MINUTES OF JOINT REGULAR MEETING BOARD OF DIRECTORS PLATTE CANYON WATER AND SANITATION DISTRICT AND SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT 1

Friday April 28, 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, April 28, 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 Louis J. Fohn Mark Swatek (by Teams)

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

Anthony M. Dursey Chuck Hause Samuel Rivas, Jr. Bernard J. Sebastian, Jr.

The following Platte Canyon staff members were physically in attendance: Cynthia Lane, manager; Alyssa Quinn, assistant manager; Vanessa Shipley, financial administrator;

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

Scott Hand, operations supervisor; Tony Cocozzella, construction program manager. Adam Morse, GIS/Website/IT technician, attended the meeting virtually via Microsoft Teams.

Also in attendance was Timothy J. Flynn, from Collins Cole Flynn Winn & Ulmer, PLLC, legal counsel for both Districts.

CALL TO ORDER

The meeting was called to order by Platte Canyon's Vice President, William Buckner, who presided as Chair.

APPROVAL OF PLATTE CANYON AGENDA

A motion was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Dursey 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
Mark Swatek	Aye

DIRECTORS ABSENCE EXCUSED

Following a brief discussion, a motion was made by Platte Canyon Director Dursey and seconded by Platte Canyon Director Fohn to excuse the absence of Platte Canyon Director George E. Hamblin who was unable to attend the meeting. 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
Mark Swatek	Aye

PLATTE CANYON CONSENT AGENDA

Following a brief discussion, a motion was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Dursey to approve Platte Canyon Consent Agenda Items No. 1 and No. 2, as set forth below, by a single motion:

1. <u>Ratification of Interim Disbursements and Approval of Current Payables</u>. Platte Canyon payables and supplemental disbursements for the month of April 2023, in the aggregate amount of \$420,909.12, represented by Platte Canyon check numbers 34778 thru 34826, 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. <u>Platte Canyon Investment/Deposit Transaction Report</u>. During the month of April 2023, Platte Canyon did not purchase any treasury notes or agency securities nor did Platte Canyon sell or have any treasury notes or other securities mature or redeem. No certificates of deposit were purchased by Platte Canyon during the month nor did any existing certificates of deposit mature or renew.

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
Mark Swatek	Aye

PLATTE CANYON ACTION ITEMS

1. <u>Approval of Resolution 2023-4-1 Setting Platte Canyon's Water and Sanitary Sewer Tap Fees</u>. Following a brief discussion a motion was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Dursey to adopt Resolution 2023-4-1 which effective May 1,2023 increases Platte Canyon's water tap fee for a ³/₄" tap serving a single-family residential home and multi-family residential structure or a commercial building from \$2,900.00 to \$3,700.00.

The resolution decreases Platte Canyon's sanitary sewer tap fee for a single-family home and the tap fee for each unit in a multi-family residential structure from \$1,341.00 per single family equivalent tap to \$1,300.

For water and sewer taps larger than ³/₄", the tap fee is determined by a tap equivalency table which is attached to the Resolution as Exhibit A.

At the conclusion of the discussion, the Chair called for a vote and the vote was as follows:

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
Mark Swatek	Aye

2. <u>Intergovernmental Agreement Between Platte Canyon and the College</u>
Park Water and Sanitation District. The Manager then reviewed with the Board a proposed

intergovernmental agreement between Platte Canyon and the College Park Water and Sanitation District whereby Platte Canyon will provide certain website management, maintenance, and content related services to College Park. College Park does not have a professional staff to provide these services and over the years, Platte Canyon has developed a significant amount of expertise in this area. The matter was discussed at great length by the Platte Canyon Board. Directors Hamblin and Dursey are both on the College Park Water and Sanitation District's Board. As a result, neither participated in this discussion nor voted on the matter².

At the conclusion of the discussion and with the assurance staff had the capacity to provide the service and that if there was any constraints or time issues associated with Platte Canyon providing this service to College Park, Platte Canyon staff will devote its time to Platte Canyon and the other districts Platte Canyon serves, before serving College Park.

