

RECORD OF PROCEEDINGS

MINUTES OF JOINT REGULAR MEETING

BOARD OF DIRECTORS

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

AND

PLATTE CANYON WATER AND SANITATION DISTRICT¹

Friday
July 26, 2024
Jefferson County, Colorado

The regular joint monthly meeting of the Board of Directors of the Southwest Metropolitan Water and Sanitation District (“Southwest”) and the Board of Directors of the Platte Canyon Water and Sanitation District (“Platte Canyon”) convened on Friday, July 26, 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 so any Board member who could not or was not comfortable physically attending, could attend by telephone or virtually.

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

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

The following Platte Canyon Directors were in attendance, to-wit:

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

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

The following Platte Canyon staff members were physically present: Cynthia Lane, Manager; Alyssa Quinn, Assistant Manager; Vanessa Shipley, Financial Administrator; Armando Quintana, Operations Supervisor; and Justin Roquemore, Construction Program Manager. Bridget Butterfield, Communications and Administrative Services Coordinator; and Adam Morse, GIS/Website/IT Technician, attended the meeting virtually via Microsoft Teams.²

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

CALL TO ORDER

The Southwest portion of the joint meeting was called to order by the 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 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
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 Sebastian 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 July 2024, in the aggregate amount of \$188,676.42 represented by Southwest check numbers 21263 through

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.

21294, including any checks for less than \$5,000.00 written by the manager pursuant to prior Board authorization, as well as various electronic fund payments for utility and other authorized electronic fund payment vendors.

2. Southwest Investment/Deposit Transaction Report. During the month of June 2024, Southwest did not: (i) purchase any treasury notes or agency securities. On June 11, 2024 Southwest renewed a \$150,000.00 certificate of deposit at Fowler State Bank for one year with an interest rate of 4.25% per annum.

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. Resolution 2024-7-1- Approval of Revised Fixed Asset Policy. The District's financial administrator recommended to the Board the following changes to Southwest's current Fixed Asset Management Policy:

- a) Revised the value of the unit or project cost as follows:
 - i) For equipment, increase the amount for capitalization from \$1000 to \$5000;
 - ii) For improvements, set the minimum value at \$50,000;
- b) Increase the minimum time duration for both district benefit and estimated useful life from 3 years to 5 years.

Vanessa Shipley then reviewed Resolution 2024-7-1 which adopts the proposed revised Fixed Asset Policy. Following a brief discussion a motion to adopt Resolution 2024-7-1 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
Ismael Gomez	Aye
Chuck Hause	Aye
Samuel Rivas, Jr.	Aye

Bernard J. Sebastian, Jr. Aye

The motion included authorization for the District's President and Secretary to sign Resolution 2024-7-1.

SOUTHWEST INFORMATION/DISCUSSION ITEMS

1. COMPREHENSIVE REVIEW OF SOUTHWEST INSURANCE POLICIES. The manager reviewed with the Board a comprehensive memorandum she prepared describing in detail the insurance coverages that Southwest has in effect and intends to maintain. These coverages include general liability and property damage coverage, as well as crime coverage, coverage for non-owned auto physical damage, automobile liability, equipment breakdown, no-fault water intrusion and sewer backup damage, public officials' liability, pollution liability and employee benefits administration liability as well as cyber liability for data compromise. In addition the District maintains excess liability coverage of \$2 million for each of these coverages.

Based upon her review, the manager recommended that the District increase the In Land Marine deductible to \$5000. This will result in premium savings and eliminate coverage for equipment that is fully depreciated and has no cash value.

At the conclusion of the discussion the Board thanked the manager for the detailed memo, indicated it has no concerns or comments concerning the District's insurance coverages, and approved of keeping all coverages in effect including the crime insurance that the District obtains through the Travelers Insurance Company for an annual premium currently of approximately \$4,534.00. Included as part of the managers' report was a copy of the policy declaration for each of the insurance coverages.

SOUTHWEST NEW BUSINESS

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

JOINT PARTICIPATION PORTION OF THE MEETING

The President of Southwest, Chuck Hause, continued to act as Chair for the joint participation portion of the meeting.

