 per 3/4 equivalent water tap and $1,518 for a single-family residence or equivalent sewer tap. The system development fee revenue projection for Southwest of $170,360 includes the sale of a total of 20 water and sewer taps in the Wild Plum and Silver Leaf developments during 2021.

2. **Southwest Ten-Year Financial Plan.** The ten-year financial plan is prepared for purposes of complying with Southwest’s policy to annually review and establish an adequate level of cash reserves for operations, capital improvements, debt service and other needs prescribed by the Board of Directors to meet expected service levels and provide adequate resources for infrastructure repair and replacement. The ten-year financial plan projects that Southwest’s ending fund balance will be $23,708,020 in 2021, $21,271,744 in 2025, and $16,722,668 in 2030. To achieve these ending fund balances, significant increases are projected in Southwest’s infrastructure fee over the next 20 years; however as is the case with Platte Canyon, no increase in the infrastructure fee is currently proposed for 2021.

**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:

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<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>

The Chair then called for a vote of the Southwest Board, and the vote was as follows:
Whereupon, this joint regular meeting of the Platte Canyon and Southwest Boards of Directors adjourned at approximately 10:40 a.m. The next joint regular meeting of the Boards will be held on Friday, November 20, 2020, at 8:30 a.m. in the Districts’ office at 8739 W. Coal Mine Avenue, Littleton, Colorado 80123.

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