Legal counsel disclosed that he represents both Platte Canyon and College Park and asked the Board to waive the potential conflict of interest.

Following a brief discussion, a motion to approve the intergovernmental agreement, authorize its execution and to waive legal counsel's potential conflict of interest was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Swatek. The Chair called for a vote and the vote was as follows:

William Buckner Aye
Anthony M. Dursey Abstain
Louis J. Fohn Aye
Mark Swatek Aye

PLATTE CANYON INFORMATION/DISCUSSION ITEMS

1. <u>Discussion Concerning Loan for Acceleration of Water Main Replacement Projects</u>. Because Director Hamblin was absent and due to other pressing business of today's meeting, a motion was made by Director Fohn and seconded by Director Dursey to defer discussion of a possible loan for financing the acceleration of Platte Canyon's water main replacement projects until the May meeting. The Chair called for a vote and the vote was as follows:

² As noted earlier, Director Hamblin was not at the meeting.

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
Mark Swatek	Aye

PLATTE CANYON NEW BUSINESS

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

JOINT PARTICIPATION PORTION OF THE MEETING

Chuck Hause, President of Southwest 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 and seconded by Platte Canyon Director Rivas 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
Mark Swatek	Aye

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

Anthony M. Dursey	Aye
Chuck Hause	Aye
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	Aye

JOINT MEETING CONSENT AGENDA

1. <u>Approval of the Minutes of the Boards' March 24, 2023 Joint Regular Meeting</u>. A motion was made by Southwest Director Sebastian and seconded by Southwest Director Dursey to approve the minutes of the Boards' March 24, 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
Mark Swatek	Aye

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

Anthony M. Dursey	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. <u>Financial Matters</u>.

- (a) <u>Platte Canyon Financial Statements</u>. The following unaudited Platte Canyon financial statements, prepared by Vanessa Shipley, for the three-month period ending March 31, 2023, were presented to the Boards:
- (i) Statement of Net Assets, dated March 31, 2023, showing Platte Canyon's Assets, Liabilities, and Net Assets;
- (ii) Statement of Revenue, Expenses and Changes in Net Assets for the three-month period ending March 31, 2023;
- (iii) Schedule of Revenue and Expenditures Budget & Actual CM/YTD Actuals Compared to Annual Budget for the three-month period ending March 31, 2023; and
- (iv) Schedule of Revenue and Expenditures Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the three-month period ending March 31, 2023.

Vanessa Shipley reviewed the financial statements, noting those areas where expenditures were higher than budgeted for this time of year. Following a brief discussion, a motion was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Dursey 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
Mark Swatek	Aye

- (b) <u>Southwest Financial Statements</u>. The following unaudited Southwest financial statements, prepared by Vanessa Shipley for the three-month period ending March 31, 2023, were presented to the Boards:
- (i) Statement of Net Assets, dated March 31, 2023, showing Southwest's Assets, Liabilities, and Net Assets;
- (ii) Statement of Revenue, Expenses and Changes in Net Assets for the three-month period ending March 31, 2023;
- (iii) Schedule of Revenue and Expenditures Budget & Actual CM/YTD Actuals Compared to Annual Budget for the three-month period ending March 31, 2023; and
- (iv) Schedule of Revenue and Expenditures Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the three-month period ending March 31, 2023.

Following Vanessa Shipley's review of the financial statements, where she again noted the areas where there was a variance between the adopted budget and actual expenditures and/or revenues. At the conclusion of Vanessa Shipley's review of the financial statements, a motion was made by Southwest Director Sebastian and seconded by Southwest Director 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 Bernard J. Sebastian, Jr. Aye Chuck Hause Aye Samuel Rivas, Jr. Aye

(c) <u>Platte Canyon Investment/Deposit Report</u>. 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 March 31, 2023, Platte Canyon's investments and deposits totaled \$10,084,604.23, itemized as follows:

[TABLE OF FIGURES TO FOLLOW]

Description	Amount	Percentage
Checking	\$146,161.98	1.45%
Certificates of Deposit	\$495,000.00	4.91%
ColoTrust-Edge	\$743,256.50	7.37%
ColoTrust-Plus	\$1,984,836.08	19.68%
ColoTrust-Trust Account	\$544,447.73	5.40%
CSAFE-Core	\$389,829.58	3.87%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$4,278,337.07	42.02%
U.S. Government Agencies and	\$1,502,735.29	14.90%
Instrumentalities		
TOTAL	\$10,084,604.23	100.00%

The average yield on Platte Canyon's investments for the month of March 2023, as calculated by staff, was 2.5030% per annum.

