

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
May 24, 2024
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, May 24, 2024, at 8:30 a.m. in the Districts’ office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123. 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
Damien Mulvany
Mark Swatek

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

Anthony M. Dursey
Ismael Gomez
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 physically present: Cynthia Lane, manager; Alyssa Quinn, assistant manager; Vanessa Shipley, financial administrator; Scott Hand, operations supervisor; and Justin Roquemore, construction program manager. Attending by Teams were Chris Cochran, construction coordinator, and Bridget Butterfield, communications and administrative services coordinator.

Also in attendance was 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 Mark Swatek, who presided as Chair.

APPROVAL OF PLATTE CANYON AGENDA

Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn to approve, as presented, the Platte Canyon agenda. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
Damien Mulvany	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 No. 1 and No. 2, as set forth below:

- 1. Ratification of Interim Disbursements and Approval of Current Payables.** Platte Canyon payables and supplemental disbursements for the month of May 2024, in the aggregate amount of \$287,866.65, represented by Platte Canyon check numbers 35349 thru 35387, 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, Platte Canyon did not: (i) purchase any treasury notes or other securities, (ii) sell any treasury notes or other securities or have any securities mature or redeem. On April 3,

2024, Platte Canyon renewed a \$100,000 Certificate of Deposit at Fowler State Bank for one year maturing April 3, 2025, and bearing interest at the rate of 4.75% per annum.

With respect to Consent Agenda Item Nos. 1 and 2 above, the Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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

PLATTE CANYON ACTION ITEMS

1. **Approval of Revisions to Platte Canyon Investment Policy.** Vanessa Shipley reviewed with the Platte Canyon Board, various changes she recommends to Platte Canyon’s investment policy to bring the policy up to date with current law and current practices of Platte Canyon. She reviewed a redlined version showing the proposed changes to the investment policy that she recommends. The policy as revised will allow Vanessa Shipley to purchase investments on behalf of Platte Canyon without obtaining approval from a Platte Canyon Board member. The Policy does require approval from the Platte Canyon manager.

Following a discussion, a motion was made by Platte Canyon Director Dursey and seconded by Platte Canyon Director Buckner to adopt Resolution 2024-5-1 which adopts Platte Canyon’s investment policy as revised to incorporate the revisions recommended by Vanessa Shipley. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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

2. **Proposed Cost Sharing Agreement with the City of Littleton.** The manager advised the Board, in connection with Platte Canyon’s water line replacement project in Bow Mar South, staff is recommending that Platte Canyon enter into an agreement with the City of Littleton whereby the City will assume full responsibility for repaving the portion of the street of that is excavated in connection with the water line replacement project. Denver Water and the City have utilized such an agreement in the past and found it to be beneficial to both entities. A preliminary form of agreement was presented to and discussed briefly with the Board. It was noted it the agreement will need to be modified so

it applies specifically to Platte Canyon. If possible, a final draft of the agreement will be presented to the Board for approval at the Platte Canyon June meeting.

PLATTE CANYON INFORMATION/DISCUSSION ITEMS

No information or discussion items came before the Platte Canyon Board.

PLATTE CANYON NEW BUSINESS

No new business came before the Platte Canyon Board.

TEMPORARY RECESS

Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Dursey, to temporarily recess the Platte Canyon Board meeting so that the Platte Canyon Board could reconvene as the Ex Officio Board of Directors of Platte Canyon Subdistrict No. 1 and Subdistrict No. 2. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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

Whereupon the Platte Canyon meeting was temporarily recessed, and the Platte Canyon Board convened as the Ex Officio Board of Directors of Platte Canyon Subdistricts No. 1 and No. 2, at approximately 7:53 a.m. At approximately 7:58 a.m., the Board reconvened the Platte Canyon meeting.

JOINT PARTICIPATION PORTION OF THE MEETING

Platte Canyon’s President, Mark Swatek, continued to act as Chair of the joint participation portion of the meeting.

APPROVAL OF JOINT MEETING AGENDA

Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Platte Canyon Director Buckner, to approve the joint meeting agenda, as

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

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

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

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

JOINT MEETING CONSENT AGENDA

1. Approval of the Minutes of the April 26, 2024 Joint Regular Meeting.

Following a brief discussion, a motion was made by Southwest Director Rivas and seconded by Southwest Director Sebastian to approve the minutes of the Boards' April 26, 2024, joint regular meeting, as written. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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

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

Anthony M. Dursey	Aye
Ismael Gomez	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 four-month period ending April 30, 2024, were presented to the Boards:

(i) Statement of Net Assets, dated April 30, 2024, showing Platte Canyon’s Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the four-month period ending April 30, 2024;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the four-month period ending April 30, 2024; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the four-month period ending April 30, 2024.

