

RECORD OF PROCEEDINGS

MINUTES OF JOINT REGULAR MEETING

BOARD OF DIRECTORS

PLATTE CANYON WATER AND SANITATION DISTRICT

AND

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT¹

Friday
June 25, 2021
Jefferson County, Colorado

The regular joint 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, June 25, 2021, 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 Platte Canyon Directors were in attendance, to wit:

William D. Buckner
Anthony M. Dursey
Louis J. Fohn
George E. Hamblin, Jr.
Mark Swatek

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.

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

The following Platte Canyon staff members were physically in attendance in the boardroom: Cynthia Lane, Manager; Alyssa Quinn, Assistant Manager; Vanessa Shipley, Financial Administrator; Scott Hand, Operations Supervisor; and Tony Cocozzella, Construction Program Manager. Bridget Butterfield, Communications and Administrative Services Coordinator attended the meeting virtually from her office.²

Also, physically in attendance was Timothy J. Flynn, from Collins Cockrel & Cole, P.C., legal counsel for both Districts.

CALL TO ORDER

The meeting was called to order by Platte Canyon President, 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 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 Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Mark Swatek	Aye

PLATTE CANYON CONSENT AGENDA ITEMS

Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn to approve Platte Canyon Consent Agenda Items No. 1 and No. 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 June 2021, in the aggregate amount of \$559,656.72 represented by Platte Canyon check nos. 33748 thru 33790, inclusive, together with various electronic fund payments for employee salaries, utility payments and other vendors authorized to receive electronic payments.

2. Platte Canyon Investment/Deposit Transaction Report. During the month of May 2021, Platte Canyon did not purchase any treasury notes or agency securities nor did any agency securities or treasury notes mature or redeem. Further, Platte Canyon

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.

did not roll-over or renew any certificates of deposit. With respect to the Consent Agenda Items, 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
Mark Swatek	Aye

PLATTE CANYON ACTION ITEMS

There were no action items to come before the Platte Canyon Board.

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

George E. 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 Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Mark Swatek	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 ITEM

1. **Approval of the Minutes of the Boards' May 28, 2021 Joint Regular Meeting.** Following a brief discussion, a motion was made by Southwest Director Hause and seconded by Southwest Director Sebastian to approve the minutes of the Boards' May 28, 2021 joint regular meeting, as presented. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Mark Swatek	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

There were no action items to come before the joint 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 five-month period ending May 31, 2021, were presented to the Boards:

(i) Statement of Net Assets, dated May 31, 2021, showing Platte Canyon's Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the five-month period ending May 31, 2021;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the five-month period ending May 31, 2021; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the five-month period ending May 31, 2021.

Following 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
Mark Swatek	Aye

(b) **Southwest Financial Statements.** The following unaudited Southwest financial statements, prepared by Vanessa Shipley for the five-month period ending May 31, 2021, were presented to the Boards:

(i) Statement of Net Assets, dated May 31, 2021, showing Southwest’s Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the five-month period ending May 31, 2021;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the five-month period ending May 31, 2021; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the five-month period ending May 31, 2021.

Following review of Vanessa Shipley’s review of the Southwest 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 May 31, 2021, Platte Canyon’s investments and deposits totaled \$9,875,417.60, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$291,926.35	2.96%
Certificates of Deposit	\$744,000.00	7.53%
ColoTrust-Prime	\$0.00	0.00%
ColoTrust-Plus	\$1,110,710.93	11.25%
ColoTrust-Trust Account	\$1,773,910.55	17.96%
CSAFE-Core	\$3,452,716.62	34.96%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$1,002,153.15	10.15%
U.S. Government Agencies and Instrumentalities	<u>\$1,500,000.00</u>	<u>15.19%</u>
TOTAL	<u><u>\$9,875,417.60</u></u>	<u><u>100.00%</u></u>

The average yield on Platte Canyon’s investments for the month of May 2021, as calculated by staff, was 0.4770% 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 Investment/Deposit Report, 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
- Mark Swatek 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 May 31, 2021, Southwest’s investments and deposits totaled \$24,330,022.54, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$19,920.25	0.08%
Certificates of Deposit	\$494,000.00	2.03%
ColoTrust-Prime	\$0.00	0.00%
ColoTrust-Plus	\$5,304,604.93	21.80%
ColoTrust-Trust Account	\$4,554,130.27	18.72%
CSAFE-Core	\$8,955,213.94	36.81%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$1,002,153.15	4.12%
U.S. Government Agencies and Instrumentalities	\$4,000,000.00	16.44%
TOTAL	\$24,330,022.54	100.00%

The average yield on Southwest’s investments for the month of May 2021, as calculated by staff, was 0.3609% per annum.

Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Hause to accept the Southwest Investment/Deposit Report, 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 reviewed, as more particularly set forth below, the written management report dated June 2021. A copy of the management report was previously provided to each member of both Boards.

(a) **New Assistant Manager.** Cynthia Lane, Platte Canyon’s new manager announced that Alyssa Quinn has been hired as the new assistant manager for Platte Canyon. She noted that the Board and staff are very familiar with Alyssa, as she has worked for both Platte Canyon and Southwest for over twenty (20) years. Cynthia Lane noted that it was an extremely competitive process with candidates from the Division of Local Government, other local governments, other special districts, and the private sector applying. Each of the candidates brought a unique skill set to the position, but Alyssa was the only one with everything needed to successfully function as the assistant manager. Everyone welcomed Alyssa to her new position, and expressed their support and appreciation for her new role in serving both Platte Canyon and Southwest.

