

## RECORD OF PROCEEDINGS

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**MINUTES OF JOINT REGULAR MEETING**  
**BOARD OF DIRECTORS**  
**PLATTE CANYON WATER AND SANITATION DISTRICT**  
**AND**  
**SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT**<sup>1</sup>

Friday  
February 24, 2023  
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 24, 2023, 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 (by telephone)  
Louis J. Fohn  
George E. Hamblin, Jr.  
Mark Swatek (by Teams)

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

Anthony M. Dursey (by telephone)  
George E. Hamblin, Jr.  
Chuck Hause  
Samuel Rivas, Jr. (by Teams)  
Bernard J. Sebastian, Jr.

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<sup>1</sup> and each District’s Water and Sanitary Sewer Activity Enterprise.

The following Platte Canyon staff members were physically in attendance: Cynthia Lane, manager; Vanessa Shipley, financial administrator; Scott Hand, operations supervisor; Tony Cocozzella, construction program manager. Bridget Butterfield, communications and administrative services coordinator; and Adam Morse, GIS/Website/IT technician, both attended the meeting virtually via Microsoft Teams.

Also in attendance were Timothy J. Flynn, from Collins Cole Flynn Winn & Ulmer, PLLC, legal counsel for both Districts, and George Oamek, Ph.D. from Honey Creek Resources, Inc. who attend a portion of the Platte Canyon meeting.

### **CALL TO ORDER**

The meeting was called to order by Platte Canyon’s President, George E. Hamblin Jr., who presided as Chair.

### **APPROVAL OF PLATTE CANYON AGENDA**

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**

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 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 January 2023, in the aggregate amount of \$252,129.04, represented by Platte Canyon check nos. 34681 thru 34723, 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 employee salaries, utility payments and other authorized electronic fund vendors.

**2. Platte Canyon Investment/Deposit Transaction Report.** During the month of January 2023, Platte Canyon did not purchase any treasury notes or agency securities.

On January 31, 2023 a \$500,000 treasury note matured, generating a total of \$500,000 in principal proceeds to Platte Canyon, plus accrued interest. Platte Canyon did not roll over or renew any certificates of deposit during January.

With respect to Consent Agenda Items 1 and 2 above, 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 Platte Canyon action items to come before the Board.

### **PLATTE CANYON INFORMATION/DISCUSSION ITEMS**

**1. Preliminary Discussion Regarding Platte Canyon Water and Sanitary Sewer Tap Fees.** George Oamek, Ph.D. from Honey Creek Resources, Inc. reviewed with the Boards a PowerPoint presentation regarding Platte Canyon’s water and sewer tap fees. He briefly reviewed the two (2) methods of calculating tap fees which are a straight buy-in method, and a method that includes a component for growth. Noting that Platte Canyon is primarily built-out, it is his recommendation that Platte Canyon utilize the straight buy-in method for determining its water and sewer tap fees. The Platte Canyon Board was not asked to take any action on this matter at this time. Mr. Oamek’s recommendation is that Platte Canyon increase its water tap fee from \$2,367 per single-family residential equivalent tap to \$2,953 and to increase the Platte Canyon existing sanitary sewer tap fee from \$1,341 per single-family residential equivalent tap to \$1,515.

After answering a number of questions from the Platte Canyon Board, Mr. Oamek, who appeared virtually, left the meeting. The matter of Platte Canyon tap fee increases will be on the Platte Canyon portion of the Board’s March meeting, at which time the Platte Canyon Board may take final action with respect to the adoption of new tap fees for the balance of calendar year 2023.

**2. Discussion of SRF Loan for Water Main Replacement Projects.** Cynthia Lane reviewed with the Platte Canyon Board a comprehensive memo she prepared regarding the technical issues, process, and funding alternatives to Platte Canyon’s proposed cast iron pipe water main replacement project, estimated to cost approximately \$18,000,000. She noted that a primary source of funds is the State Revolving Fund and she included a description of the process for applying to the State Revolving Fund which is administered by the Colorado Water Resources and Power Development Authority. The

process includes an application procedure, executive summary, system structure and operation report, project purpose and need analysis, existing facility analysis, facility planning analysis, assessment of alternatives, and selected alternatives. Platte Canyon staff is in the process of developing the various documents that are needed to submit an application to the Water and Power Resources Authority. As a part of the application process, Platte Canyon will need to perform an environmental determination and possibly a state historical preservation office review. There will be various public hearings required, as well as preparation of plans and specifications for the Project, all of which must comply with state and federal law. It was noted that all contracts will need to comply with all federal construction contract requirements including Davis-Bacon and prevailing wage law requirements. The Board was also given an overview of the interest rates that could be expected from a loan provided by the Water Resources and Power Development Authority.

