MINUTES OF JOINT REGULAR MEETING
BOARD OF DIRECTORS
PLATTE CANYON WATER AND SANITATION DISTRICT
AND
SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

Friday
October 28, 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, October 28, 2022, at 8:30 a.m. in the Districts’ office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123. Due to COVID-19 and related virus concerns and for purposes of convenience, the meeting was also conducted virtually using Microsoft Teams. Any Board member who could not or was not comfortable physically attending, could attend by telephone or virtually. 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
George E. Hamblin, Jr.
Chuck Hause
Samuel Rivas, Jr.
Bernard J. Sebastian, Jr.

1 and each District’s Water and Sanitary Sewer Activity Enterprise.
The following Platte Canyon staff members were in attendance: Cynthia Lane, manager; Alyssa Quinn, assistant manager; Vanessa Shipley, financial administrator; Scott Hand, operations supervisor; and Tony Cocozzella, construction program manager. The following Platte Canyon staff members attended virtually: Bridget Butterfield, communications and administrative services coordinator; Adam Morris, GIS/Website/IT Technician.

Also, in attendance were Karen Morgan, a representative from the Green Mountain Water and Sanitation District, who wanted to observe the proceedings; and Timothy J. Flynn, from Collins Cole Flynn Winn & Ulmer, PLLC, legal counsel for both Districts.

CALL TO ORDER

The Platte Canyon portion of the joint 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 the Platte Canyon agenda, as presented. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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<table>
<thead>
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</thead>
<tbody>
<tr>
<td>William Buckner</td>
<td>Aye</td>
</tr>
<tr>
<td>Anthony M. Dursey</td>
<td>Aye</td>
</tr>
<tr>
<td>Louis J. Fohn</td>
<td>Aye</td>
</tr>
<tr>
<td>George E. Hamblin, Jr.</td>
<td>Aye</td>
</tr>
<tr>
<td>Mark Swatek</td>
<td>Aye</td>
</tr>
</tbody>
</table>

PLATTE CANYON CONSENT AGENDA

Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Swatek 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 October 2022, in the aggregate amount of $546,677.95 represented by Platte Canyon check numbers 34488 through 34539 inclusive, including any checks for less than $5,000 written by the manager pursuant to prior Board authorization, together with various electronic fund payments for employees’ salaries, utilities, and other authorized electronic fund payment vendors.

2. **Platte Canyon Investment/Deposit Transaction Report.** On September 22, 2022, Platte Canyon renewed a one-year certificate of deposit in the amount of $145,000 at

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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.
Flatirons Bank, that matures September 22, 2023, and earns interest at the rate of 2.25% per annum. During the month Platte Canyon did not purchase or sell any treasury notes or other securities, and no securities matured or were redeemed.

With respect to the above referenced Consent Agenda Items No. 1 and No. 2, 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**

1. **Draft 2023 Budget.** Vanessa Shipley provided a comprehensive overview of Platte Canyon’s proposed 2023 budget. The overview included identification of the 2023 budget highlights. For 2023, Platte Canyon anticipates total revenue of $4,887,593.00 and total expenses of $4,659,558.00 resulting in an estimated surplus for the year of $228,035.00. This will increase Platte Canyon’s reserves from $8,752,632.00 to $8,980,667.00.

For 2023, property and specific ownership tax revenue is projected to be $2,140,413.00. The property tax mill levy will remain the same at 7.104 mills. Property tax and specific ownership tax revenue represents 43.8% of total Platte Canyon revenue.

The review of the budget also included a review of the amount budgeted for employee wages and salaries for 2023. The draft budget contemplates an increase in the amount budgeted for wages and salaries from 2022 by 7% to recognize the rate of inflation within the economy and labor conditions which are quite tight. The 7% increase was recommended by the Compensation Committee which consists of Platte Canyon Directors Swatek and Buckner and Southwest Director Sebastian. The 7% recommendation was based upon an extensive review of employment data provided by Employers Council. However, after discussing the matter in detail, the members of both Boards concurred that the amount allocated for wages and salaries in the draft 2023 budget should be increased by 8% over the amount budgeted in the 2022 budget. The amount of money budgeted for wage increases goes into a pot that the manager then allocates between employees based upon her evaluation of their performance and other criteria during calendar year 2022.

