

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
February 25, 2022
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, February 25, 2022, 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 (by telephone)
Louis J. Fohn
George E. Hamblin, Jr.
Mark Swatek

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

Anthony M. Dursey (by telephone)
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: 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 by Microsoft Teams.²

Also, physically in attendance were Jonathan Adkins and Brad Dixon of Toll Brothers; Melinda Lundquist and John Gorman from Westwood Professional Services, the engineering consultants for Toll Brothers; James Laundry and Karl Kluge of RG & Associates, the consulting engineers for Southwest; and Timothy J. Flynn, from Collins Cole Flynn Winn & Ulmer, PLLC, legal counsel for both Districts.

SOUTHWEST VARIANCE HEARING

Before calling the Platte Canyon meeting to order, George E. Hamblin, Jr., Southwest's Secretary/Treasurer, called the Southwest meeting to order and presided as Chair.

The Southwest meeting was called to order for the purpose of hearing Toll Brothers' appeal of Southwest staff's denial of Toll Brothers' request for a variance from Southwest's sanitary sewer specifications insofar as those specifications pertain to Parkvue on The Platte. Parkvue on The Platte is a 393-unit residential townhome, and 258 apartment unit project Toll Brothers plans to develop within South Santa Fe Park. South Santa Fe Park is located within Southwest boundaries and is generally South of West Mineral Avenue and immediately adjacent to South Santa Fe Drive.

Following brief introductions of the Southwest Board members and of the individuals that will participate on behalf of Southwest and Toll Brothers in the variance hearing, the Chair asked Toll Brothers to proceed with the presentation of its case. Toll Brothers is asking for a variance from Southwest's engineering standards to allow the installation of approximately 5,400 linear feet of 10" sanitary sewer pipe at a grade of 0.35% to serve a major portion of the Parkvue project. Southwest's engineering standards require the installation of 8" sewer pipe at a grade of no less than 0.8%. The hearing was recorded on Microsoft Teams.

Jonathan Adkins from Toll Brothers presented Toll Brothers case for a variance which included written materials and a PowerPoint presentation, both of which were provided to the Southwest Board. A PDF of the PowerPoint presentation is attached to the original of these minutes as **Exhibit A**.

At the conclusion of Tolls Brothers case, Cynthia Lane, manager for Southwest presented Southwest's staff's position and urged the Board not to grant a variance from Southwest's engineering standards. Ms. Lane also presented written materials that were distributed to the Southwest Board at the same time the Toll Brothers' materials were

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.

distributed. The written materials provided by Southwest staff are attached to the original of these minutes as **Exhibit B**.

Each side was given the opportunity to make a brief rebuttal statement after each side had presented its case. At the conclusion of the presentations and the rebuttal statements, the Southwest Board asked questions of both sides regarding the need for a variance and the impact on Southwest if the variance were granted. During this question-and-answer portion of the hearing, a number of Southwest Directors indicated a desire for both sides to confer to see if it is possible to put together a plan for the Southwest sewer collection lines that would serve Parkvue on The Platte that would comply with Southwest's engineering standards. Specifically, it was the desire of these Directors to see if there was a way to configure the sewer collection system serving Parkvue on The Platte which would meet Southwest's engineering standards and allow Toll Brothers to be proceed with their development without having to bring in a significant quantity of fill material to meet the slope and percentage grade requirements contained in Southwest's engineering standards.

The Southwest Board made it clear that it does not want to accept any sanitary sewer lines serving this development that will require Southwest rate payers to incur additional maintenance costs and expense over and above those normally incurred by other developments of the same type and nature.

In summary, it was Toll Brothers' position that a 10" sewer line installed at a gradient of 0.35% complies with Southwest's standards and would allow for satisfactory sanitary sewer service to all the units within the proposed project. Southwest's staff position was that allowing sewer mains to be installed of that size and at that grade would increase the maintenance obligations of Southwest based upon recent experience in another development within Southwest. Southwest's staff believes that the granting of a variance will result in Southwest having to implement an accelerated maintenance program that would provide for at least quarterly maintenance of the sewer mains in Parkvue on The Platte, rather than the normal schedule of once every four (4) years.

Following the presentations and the questions by the Southwest Board, with the consent of Toll Brothers and Southwest staff, the Southwest Board continued the hearing until its March meeting, so that there was ample opportunity for the two sides to confer to see if they can develop a mutually acceptable solution.

At the conclusion of the hearing, but with the understanding that it was being continued until Southwest's March meeting, the Toll Brothers' representatives and the representatives from RG & Associates left the hearing room.

EXECUTIVE SESSION

Although an Executive Session was noticed on the agenda so that the Southwest Board could deliberate and consider the evidence produced at the variance hearing, no Executive Session was held.