(b) **Construction Projects.** There was a brief discussion concerning Platte Canyon and Southwest's utilization of their respective websites and other social media platforms to inform their residents of ongoing and future construction projects. Cynthia Lane noted that Bridget Butterfield has worked well with all of the various platforms and has been very proactive in getting the Districts' message out over Facebook, the website, and even Next Door.

(c) **Property Tax Classification and Assessment Rates.** The manager briefly updated the Boards as to the impacts on Platte Canyon and Southwest of S.B.21-293, which was recently passed by both Houses of the Colorado Legislature and signed by the Governor. This Bill will reduce the tax assessment rates for real property including multi-family, residential, agricultural, and non-residential property. The reduction rate for residential property will decrease from the current 7.196% down to as low as 6.80%. Certain non-residential commercial property assessment rate will also be reduced to 21.40%. It was noted that the impact will not be for tax year 2022, but 2023, and that the impact will be reduced to the extent that property values are assessed at higher rates for that year.

3. Operations and Maintenance Summary Report. Scott Hand reviewed the Operations and Maintenance Summary Report dated May 2021. During the reporting period, neither Platte Canyon nor Southwest had any sanitary sewer service or water service interruptions.

In May, one (1) remedial repair was completed by C&L Water Solutions. C&L removed a broken sixteen-inch (16") butterfly valve on South Wadsworth Blvd and West Park Hill Avenue. The removed valve was replaced with a twelve-inch (12") gate valve that does not require a vault, and accordingly the cost of the remedial repair was less than if the sixteen-inch (16") butterfly valve was installed.

During May, David Williams and Ben Dorak attended virtual classes for Operator Certification and NASSCO Assessment, the latter being necessary to permit them to utilize some of the chemicals that both Districts use in treating roots in their sanitary sewer collection systems.

Insofar as capital equipment purchases are concerned, Scott Hand noted that the new vehicle for the manager was received. Funds for this purchase were included as part of the 2021 budget.

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. He also updated the Boards as to the status of the Valley Sanitation District Sewer Interceptor Project, which is nearing completion. Platte Canyon and Southwest projects that are in the design phase were also included as his report.

5. **ColoTrust EDGE Fund.** The manager reported that in July, a representative from ColoTrust will be in attendance to explain the features and advantages of a new local government investment pool, known as EDGE. The EDGE fund allows districts to earn a slightly higher rate of return on invested funds, because those funds are invested for a longer period of time. As a result, money invested in an EDGE fund will require at least a five day (5) written notice before a withdrawal can be made. The Boards will look forward to hearing the presentation scheduled for the July meeting.

6. **Consulting Services Agreement with Patrick J. Fitzgerald.** There was a brief discussion regarding the need, if any, to go into Executive Session to discuss a proposed Consulting Services Agreement between Platte Canyon and former manager, Patrick J. Fitzgerald. The Boards decided that an Executive Session was not necessary.

Following a brief discussion, concerning the terms and provisions of the Consulting Agreement, a motion was made by Platte Canyon Director Fohn, and seconded by Platte Canyon Director Buckner to approve the Agreement, and authorize its execution by appropriate representatives of Platte Canyon. The Chair called 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
Mark Swatek	Aye

The Southwest Board unanimously concurred in the Platte Canyon action.

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 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 Sebastian seconded by Southwest Director Hause to approve the Southwest 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

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 No. 1 and No. 2, as set forth below, by single motion:

7. Approval of Accounts Payable and Ratification of Interim Disbursements. The Southwest payables and supplemental payables for the month of June 2021, in the aggregate amount of \$249,268.96, represented by Southwest check nos. 20254 through 20278, 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 utilities and other authorized electronic fund payment vendors.

8. Southwest Investment/Deposit Transaction Report. During the month of May 2021, Southwest did not purchase any treasury notes or agency securities, further Southwest did not rollover or renew any certificates of deposit. With respect to Southwest Agenda Items No. 1 and No. 2, 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 no action items to come before the Southwest Board.

SOUTHWEST INFORMATION/DISCUSSION ITEMS

1. Update on Dutch Creek Inceptor Damage. Legal counsel advised the Boards that he has been unsuccessful in contacting Traveler’s Insurance claims adjuster, Tiffany Kirk. He will follow up immediately after the meeting. Mr. Flynn is hopeful that Traveler’s has decided to pay the claim submitted by both Southwest and Platte Canyon, as a result of damage to the Dutch Creek Inceptor caused by a public service company of Colorado boring contractor, Superior Underground.

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 Southwest Director Sebastian and seconded by Southwest Director Fohn. 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
Mark Swatek	Aye

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

Anthony M. Dursey	Aye
Kenton C. Ensor, Jr.	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, 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 regular joint meeting of the Boards will be held on Friday, July 23, 2021, at 8:30 a.m. in the District's office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123.

Respectfully submitted,

Timothy J. Flynn, Recording Secretary

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.

Mark Swatek