For calendar year 2023, Vanessa Shipley noted that proposed capital expenditures are $1,337,987.00 which is $1,313,686.00 less than the $2,651,644.00 budgeted in calendar year 2022. A brief review of the Capital Projects Plan for calendar year 2023 was included in the budget materials provided to the Board members.

Platte Canyon’s budget also incorporates the budget for Subdistrict No. 1 and Subdistrict No. 2. Both Subdistrict budgets are for the purpose of meeting debt service
obligations. Vanessa Shipley noted that Subdistrict No. 1’s debt will be paid off in calendar year 2026, and Subdistrict No. 2’s debt will be paid in calendar year 2028. The amount budgeted for each Subdistrict is sufficient to satisfy the debt service requirements for each Subdistrict during calendar year 2023.

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 operation, capital improvements, debt service and any other needs prescribed by the Platte Canyon 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 $8,752,632.00 at the end of calendar year 2022, the fund balance is projected to increase to $8,980,667.00 at the end of calendar year 2023. Over the ten-year planning period, the reserve fund balance is projected to decrease to $4,884,089.00.

Platte Canyon has significant capital expenditures anticipated in the next couple of years due to the age of its water and sewer systems. To adequately fund these expenses and to maintain adequate reserves, the Platte Canyon Board directed staff to consider a rate increase for 2023 and provide information as to staff position as to whether the reserve fund balance as previously approved by Platte Canyon are adequate.

3. **Approval of Professional Engineering Services Agreement with RG & Associates.** Tony Cocozzella reviewed with the Platte Canyon Board a proposed Professional Engineering Services Agreement with RG & Associates for engineering, design and project management services for Platte Canyon’s water main replacement project in Depew Street between West Canyon Trail and West Ken Caryl Avenue. The Agreement provides that the total compensation to RG & Associates will not exceed $69,360.00.

Following Mr. Cocozzella’s review, a motion to approve the Agreement and to authorize its execution by appropriate officers of the Platte Canyon Board was made by Platte Canyon Director Swatek and seconded by Platte Canyon Director Buckner. 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 INFORMATION/DISCUSSION ITEMS**

There were no information or discussion items to come before this meeting of the Platte Canyon Board.
NEW BUSINESS

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

JOINT PARTICIPATION OF THE MEETING

George E. Hamblin, Jr., Platte Canyon’s President continued to act as Chair of the joint participation portion of the meeting.

APPROVAL OF JOINT MEETING AGENDA

A motion was made by Platte Canyon Director Dursey and seconded by Southwest Director Sebastian 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 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
Samuel Rivas, Jr.  Aye
Bernard J. Sebastian, Jr.  Aye

JOINT MEETING CONSENT AGENDA

1. **Approval of the Minutes of the September 23, 2022, Joint Regular Meeting.** Following a brief discussion, a motion was made by Southwest Director Hause and seconded by Platte Canyon Director Buckner to approve the minutes of the Boards’ September 22, 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 the Southwest Board, and the vote was as follows:

Anthony M. Dursey  Aye
George E. Hamblin, 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. **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, 2022, were presented to the Boards:

   (i) Statement of Net Assets, dated September 30, 2022, showing Platte Canyon’s Assets, Liabilities, and Net Assets; and

   (ii) Statement of Revenue, Expenses and Net Assets for the nine-month period ending September 30, 2022; and

   (iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the nine-month period ending September 30, 2022; 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, 2022.

   Vanessa Shipley noted those line items that had a significant variance from the adopted budget and explained the reasons for the variance to the Boards. Following Vanessa Shipley’s 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:

   Chuck Hause Aye
   Samuel Rivas, Jr. 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.

   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 nine-month period ending September 30, 2022, were presented to the Boards:

   Chuck Hause Aye
   Samuel Rivas, Jr. 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.