Alan Matlosz from Stifel Nicolaus's Public Finance Department reviewed with the Platte Canyon Board the process of going to the municipal bond market for purposes of obtaining \$18,000,000 to finance Platte Canyon's water line rehabilitation projects through the issuance of either a revenue bond or a general obligation bond. The Platte Canyon Board reviewed sample ballot questions prepared by legal counsel and bond counsel for both a general obligation debt as well as a revenue debt. The advantage to seeking voter authorization to issue a revenue bond is that the voters are not asked at the beginning of the question to increase the District's property tax mill levy. The disadvantage to financing the project utilizing a revenue bond is that Platte Canyon would need to increase its monthly water and sewer service fee in order to generate sufficient revenue to pay back the revenue bond.

The discussion lasted for approximately forty-five (45) minutes and the Board felt Mr. Matlosz's presentation was very helpful. No formal action was taken by the Platte Canyon Board, although it was noted that given recent interest rate increases, the cost of such a bond issue may now be out of the reach of Platte Canyon and the Board would go back to doing the rehabilitation project on a phased basis. This matter will be discussed further by the Platte Canyon Board at future meetings.

### **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. acted as Chair of and called the joint participation portion of the meeting to order.

**APPROVAL OF JOINT MEETING AGENDA**

Following a brief discussion, a motion was made by Southwest Director Sebastian, Jr. 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
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 Boards’ January 27, 2023 Joint Regular Meeting.** Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Hause to approve the minutes of the Boards’ January 27, 2023 joint regular meeting, as written. 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
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 following the meeting, 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 one-month period ending January 31, 2023, were presented to the Boards:

(i) Statement of Net Assets, dated January 31, 2023, 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, 2023;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the twelve-month period ending January 31, 2023; 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, 2023.

Vanessa Shipley reviewed the financial statements, noting those areas where expenditures were higher than what was budgeted for this time of year. It is anticipated that those expenditures that are unusually high, will even out as the year proceeds.

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:

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, 2023, were presented to the Boards:

(i) Statement of Net Assets, dated January 31, 2023, 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, 2023;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the one-month period ending January 31, 2023; 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, 2023.

During Vanessa Shipley’s review of the financial statements, she noted the engineering back charges that are high because of the significant expense Southwest is incurring with respect to the Santa Fe Park project.

At the conclusion of Vanessa Shipley’s review of the financial statements, a motion was made by Southwest Director Hause and seconded by Southwest Director Sebastain 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 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, 2023, Platte Canyon’s investments and deposits totaled \$9,391,222.89 itemized as follows:

[TABLE OF FIGURES TO FOLLOW]

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$237,575.97	2.53%
Certificates of Deposit	\$495,000.00	5.25%
ColoTrust-Edge	\$737,837.04	7.86%
ColoTrust-Plus	\$1,225,416.37	13.05%
ColoTrust-Trust Account	\$529,698.14	5.64%
CSAFE-Core	\$386,776.60	4.12%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$4,276,041.14	45.53%
U.S. Government Agencies and Instrumentalities	\$1,502,877.63	16.00%
TOTAL	<u>\$9,391,222.89</u>	<u>100.00%</u>

The average yield on Platte Canyon’s investments for the month of January 2023, as calculated by staff, was 2.1861% 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 investment pools. As of January 31, 2023, Southwest’s investments and deposits totaled \$24,651,391.30 itemized as follows:

[TABLE OF FIGURES TO FOLLOW]



<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$70,138.59	0.28%
Certificates of Deposit	\$494,000.00	2.00%
ColoTrust-Edge	\$1,332,645.53	5.41%
ColoTrust-Plus	\$1,665,255.06	6.76%
ColoTrust-Trust Account	\$100,547.55	0.42%
CSAFE-Core	\$545,341.08	2.21%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$14,439,463.50	58.57%
U.S. Government Agencies and Instrumentalities	\$6,000,000.00	24.34%
TOTAL	<u>\$24,651,391.30</u>	<u>100.00%</u>

The average yield on Southwest’s investments for the month of January 2023, as calculated by staff, was 1.7323% per annum.

Following a brief discussion, a motion was made by Southwest Director Hause and seconded by Southwest Director Sebastian, Jr. 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

2. **Management Report.** Following a general overview of and after answering questions regarding the Management Report, the manager reported to the Boards as follows:

(a) **May 2, 2023 Board of Directors Elections.** Platte Canyon’s May 2, 2023 Board of Directors election will be cancelled and Board members Bill Buckner and Mark Swatek, who filed self nominating forms, will each be deemed elected to serve a new four-year term beginning in May of 2023.

Southwest recently received a self-nomination form from Donald Rosier. As a result, Southwest will have an election with Directors Samuel Rivas, Chuck Hause, and recently announced candidate Donald Rosier running for the two (2) seats that are up for election in May 2023. Southwest has not budgeted for an election and so it is now gearing up for that process. The next step in the process will be the lot drawing to determine the order in which the candidates names will appear on the ballot.