APPROVAL OF JOINT MEETING AGENDA

Following a brief discussion, a motion was made by Platte Canyon Director Swatek and seconded by Platte Canyon Director Fohn to approve the Joint Meeting Agenda, 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

The Chair then 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
Damian Mulvany	Aye
Mark Swatek	Aye

JOINT MEETING CONSENT AGENDA

1. Approval of the Minutes of the Boards’ June 28, 2024 Joint Regular Meeting. Following a brief discussion and review, a motion was made by Southwest Director Sebastian and seconded by Platte Canyon Director Dursey to approve the minutes of the Boards’ June 28, 2024, joint regular meeting, as written. 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 Chair then 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
Damian Mulvany	Aye
Mark Swatek	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 six-month period ending June 30, 2024, were presented to the Boards:

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

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

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

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

Vanessa Shipley reviewed the Platte Canyon financial statements and highlighted certain aspects of the financial statements including the increased health insurance costs being experienced by Platte Canyon due to increased usage of Platte Canyon’s health insurance year to date by employees. At the conclusion of her review, a motion was made by Platte Canyon Director Swatek 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 D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
Damian Mulvany	Aye
Mark Swatek	Aye

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

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

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

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

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

At the conclusion of Vanessa Shipley’s review, 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
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 investment pools. As of June 30, 2024, Platte Canyon’s investments and deposits totaled \$12,194,874.37, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$321,473.55	2.64%
Certificates of Deposit	\$250,000.00	2.05%
ColoTrust-Edge	\$580,865.57	4.76%
ColoTrust-Plus	\$3,844,777.04	31.53%
ColoTrust-Trust Account	\$1,057,108.22	8.67%
CSAFE-Core	\$2,123,345.54	17.41%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$2,515,671.73	20.63%
U.S. Government Agencies and Instrumentalities	\$1,501,632.72	12.31%
TOTAL	<u><u>\$12,194,874.37</u></u>	<u><u>100.00%</u></u>

The average yield on Platte Canyon’s investments for the month of June 2024, as calculated by staff, was 3.9036% 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:

Anthony M. Dursey	Aye
Ismael Gomez	Aye
Chuck Hause	Aye
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	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 June 30, 2024, Southwest’s investments and deposits totaled \$25,278,816.96, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$12,168.28	0.05%
Certificates of Deposit	\$249,000.00	0.99%
ColoTrust-Edge	\$901,262.52	3.57%
ColoTrust-Plus	\$1,828,136.94	7.23%
ColoTrust-Trust Account	\$525,351.40	2.08%
CSAFE-Core	\$1,316,761.44	5.21%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$12,464,151.65	49.31%
U.S. Government Agencies and Instrumentalities	\$7,981,984.73	31.58%
TOTAL	<u>\$25,278,816.96</u>	<u>100.00%</u>

The average yield on Southwest’s investments for the month of June 2024, as calculated by staff, was 2.3745% per annum.

Following a brief discussion, a motion was made by Southwest Director Rivas and seconded by Southwest Director Sebastian 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. **Management Report.** The manager referred both Boards to her written management report for the month of July 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) **Employee-Board Breakfast.** At the August Board meeting the breakfast will be for Board members and staff and will start at 7:45 a.m. This is an annual event which allows the maintenance staff, some of whom are newly hired, to be introduced to and become familiar with the Districts' Board of Directors. It also allows the Boards to spend time with the maintenance staff, to better understand their needs and concerns.

(b) **Comprehensive Sewer System Evaluation Process.** The manager informed the Boards that each District's software program will no longer be supported by the creator of the program. Staff has identified Info 360 Asset as a viable option for managing the Districts capital development process. This software program is developed by AutoDesk, a very stable and reliable company. The manager recommends that this software package, which costs approximately \$6,000 for each of the 3 needed licenses, plus \$10,000 for consulting and training, be implemented in January 2025. The cost of this software package will be included in the Districts 2025 budget. Due to the software issue just described, the manager recommended that completion of the development of a comprehensive sanitary sewer capital management process be deferred until the beginning of January 2025 when the new software package is in place. Following a discussion the Boards concurred with the manager's recommendation.