   William Buckner Aye
   Anthony M. Dursey Aye
   Louis J. Fohn Aye
   George E. Hamblin, Jr. Aye
   Mark Swatek Aye
(i) Statement of Net Assets, dated September 30, 2022, 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, 2022;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the nine-month period ending September 30, 2022; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for nine-month period ending September 30, 2022.

Again, Vanessa Shipley noted the various line items that had a significant variance from the adopted budget and explained the reasons therefore. At the conclusion of the Southwest financial statements, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Rivas, 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
- George E. Hamblin, Jr.: Aye
- Chuck Hause: Aye
- Samuel Rivas, Jr.: 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 September 30, 2022, Platte Canyon’s investments and deposits totaled $10,039,167.56 itemized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking</td>
<td>$216,162.83</td>
<td>2.15%</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>$495,000.00</td>
<td>4.93%</td>
</tr>
<tr>
<td>ColoTrust-Edge</td>
<td>$726,963.18</td>
<td>7.24%</td>
</tr>
<tr>
<td>ColoTrust-Plus</td>
<td>$1,930,007.32</td>
<td>19.22%</td>
</tr>
<tr>
<td>ColoTrust-Trust Account</td>
<td>$15,344.35</td>
<td>0.15%</td>
</tr>
<tr>
<td>CSAFE-Core</td>
<td>$381,699.54</td>
<td>3.80%</td>
</tr>
<tr>
<td>Treasury Bills</td>
<td>$0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>Treasury Notes</td>
<td>$4,770,815.95</td>
<td>47.52%</td>
</tr>
<tr>
<td>U.S. Government Agencies and</td>
<td>$1,503,174.39</td>
<td>14.97%</td>
</tr>
<tr>
<td>Instrumentalities</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$10,039,167.56</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
The average yield on Platte Canyon’s investments for the month of September 2022, as calculated by staff, was 1.5121% per annum.

Following a brief discussion, a motion was made by Platte Canyon Director Swatek 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 investment pools. As of September 30, 2022, Southwest’s investments and deposits totaled $25,205,323.49, itemized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking</td>
<td>$5,497.90</td>
<td>0.02%</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>$494,000.00</td>
<td>1.96%</td>
</tr>
<tr>
<td>ColoTrust-Edge</td>
<td>$2,305,104.58</td>
<td>9.15%</td>
</tr>
<tr>
<td>ColoTrust-Plus</td>
<td>$1,423,948.96</td>
<td>5.65%</td>
</tr>
<tr>
<td>ColoTrust-Trust Account</td>
<td>$17,482.36</td>
<td>0.07%</td>
</tr>
<tr>
<td>CSAFE-Core</td>
<td>$538,183.06</td>
<td>2.14%</td>
</tr>
<tr>
<td>Treasury Bills</td>
<td>$0.00</td>
<td>0.00%</td>
</tr>
<tr>
<td>Treasury Notes</td>
<td>$14,421,106.63</td>
<td>57.21%</td>
</tr>
<tr>
<td>U.S. Government Agencies and Instrumentalities</td>
<td>$6,000,000.00</td>
<td>23.80%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$25,205,323.49</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

The average yield on Southwest’s investments for the month of September 2022, as calculated by staff, was 1.4495% per annum.

Following a brief discussion, a motion was made by Southwest Director Dursey 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
- Samuel Rivas, Jr.  Aye
- Bernard J. Sebastian, Jr.  Aye
INFORMATION/DISCUSSION ITEMS

1. Management Report. The manager referred the members of each Board to her written management report for the month of September 2022, a copy of which was included in the meeting packet. In addition to answering questions concerning her report, the manager had the following additional updates:

(a) Denver Water Rates for 2023. On October 12, 2022, the Denver Board of Water Commissioners adopted new water rates that will take effect January 1, 2023. For Read and Bill customers like Southwest and Platte Canyon the volumetric rate increase is approximately 1.1%. The fixed monthly charge for a ¾” meter will be $17.90 per month, the volumetric charge for Read and Bill districts like Southwest and Platte Canyon will be $2.75 per thousand gallons for the first tier; $4.95 for the second tier; and $6.95 for the third tier. It was noted that the rate increase is in part necessary to help finance Denver Water’s significant capital projects that are now ongoing including the expansion of Gross Reservoir, the Lead Reduction Program and the North Water Treatment Plant expansion.