(b) **Platte Canyon Operator Position Filled.** The remaining Platte Canyon Operator position has been filled and Platte Canyon is now fully staffed. Staff is pleased with the person who accepted the position and looks forward to onboarding him and incorporating him into Platte Canyon’s operations in the very near future.

**3. Operations and Maintenance Summary Report.** Scott Hand reviewed the Operations and Maintenance Summary Report for January 2023. During the reporting period, neither Platte Canyon nor Southwest experienced sanitary sewer service interruptions. Platte Canyon experienced three (3) water service interruptions. The first one occurred on January 2<sup>nd</sup> and 3<sup>rd</sup> at 6855 South DePew Street. The second one was on January 16<sup>th</sup> at 7570 West Coal Mine Avenue. The third service interruption was also on January 16<sup>th</sup> at 6327 West Portland Avenue. Some of these breaks appeared on the cast iron pipe that Platte Canyon is intending to replace in the near future.

Southwest experienced a water line break on January 17<sup>th</sup> at 6920 South Milner Street on an 8” asbestos cement pipe. Mr. Hand provided a PowerPoint presentation showing the repair activities that occurred to fixing all of these breaks in both Districts.

It was also noted that during January, Platte Canyon staff attended training on the new locator software “Locator Logix” that will be used to manage the locator tickets that Platte Canyon receives from CO811. Staff also attended training on the new treatment chemical equipment. The District’s root treatment activities in the sanitary sewer collection systems have resumed.

**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, as well as those projects that are in the design phase.

### **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’s President, Chuck Hause, who presided as Chair.

## APPROVAL OF SOUTHWEST AGENDA

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

**1. Ratification of Interim Disbursements and Approval of Current Payables.** Southwest payables and supplemental disbursements for February 2023, in the aggregate amount of \$186,047.90 represented by Southwest check no's. 20824 through 20851 inclusive, including checks written by the manager for less than \$5,000 pursuant to prior Board authorization, as well as various electronic fund payments for utilities and other authorized electronic fund payment vendors.

**2. Southwest Investment/Deposit Transaction Report.** During the month of January 2023, Southwest did not purchase any new investment securities, nor were any Southwest investment securities redeemed, sold, or mature. In addition, no certificates of deposit were renewed or rolled over.

With respect to the above referenced consent 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

There were no Southwest action items to come before the Southwest Board.

**SOUTHWEST INFORMATION/DISCUSSION ITEMS**

There were no information or discussion items to come before the Southwest Board at this meeting.

**SOUTHWEST NEW BUSINESS**

There was no new business to come before the Southwest Board at this meeting.

**ADJOURNMENT OF PLATTE CANYON MEETING**

Noting that the Southwest Board is going to go into Executive Session and that the Platte Canyon Board members were not going to stay for that Executive Session, the Chair of the Platte Canyon Board noted that the Platte Canyon meeting would adjourn at the same time the Southwest meeting adjourned following the Southwest Board’s Executive Session.

**EXECUTIVE SESSION**

Following a brief discussion, a motion was made by Southwest Director Sebastian Jr. and seconded by Southwest Director Hamblin to go into Executive Session, pursuant to Section 24-6-402(4)(f) C.R.S for the purpose of instructing negotiators regarding the South Santa Fe Park project development agreements.

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

At this point in the meeting, all of the Platte Canyon Directors left the meeting. Present during the Executive Session were the five (5) Southwest Directors, Timothy Flynn, the District’s legal counsel, Southwest’s manager, Cynthia Lane, Southwest construction project manager Tony Cocozzella, and the other Platte Canyon staff members. The Executive Session was entered at approximately 10:00 a.m.

The Executive Session was recorded, as required by law. At approximately 10:30 a.m. the Southwest Board returned to Open Public Meeting. Following a brief discussion, the Southwest Board authorized the manager and staff to continue discussions with representatives from Toll Brothers regarding the expansion of certain Southwest sanitary sewer facilities that is needed in order for Southwest to provide sanitary sewer service to the South Santa Fe Park development.

## ADJOURNMENT

There being no further business to come before the joint regular meeting of the Platte Canyon and Southwest Boards, a motion to adjourn the Southwest meeting was made by Southwest Director Sebastian Jr. and seconded by Southwest Director Hamblin. It was noted that pursuant to prior discussion, the Platte Canyon Board meeting would also adjourn at the same time. 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

Whereupon, this joint regular meeting of the Platte Canyon and Southwest Boards of Directors adjourned at approximately 10:30 a.m. The next regular joint meeting of the Boards will be held on Friday, March 24, 2023, at 8:30 a.m. in the District's office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123.

Respectfully submitted,

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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**

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Anthony M. Dursey

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William D. Buckner

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George E. Hamblin, Jr.

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Anthony M. Dursey

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Chuck Hause

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Louis J. Fohn

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Samuel Rivas, Jr.

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George E. Hamblin, Jr.

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Bernard J. Sebastian, Jr.

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Mark Swatek