Following a brief discussion, a motion was made by Platte Canyon Director Dursey 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
Mark Swatek	Aye

(d) <u>Southwest Investment/Deposit Report</u>. 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 March 31, 2023, Southwest's investments and deposits totaled \$24,777,563.77 itemized as follows:

Description	Amount	Percentage
Checking	\$10,064.25	0.04%
Certificates of Deposit	\$494,000.00	1.99%
ColoTrust-Edge	\$1,342,253.29	5.42%
ColoTrust-Plus	\$1,631,364.49	6.58%
ColoTrust-Trust Account	\$121,600.93	0.49%
CSAFE-Core	\$730,011.94	2.95%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$14,448,268.87	58.31%
U.S. Government Agencies and	\$6,000,000.00	24.22%
Instrumentalities		
TOTAL	\$24,777,563.77	100.00%

The average yield on Southwest's investments for the month of March 2023, as calculated by staff, was 1.8130% per annum.

Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Rivas 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
Chuck Hause	Aye
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	Aye

2. Management

Report. In the interest of time, the Manager asked if there were any specific questions regarding her written manager's report for the month of March, 2023, a copy of which was included in the meeting packet. There were no questions from any of Board members.

- (a) <u>Colorado River Basin</u>. The manager then provided a brief update as to certain Denver Water issues, including the status of talks and activities regarding the Colorado River Basin. She noted that to address unprecedented water shortages in the Colorado River Basin, the Federal Bureau of Reclamation recently released a draft supplemental environmental impact statement for the purpose revising the current operating guidelines for Glenn Canyon and Hoover Dams.
- (b) <u>Turf Replacement</u>. There has been discussion in the water community concerning a proposal to replace turf and pay customers to take turf out of their irrigation area in order to save water. This is a significant issue and will be the subject of some discussion in the coming months.
- (c) <u>Denver Water Manager</u>. Cynthia also reported that Denver Water continues to search for a new Manager, as Jim Lockhead has officially retired at the end of

March, 2023. However, as of the date of this Platte Canyon and Southwest Board meeting, Denver Water has not selected a new manager.

- (d) <u>Bills in the Legislature</u>. There was a general discussion concerning the a proposed bill introduced by the Governor to override local control with respect to zoning laws for the purpose of increasing density to making housing more affordable. The concern is that if density is increased significantly, it will have an undo impact on water and wastewater providers whose systems were not designed to handle the increased load that high densification will produce.
- (e) <u>Colorado Consumer Protection Act</u>. There was also brief discussion concerning a proposed Colorado Consumer Protection Act which would subject municipalities and quasi municipal entities like Platte Canyon and Southwest to its terms and provisions. The SDA has taken a position against this bill and the Manager is currently reviewing it to get a better understanding of how it might impact both Platte Canyon and Southwest if it were adopted.
- 3. Operations and Maintenance Summary Report. Scott Hand reviewed the Operations and Maintenance Summary Report for March 2023. During the reporting period, neither Platte Canyon nor Southwest experienced sanitary sewer service interruptions. Platte Canyon has no water service interruptions, however, Southwest did experience one water service interruption. Mr. Hand provided a brief PowerPoint presentation regarding water service interruption that occurred.

The Board was also updated as to the training programs staff have attended during the past month and as well as general information regarding the District's capital purchase programs for motor vehicles and other equipment.