(b) Englewood/Littleton Connector Agreements. The manager noted that the City of Englewood is in the process of scheduling times to discuss with its various connector districts to South Platte Renew, their Connector Agreements which have not been revised for many years. Jason Mumm is the consultant who is working on this project. The manager does not expect any significant changes to the Connector Agreements. It was noted that Englewood is intended to adopt a more rigorous industrial pre-treatment control program.

It was also noted that the South Platte Renew Wastewater Treatment Plant experienced a significant upset as a result of a large amount of chemicals that should have been pretreated being discharged into the wastewater treatment plant. The City of Englewood is in the process of investigating to determine the source and cause of the problem.

(c) Potential Rail Strike. There is a possibility that there will be a national rail strike in the near future. If this occurs, it could have a significant impact on the availability of chemicals that are necessary for the treatment of both water and wastewater. This will not directly affect either Platte Canyon or Southwest, however it could have effect on both Englewood and/or Denver Water’s ability to obtain the necessary chemicals for the treatment plants they operate.

2. Operations and Maintenance Summary Report. Scott Hand reviewed the Operations and Maintenance Summary Report for September 2022. During the reporting period neither Platte Canyon nor Southwest experienced any sewer service interruptions. Southwest did not experience any water service interruption. Platte Canyon, however, experienced two water service interruptions. One on September 13, 2022 at 7501 South Platte Canyon Road, and the other on September 19, 2022 at 6229 West Chestnut Avenue. The first incident was the result of a corrosion failure at a manhole and the other was the result of electrolysis on a 6” cast iron pipe. Mr. Hand explained the repair activities that were undertaken in order to restore service to Platte Canyon’s customers.
During September C&L Water Solutions completed remedial repair of three water line valves. All remedial repair funds have been expended for the calendar year 2022. As a result, no further remedial repairs will be conducted until next year for both Platte Canyon and Southwest.

With respect to capital purchases, Mr. Hand reported that as of today’s meeting the District had not received any capital equipment items that had been ordered. The valve operator and sewer cleaning equipment are expected to arrive, however, before the end of October 2022.

3. **Capital Projects Report.** Tony Cocozzella reviewed the Capital Projects Report for Platte Canyon and Southwest for the month of September 2022. As part of his report, Mr. Cocozzella updated the Boards as to the status of all ongoing Platte Canyon and Southwest projects, including developer projects and District-specific projects. Currently there are thirteen development projects underway. His report also gave a budget to actual comparison to the costs incurred by the District in a number of the Districts capital sanitary sewer and water main replacement projects that are scheduled for this year.

**NEW BUSINESS**

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

**SOUTHWEST PORTION OF THE JOINT MEETING**

**CALL TO ORDER**

The Southwest portion of the joint meeting was called to order by Southwest President, Chuck Hause, who presided as Chair.

**APPROVAL OF SOUTHWEST AGENDA**

Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Dursey 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
- George E. Hamblin, Jr.: Aye
- Chuck Hause: Aye
- Samuel Rivas, Jr.: Aye
- Bernard J. Sebastian, Jr.: Aye

**SOUTHWEST CONSENT AGENDA**

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

1. **Ratification of Interim Disbursements and Approval of Current Payables.** Southwest payables and supplemental disbursements for the month of October 2022, in the aggregate amount of $546,677.95, represented by Southwest check numbers 34488 through 34539, inclusive, including any checks for less than $5,000 written by the manager pursuant to prior Board authorization, together with various electronic fund payments for utility and other authorized electronic fund payment vendors.