Vanessa Shipley reviewed the Platte Canyon financial statements. At the conclusion of her review, 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 D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
Damien Mulvany	Aye
Mark Swatek	Aye

(b) **Southwest Financial Statements.** The following unaudited Southwest financial statements, prepared by Vanessa Shipley for the four-month period ending April 30, 2024, were presented to the Boards:

(i) Statement of Net Assets, dated April 30, 2024, showing Southwest’s Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the four-month period ending April 30, 2024;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the four-month period ending April 30, 2024; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the four-month period ending April 30, 2024.

At the conclusion of her review, a motion was made by Southwest Director Rivas and seconded by Southwest Director Sebastian 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
Ismael Gomez	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 April 30, 2024, Platte Canyon’s investments and deposits totaled \$11,320,496.44, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$235,000.67	2.08%
Certificates of Deposit	\$250,000.00	2.21%
Colotrust-Edge	\$575,686.99	5.09%
Colotrust-Plus	\$3,102,659.92	27.41%
Colotrust-Trust Account	\$1,034,509.20	9.14%
CSAFE-Core	\$2,104,140.46	18.59%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$2,516,719.31	22.23%
U.S. Government Agencies and Instrumentalities	\$1,501,779.89	13.27%
TOTAL	\$11,320,496.44	100.00%

The average yield on Platte Canyon’s investments for the month of April 2024, as calculated by staff, was 3.8181% per annum.

During the discussion of Platte Canyon’s investments, Vanessa Shipley pointed out that Platte Canyon’s investment in local government investment pools, currently exceeds

the 50% limit set forth in Platte Canyon’s investment policy. She indicated this would be temporary and asked the Board to approve the deviation.

A motion was made by Platte Canyon Director Dursey and seconded by Platte Canyon Director Buckner to accept the Platte Canyon Investment/Deposit Report, as presented, and to approve the deviation from Platte Canyon’s investment policy as noted by Vanessa Shipley. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
Damien Mulvany	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 April 30, 2024, Southwest’s investments and deposits totaled \$25,319,757.54, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$13,256.11	0.05%
Certificates of Deposit	\$249,000.00	0.98%
Colotrust-Edge	\$893,227.51	3.53%
Colotrust-Plus	\$1,947,750.58	7.69 %
Colotrust-Trust Account	\$471,039.36	1.86%
CSAFE-Core	\$1,304,851.58	5.15%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$12,459,357.58	49.21%
U.S. Government Agencies and Instrumentalities	\$7,981,274.82	31.52%
TOTAL	<u>\$25,319,757.54</u>	<u>100.00%</u>

The average yield on Southwest’s investments for the month of April 2024, as calculated by staff, was 2.3845% 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
Ismael Gomez	Aye
Chuck Hause	Aye
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	Aye

INFORMATION/DISCUSSION ITEMS

1. **Manager's Report.** The manager referred both Boards to her written management report for the month of May 2024, a copy of which was included in the meeting packet. In addition to answering questions concerning the management report, the manager discussed the following matters:

(a) **House Bill 24-1463 – Tap Fees.** The manager informed the Boards that House Bill 24-1463 as originally introduced contained a number of significant restrictions and imposed detailed criteria with respect to the tap fees that water and sanitation districts can assess. As the Bill progressed through the legislative process, it incurred significant opposition. The final version of the Bill eliminated most if not all of the burdensome requirements. The Bill does require, however, that any special district that has established tap fees, must provide to any requesting local government that the special district's boundaries overlap, the district's schedule of tap fees as well as any professional analysis utilized by the district in calculating those fees.

(b) **Employee Retirement.** After forty-four years of service, Scott Hand will be retiring from Platte Canyon. A reception celebrating Scott's years of service with Platte Canyon will be scheduled in the near future. Armando Quintana has been appointed to Scott's position and Platte Canyon is now looking to fill the position previously occupied by Armando. Scott's retirement will be effective as of July 10.

(c) **Update on Future Agendas.** The agenda for future meetings will include a review of Platte Canyon and Southwest insurance coverages as well as a review and discussion of each District's financial policies.