CONTINUATION OF SOUTHWEST'S MEETING

At this time, it was the consensus of both Platte Canyon and Southwest Boards that even though the Platte Canyon meeting was scheduled to proceed first, it would be more convenient to proceed with the Southwest portion of the joint regular meeting. It was agreed that the Platte Canyon portion of the joint regular meeting would be conducted after the joint portion of this meeting. George E. Hamblin, Jr., continued to act as Chair of the Southwest meeting.

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 reorganized with the understanding that the Platte Canyon portion of the joint regular meeting would be conducted immediately following the joint portion of the meeting. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	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 Sebastian and seconded by Southwest Director Hause to approve Southwest Consent Agenda Items 1 and 2, as set forth below, by single motion:

1. Approval of Accounts Payable and Ratification of Interim Disbursements. The Southwest payables for February 2022 and supplemental payables for the month of January 2022, in the aggregate amount of \$226,199.52 represented by Southwest check nos. 20494 through 20520 inclusive, including any checks written by the manager pursuant to prior Board authorization for less than \$5,000, together with various electronic fund payments for utility and other authorized electronic fund payment vendors.

2. Southwest Investment/Deposit Transaction Report. The report reflects that on January 4, 2022, Southwest purchased a \$2,000,000 par value treasury note having a maturity date of December 15, 2024, a coupon rate of interest of 1% per annum for a discounted price of \$1,998,800. During the month of January 2022, Southwest did not have any treasury notes or agency securities mature or redeem not did any certificates of deposit rollover or renew.

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

Anthony M. Dursey	Aye
George E. Hamblin, Jr.	Aye

JOINT PARTICIPATION PORTION OF THE MEETING

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

APPROVAL OF JOINT MEETING AGENDA

A motion was made by Platte Canyon Director Buckner and seconded by Southwest Director Hause 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
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' January 28, 2022, Joint Regular Meeting.** Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Platte Canyon Director Swatek to approve the minutes of the Boards' January 28, 2022, 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
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 following the meeting, as further evidence of ratification, confirmation, and approval.

JOINT MEETING ACTION ITEMS

No action items came 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 one-month period ending January 31, 2022, were presented to the Boards:

(i) Statement of Net Assets, dated January 31, 2022, showing Platte Canyon's Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the one-month period ending January 31, 2022;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the one-month period ending January 31, 2022; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the one-month period ending January 31, 2022.

Following Vanessa Shipley's review of the Platte Canyon financial statements, during which she made mention of the variance that currently exists between budgeted and actual amounts spent for vehicle maintenance and equipment. At the conclusion of Vanessa Shipley's remarks, 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 one-month period ending January 31, 2022, were presented to the Boards:

(i) Statement of Net Assets, dated January 31, 2022, showing Southwest's Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the one-month period ending January 31, 2022;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the one-month period ending January 31, 2022; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the one-month period ending January 31, 2022.

Following Vanessa Shipley’s review of the Southwest financial statements, during which she discussed certain engineering back charges for RG & Associates with respect to the Santa Fe Park project, a motion to accept the Southwest financial statements, as presented was made by Southwest Director Sebastian and seconded by Southwest Director Hause. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
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 January 31, 2022, Platte Canyon’s investments and deposits totaled \$7,787,558.92, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$190,820.60	2.45%
Certificates of Deposit	\$744,000.00	9.55%
ColoTrust-Edge	\$1,722,595.38	22.12%
ColoTrust-Plus	\$191,960.83	2.46%
ColoTrust-Trust Account	\$31,399.47	0.40%
CSAFE-Core	\$628,644.16	8.07%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$2,774,380.24	35.63%
U.S. Government Agencies and Instrumentalities	\$1,503,758.24	19.31%
TOTAL	\$7,787,558.92	100.00%

The average yield on Platte Canyon’s investments for the month of January 2022, as calculated by staff, was 0.4754% 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
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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 investment pools. As of January 31, 2022, Southwest’s investments and deposits totaled \$24,808,331.17 itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$49,998.51	0.20%
Certificates of Deposit	\$494,000.00	1.99%
ColoTrust-Edge	\$4,294,071.98	17.31%
ColoTrust-Plus	\$429,942.98	1.73%
ColoTrust-Trust Account	\$44,283.85	0.18%
CSAFE-Core	\$2,532,887.96	10.21%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$10,963,145.89	44.19%
U.S. Government Agencies and Instrumentalities	\$6,000,000.00	24.19%
TOTAL	<u>\$24,808,331.17</u>	<u>100.00%</u>

The average yield on Southwest’s investments for the month of January 2022, as calculated by staff, was 0.6304% per annum.