2. **Southwest Investment/Deposit Transaction Report.** During the month of September 2022, Southwest purchased a $1,000,000 par value treasury note having a maturity date of September 15, 2023, a face rate of interest of 0.125% per annum for a discounted price of $963,700. The one-year treasury note has a yield to maturity of 3.860% per annum. During the month, Southwest did not have any treasury notes or other agency securities redeem or mature, nor did Southwest sell any securities. On September 22, 2022, Southwest renewed a $145,000 certificate of deposit at Flatirons Bank for one year having a maturity date of September 22, 2023, and an interest rate of 2.25% per annum.

With respect to the above referenced Consent Agenda Items, 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
- Samuel Rivas, Jr.: Aye
- Bernard J. Sebastian, Jr.: Aye

**SOUTHWEST ACTION ITEMS**

1. **Draft 2023 Budget.** Vanessa Shipley provided a comprehensive overview of Southwest’s proposed 2023 budget. The overview included a review of the 2023 budget highlights. For 2023, Southwest anticipates total revenue of $2,754,340.00 and total expenses of $4,449,763.00 resulting in expenses exceeding revenues by approximately $1,695,423.00. It was noted that this deficient however, is primarily for capital projects and that money for those capital projects is in Southwest’s ending fund balances which are significant.

At the present time, the water and sewer service fee is projected to remain at $12.00 per month per ¾” equivalent tap. Revenue provided from water and sewer services fees is projected to be $2,224,600.00 which is $351,903 less than 2023 operating expenses. Net investment income for 2023 is projected to be $297,900.00 based upon an average yield of 1.25% per annum.

For calendar year 2023, Vanessa Shipley noted that proposed capital expenditures are projected to be $1,873,200.00 which is $419,640.00 more than budgeted in calendar year
2022. A brief review of the Capital Projects Plan for calendar year 2023 was included in the budget materials provided to Board members.

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 operation, capital improvements, and any other needs prescribed by the Southwest 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 $23,816,118.00 at the end of calendar year 2022. The fund balance is projected to decrease in 2023, but then increase through 2029. Beginning in 2030, Southwest’s ending fund balance is projected to start decreasing.

Southwest does not have significant capital expenditures anticipated in the next couple of years because its water and sewer systems are much younger than those of the Platte Canyon District. There was a general discussion concerning the need to consider both Platte Canyon and Southwest’s tap fees over the next couple of years to adequately fund anticipated capital expenditures. Staff will provide a five-year financial plan that will examine into greater detail both Southwest’s and Platte Canyon’s upcoming capital expenditures and the resources available to each District for funding those expenditures.

**SOUTHWEST INFORMATION/DISCUSSION ITEMS**

There was 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. It was noted however, that the next meeting is scheduled for Friday, November 18, 2022. This will be Southwest’s budget meeting and hopefully for that reason, it is important that both Boards have a quorum present to adopt their respective 2023 budgets. Also, at that time, both Boards will consider any necessary fee increases for calendar year 2023.

**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 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>William Buckner</td>
<td>Aye</td>
</tr>
<tr>
<td>Anthony M. Dursey</td>
<td>Aye</td>
</tr>
<tr>
<td>Louis J. Fohn</td>
<td>Aye</td>
</tr>
<tr>
<td>George E. Hamblin, Jr.</td>
<td>Aye</td>
</tr>
<tr>
<td>Mark Swatek</td>
<td>Aye</td>
</tr>
</tbody>
</table>

Whereupon, this joint regular meeting of the Platte Canyon and Southwest Boards of Directors adjourned at approximately 10:25 a.m. The next regular joint meeting of the Boards will be held on Friday, November 18, 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

**SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT**

__________________________________
Anthony M. Dursey

__________________________________
George E. Hamblin, Jr.

__________________________________
Chuck Hause

__________________________________
Bernard J. Sebastian, Jr.

__________________________________
Samuel Rivas, Jr.

**PLATTE CANYON WATER AND SANITATION DISTRICT**

__________________________________
William D. Buckner

__________________________________
Anthony M. Dursey

__________________________________
Louis J. Fohn

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George E. Hamblin, Jr.

__________________________________
Mark Swatek