(d) **Cybersecurity Issues.** There was a brief discussion concerning recent cybersecurity attacks that focused on water providers. The manager noted that in some instances, water providers are viewed as easy targets. If a provider system is breached, it is likely the provider will have to pay a ransom to get its computer systems back up and running. Director Dursey asked several questions concerning each District's website security and whether or not pump stations and other assets are subject to cyber attacks.

2. Operations and Maintenance Summary Report. Scott Hand reviewed the Operations and Maintenance Summary Report for the month of April 2024. During the reporting period, neither Platte Canyon nor Southwest experienced any sewer service interruptions. Platte Canyon had no water service interruptions however, on April 12, 2024, there was a waterline break in Southwest at 10269 West Burgandy Avenue. This was a beam break that occurred on an asbestos cement pipe. The bill to repair the break was \$23,380.21.

With respect to ongoing remedial repairs, C&L Water Solutions repaired one valve in Platte Canyon and two valves in Southwest. Scott is working with C&L to develop a list of leaking valves that need to be replaced in the next couple of months.

Scott is working with the District's security vendor to install exterior cameras and upgrade to electronic key access systems to both District's infrastructure facilities, such as their pumping stations. It is anticipated this project will be completed by the end of May.

Scott is also working with a contractor to repair the fence on one of the gates at Platte Canyon's water pump station. The gate sustained damage as a result of recent high winds.

At the end of his presentation, Scott Hand thanked both Boards for giving him the opportunity to serve Platte Canyon and Southwest over the last 44 years. He expressed appreciation for all the opportunities he received and stated he is looking forward to his upcoming retirement.

3. Capital Projects Report. Justin Roquemore reviewed the Construction Projects Report for Platte Canyon and Southwest for the month of April 2024. As part of his report, Mr. Roquemore updated the Board as to the status of all ongoing Platte Canyon and Southwest projects, including developer and District specific projects. He also included an update on the status of the acquisition for various projects and gave a brief overview of development activities in South Santa Fe Park.

NEW BUSINESS

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

SOUTHWEST PORTION OF THE JOINT MEETING

CALL TO ORDER

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

APPROVAL OF SOUTHWEST AGENDA

Following a review and discussion, a motion was made by Southwest Director Rivas and seconded by Southwest Director Sebastian 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
Ismael Gomez	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 Dursey and seconded by Southwest Director Rivas to approve Southwest Consent Agenda Items No. 1 and No. 2, as set forth below:

1. Ratification of Interim Disbursements and Approval of Current Payables. Southwest payables and supplemental disbursements for the month of May 2024 in the aggregate amount of \$244,203.79, represented by Southwest check numbers 21209 through 21233, 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 May 2024, Southwest did not purchase any treasury notes or agency securities nor did Southwest sell or have any treasury notes or agency securities mature or redeem. During the month Southwest did not purchase, sell, or redeem any certificates of deposit.

With respect to Consent Agenda Items Nos. 1 and 2 above, the Chair called for a vote of the Southwest Board, and the vote was as follows:

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

SOUTHWEST ACTION ITEMS

1. Approval of Resolution 2024-5-1 Adopting a Revised Investment Policy. Vanessa Shipley reviewed with the Board, the revisions she and staff are proposing to Southwest Investment Policy. The revisions are similar to those that were presented to the Platte Canyon Board earlier in the meeting.

At the conclusion of the discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Rivas to adopt Platte Canyon Resolution 2024-5-1. The Chair called for a vote of the Southwest Board, and the vote was as follows:

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

2. **Consider Approval of Sanitary Sewer Interceptor Funding Agreement with Toll Brothers.** The manager and legal counsel reported that this item was not ready for presentation to the Board. At the request of the manager, consideration of the Toll Brothers funding agreement was deferred until the June meeting.

SOUTHWEST INFORMATION/DISCUSSION ITEMS

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

SOUTHWEST NEW BUSINESS

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

EXECUTIVE SESSION

There was no executive session conducted during the meeting.

ADJOURNMENT

There being no further business to come before this joint regular meeting of the Platte Canyon and Southwest Boards, a motion to adjourn was made by Southwest Director Sebastian and seconded by Southwest Director Rivas.

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

William D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
Damien Mulvany	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
Ismael Gomez	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 9:50 a.m. The next regular joint meeting of the Boards will be held on Friday, June 28, 2024, 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

Ismael Gomez

Anthony M. Dursey

Chuck Hause

Louis J. Fohn

Samual Rivas, Jr.

Damien Mulvany

Bernard J. Sebastian, Jr.

Mark Swatek