2. **Operations and Maintenance Summary Report.** Armando Quintana reviewed the operations and maintenance summary report for the month of June 2024. During the reporting period neither Platte Canyon nor Southwest had any water service or sanitary sewer service interruptions. Mr. Quintana then advised the Boards as to the remedial repairs, staff training, operator certification training and capital purchase activity that occurred during the month of June. At the conclusion of his report the Boards welcomed Mr. Quintana to his new position, previously occupied by Scott Hand who retired from Platte Canyon.

3. **Construction Projects Report.** Justin Roquemore reviewed the Construction Project Report for Platte Canyon and Southwest for the month of June 2024. As part of his report Mr. Roquemore updated the Boards as to the status of all going Platte Canyon and Southwest projects including developer and District specific projects. He also provided a detailed update as to Southwest’s capital projects in the South Santa Fe Park area, currently being developed by Toll Brothers and Evergreen Development. The report included an update on the progress Southwest is making in securing funding for the new D Line Interceptor that will be necessary to serve this area.

NEW BUSINESS

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

PLATTE CANYON PORTION OF THE JOINT MEETING

CALL TO ORDER

Mark Swatek, President of Platte Canyon, called the Platte Canyon portion of the joint meeting to order and acted as Chair.

APPROVAL OF PLATTE CANYON AGENDA

Following a review and discussion, a motion was made by Platte Canyon Director Buckner 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
Damian Mulvany	Aye
Mark Swatek	Aye

PLATTE CANYON CONSENT AGENDA ITEMS

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 July 2024, in the aggregate amount of \$392,294.94 represented by Platte Canyon check nos. 35425 through 35471, inclusive, including any checks written by the manager pursuant to

prior Board authorization for less than \$5,000 as well as various electronic fund payments for employee salaries, utilities and other authorized electronic fund payment vendors.

2. Platte Canyon Investment/Deposit Report. During the month of June 2024, Platte Canyon did not: (i) purchase any treasury notes or agency securities. On June 11, 2024 Platte Canyon renewed \$150,000.00 certificate of deposit at Fowler State Bank for one year at an interest rate of 4.25% per annum.

With respect to 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
Damian Mulvany	Aye
Mark Swatek	Aye

3. Resolution 2024-7-1- Approval of Revised Fixed Asset Policy. Platte Canyon’s financial administrator recommended the following changes to Platte Canyon’s current Fixed Asset Management Policy:

- i) For equipment. increase the amount for capitalization from \$1000-\$5000;
- ii) Set the minimum at \$50,000;
- iii) Increase the minimum time duration for both districts benefit an estimated useful life from 3 years to 5 years.

Vanessa Shipley then reviewed Resolution 2024-7-1 which adopts the revised Fixed Asset Policy. Following a brief discussion a motion, a motion to adopt Resolution 2024-7-1 was made by Platte Canyon Director Dursey 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 D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
Damian Mulvany	Aye
Mark Swatek	Aye

The motion included authorization for the District’s President and Secretary to sign Resolution 2024-7-1.

PLATTE CANYON INFORMATION/DISCUSSION ITEMS

1. COMPREHENSIVE REVIEW OF PLATTE CANYON INSURANCE POLICIES. The manager indicated to the Platte Canyon Board that the review of Platte Canyon’s insurance policies is substantially the same as discussed earlier with respect to South West’s insurance coverage. Accordingly at the conclusion of a brief discussion, the Platte Canyon Board thanked the manager for her detailed memo. The Platte Canyon Board indicated it had no concerns or comments concerning Platte Canyon’s coverages, approved keeping all coverages in effect and making the recommended change to Inland Marine.

NEW BUSINESS

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

EXECUTIVE SESSION

The was no need for an executive session at this meeting.

ADJOURNMENT

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

Damian Mulvany Aye
Mark Swatek Aye

Whereupon, this joint regular meeting of the Southwest Board and Platte Canyon Boards of Directors adjourned at approximately 10:05 a.m. The next regular joint meeting of both Boards will be held on Friday, August 23, 2024, at 8:30 a.m. in the Platte Canyon and Southwest office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123.

Respectfully submitted,

Timothy J. Flynn, Recording Secretary

RECORD OF PROCEEDINGS

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

Bernard J. Sebastian, Jr.

Louis J. Fohn

Samuel Rivas, Jr.

Damian Mulvany

Chuck Hause

Mark Swatek