Following a brief review, 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
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

2. **Management Report.** The manager briefly reviewed her written management report for the month of February 2022, a copy of which was previously provided to each member of both Boards. Her review consisted of an update as to the following items:

(a) **2022 District Goals.** The Board was apprised as to the status staff has been making with respect to implementing the 2022 District goals. Staff’s review of the rates, fees and charges for each District has not yet commenced, but work on that project is expected to start soon. In addition, staff will be starting in the near future to create a transparent performance evaluation system.

(b) **Update on Hogback Pump Station Maintenance.** The shut-down of the Hogback Pump Station to allow for maintenance activities is scheduled to occur on Wednesday night, March 2, 2022. Denver Water is on board as is the JeffCo Sherriff's Office, the Fire Department and 911. It is anticipated that the Pump Station will be shut down for about two (2) hours to allow the necessary updating and maintenance of the Pump Station to go forward. The Southwest Board will be kept apprised as to when the maintenance work starts and when it is completed.

3. **Miscellaneous Matters.** With respect to the balance of the written management report, the manager asked if there were any questions concerning the report. Due to the amount of time spent on the Toll Brothers' variance hearing, the manager elected to forego a detailed review of the management report unless there were specific questions. The Board had no questions.

4. **Operations and Maintenance Summary Report.** Scott Hand reviewed the Operations and Maintenance Summary Report for January 2022. He noted that during the reporting period, neither Southwest nor Platte Canyon had any sewer service interruptions. Southwest experienced no water service interruptions. Platte Canyon, however, experienced one water service interruption on January 28, 2022, at 6080 South Lamar Drive. This was caused by an electrolysis break on a six-inch (6") cast iron water main. Mr. Hand reviewed a PowerPoint presentation showing the repair work involved in fixing the break which was on a fire hydrant branch line. The work entailed replacing four feet (4') of ductile iron pipe, and significant damage was done to the asphalt and concrete surrounding the break, but no other private property was damaged.

Mr. Hand also noted that January was a relatively quiet month, and that all operations staff completed their first quarter cyber security training, held an exercise for bypass pumping dealing with the Centennial lift station, and received training on the new flatbed truck regarding safety, air compressor operation and safe use of the 4,000 lb. electronic crane.

5. **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 briefly mentioned again the capacity analysis that is being conducted in connection with the development that is occurring in the South Santa Fe and West Mineral Avenue corridors, including the proposed redevelopment of the Aspen Grove Lifestyle Center and the Toll Brothers projects that the Board heard information about earlier.

NEW BUSINESS

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

PLATTE CANYON PORTION OF THE JOINT MEETING

CALL TO ORDER

The Platte Canyon portion of the meeting was called to order by Platte Canyon's President, George E. Hamblin, who presided as Chair.

APPROVAL OF PLATTE CANYON AGENDA

A motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Swatek to approve, as presented, the Platte Canyon agenda with the understanding that the order in which the Platte Canyon agenda is being considered had been rearranged to accommodate the Toll Brothers variance hearing referred to earlier in the minutes. 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 Swatek 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 February 2022, in the aggregate amount of \$295,607.60, represented by Platte Canyon check nos. 34129 thru 34188, inclusive, including any checks for less than \$5,000 written by the manager pursuant prior to Board authorization, together with various electronic fund payments for employee salaries, utility payments and other authorized electronic fund vendors.

2. Platte Canyon Investment/Deposit Transaction Report. On January 5, 2022, Platte Canyon purchased a \$500,000 par value treasury note having a maturity date of January 31, 2023, a coupon rate of interest of 1.25% for a discounted price of \$498,595. Also, on January 5, 2022, Platte Canyon purchased a \$750,000 par value treasury note that matures January 15, 2024, has a coupon rate of interest of 1.25% per annum, for a yield to maturity of .74% per annum for a discounted purchase price of \$740,745. During the month, Platte Canyon did not have any agency securities or treasury notes mature or redeem. In addition, Platte Canyon did not roll-over or renew any certificates of deposit.

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 at this meeting.

PLATTE CANYON INFORMATION/DISCUSSION ITEMS

There were no Platte Canyon information or discussion items to come before the 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 Platte Canyon and Southwest Boards, a motion to adjourn was made by Southwest Director Hamblin and seconded by Platte Canyon Director Fohn.

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

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

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

Anthony M. Dursey	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 11:15 a.m. The next regular joint meeting of the Boards will be held on Friday, March 25, 2022, at 8:30 a.m. in the Districts' office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123.

Respectfully submitted,

Timothy J. Flynn, Recording Secretary

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

George E. Hamblin, Jr.

Anthony M. Dursey

Chuck Hause

Louis J. Fohn

Bernard J. Sebastian, Jr.

George E. Hamblin, Jr.

Mark Swatek