4. <u>Capital Projects Report</u>. 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 Sebastian and seconded by Southwest Director Rivas 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
Chuck Hause	Aye
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	Aye

DIRECTORS ABSENCE EXCUSED

Following a brief discussion, a motion was made by Southwest Director Dursey and seconded by Southwest Director Sebastian to excuse the absence of Southwest Director George E. Hamblin who was unable to attend the meeting. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	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 Rivas. and seconded by Southwest Director Dursey to approve Southwest Consent Agenda Items No. 1 and No. 2, as set forth below, by single motion:

1. Ratification of Interim Disbursements and Approval of Current Payables. Southwest payables and supplemental disbursements for April 2023, in the aggregate amount of \$320,142.08, represented by Southwest check numbers 20875 through 20900, 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. <u>Southwest Investment/Deposit Transaction Report</u>. During the month of March 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 Chuck Hause Aye Samuel Rivas, Jr. Aye Bernard J. Sebastian, Jr. Aye

SOUTHWEST ACTION ITEMS

Lube Project on the West Side of South Kipling Street 600' South of West Cole Mine Avenue. Tony Cocozzella explained why Southwest needs to release an existing easement it acquired in 1979. The owner of the property that is being burdened by the easement has constructed at his cost, an alternative water line that does not cross through the middle of a developable area of his property. In addition, Denver Water has asked that the portion of the water line easement affecting the owner's property be released. Legal counsel reviewed with the Board a form of release of easement agreement. Following a brief discussion, a motion to approve the release of easement agreement was made by Southwest Director Sebastian and seconded by Southwest Director Rivas. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey Aye
Chuck Hause Aye
Samuel Rivas, Jr. Aye
Bernard J. Sebastian, Jr. Aye

SOUTHWEST INFORMATION/DISCUSSION ITEMS

The Board then reviewed a memo prepared by Bridget Butterfield which gave an update on the Southwest Director's election, which will be held on May 2,2023. The report itemized the expenses that have incurred to date and the status of the election at the present time. Currently, staff is counting absentee ballots as they come in and have attended election judges training and are ready to operate the polls along with the selected election judges on May 2, 2023 from 7:00 a.m. to 7:00 p.m.

As soon as election results are available, they will be distributed to the public as well as to the Board members.

SOUTHWEST NEW BUSINESS

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

ADJOURNMENT OF PLATTE CANYON MEETING

Because there was no reason for the Platte Canyon Board members to attend the Southwest Executive Session scheduled for the end of this joint meeting, a motion to adjourn the Platte Canyon meeting was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Buchner. 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
Mark Swatek	Aye

Whereupon the Platte Canyon portion of the joint meeting adjourned at approximately 10:40 a.m.

EXECUTIVE SESSION

A motion was made by Southwest Director Dursey and seconded by Southwest Director Sebastian to go into Executive Session, pursuant to Section 24-6-402(4)(b) C.R.S for the purpose of conferring with legal counsel and obtaining advice regarding District rates, fees, and charges.

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

Anthony M. Dursey	Aye
Chuck Hause	Aye
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	Aye

Whereupon at 10:42 a.m., the Southwest Board went into Executive Session. The Executive Session not recorded because it constituted an attorney client privileged communication. The Executive Session lasted for approximately thirty (30) minutes at which time the Southwest Board returned to an open public meeting.

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 and seconded by Southwest Director Rivas. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	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 10:45 a.m. The next regular joint meeting of the Boards will be held on Friday, May 26, 2023, 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

ATTORNEY'S STATEMENT

Pursuant to 24-6-402(2)(d5)(II)(A) C.R.S., I, Timothy J. Flynn, attest that I am the attorney for the Southwest Metropolitan Water and Sanitation District and that I was present at the time the Board convened into Executive Session on Friday, April 28, 2023 at approximately 10:42 a.m. I further attest that there were no minutes or recordings made of the Executive Session because it constituted a privileged attorney-client communication in my opinion, and that no written record thereof was necessary. The Board did not adopt any proposed policy, position, rule, regulation, or take any formal action during the Executive Session.

Timothy J. Flynn

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.

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
Samuel Rivas, Jr.	George E. Hamblin, Jr.
Bernard J. Sebastian, Jr.	Mark Swatek