

RECORD OF PROCEEDINGS

MINUTES OF JOINT SPECIAL MEETING

BOARD OF DIRECTORS

PLATTE CANYON WATER AND SANITATION DISTRICT

AND

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT¹

Friday
November 29, 2018
Jefferson County, Colorado

A special joint 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, November 29, 2018, at 8:30 a.m. in the Districts’ office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123. 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 Buckner
Louis J. Fohn
George E. Hamblin, Jr.
Richard Rock

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

George E. Hamblin, Jr.
Chuck Hause
Bernard J. Sebastian, Jr.

The following Platte Canyon staff members were in attendance: Patrick J. Fitzgerald, manager; Cynthia Lane, assistant manager; Vanessa Shipley, financial administrator; Scott Hand, operations supervisor; Tony Cocozzella, construction, plan

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

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review and special projects coordinator; Alyssa Quinn, administrative assistant and Tayler Newkirk, communication and administrative services coordinator.²

Also, in attendance were Brad Simmons, a resident of Southwest, who attended a portion of the meeting; and Timothy J. Flynn, from Collins Cockrel & Cole, P.C., legal counsel for both Districts.

CALL TO ORDER

The meeting was called to order by Platte Canyon President, Richard Rock, 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
Louis J. Fohn
George E. Hamblin, Jr.
Richard Rock

PLATTE CANYON CONSENT AGENDA ITEMS

Following a brief discussion, a motion was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Buckner to approve the Platte Canyon Consent Agenda Items 1 through 5, as set forth below, by a single motion. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner
Louis J. Fohn
George E. Hamblin, Jr.
Richard Rock

1. **Ratification of Interim Disbursements and Current Payables.** The Platte Canyon interim disbursements paid and current payables for the month of November, 2018

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.

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in the aggregate amount of \$644,83617, represented by Platte Canyon check numbers 32117 through 32183, inclusive, including those checks written by the manager pursuant to prior Board authority for less than \$2,500.

2. **Ratification of Platte Canyon Investment Transactions.** During the month of October 2018 two Certificates of Deposit were renewed; one for \$100,000 and one for \$145,000 at Bank of Denver and Flat Irons Bank respectively. The Bank of Denver CD was renewed for three hundred sixty-five days at an interest rate of 2% per annum. The Flat Irons CD was renewed for a period of seven hundred seventeen days at an interest rate of 2.5% per annum.

3. **Approval of 2018 Audit Engagement Letter.** The approval of and authorization to sign Schilling & Company, Inc.'s Audit Engagement Letter dated October 31, 2018, for the 2018 Platte Canyon Audit for an amount not to exceed \$7,400.

4. **Approval of Collins Cockrel & Cole, P.C. 2019 Letter of Engagement.** The approval of and authorized to sign Collins Cockrel & Cole, P.C. 2019 Legal Services Engagement Letter dated November 29, 2018 for an amount not to exceed \$37,000 without the prior written consent of the Board.

5. **Approval of Capital Master Plan for 2019 - 2028.** The Capital Master Plan for 2019 – 2028 which had not been changed since being reviewed by the Board at its October 2018 meeting.

PLATTE CANYON ACTION ITEMS

1. **Director Absence Excused.** Following a brief discussion, a motion was made by Platte Canyon Director Hamblin and seconded by Platte Canyon Director Buckner to excuse the absence of Platte Canyon Director Anthony M. Dursey, 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
Louis J. Fohn
George E. Hamblin, Jr.
Richard Rock

2. **Adoption of 2019 Budget.** The Chair opened the public hearing on Platte Canyon's proposed 2019 Budget. Notice of the Budget hearing was published in

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accordance with the Local Government Budget Law by staff. No members of the public appeared in person, or otherwise registered any objections or offered any amendments to the proposed 2019 Budget, which is balance as required by law. The Chair then closed the public hearing on the 2019 Budget.

Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn to adopt Platte Canyon Resolution 2018-11-1, which Resolution formally adopts the proposed 2019 Budget, as heretofore submitted and amended, as the official Budget for Platte Canyon for calendar year 2019 subject to whatever minor adjustments, if any, need to be made when the final assessed valuations are received from Arapahoe and Jefferson Counties. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner
Louis J. Fohn
George E. Hamblin, Jr.
Richard Rock

A copy of Resolution 2018-11-1 is attached to the original of these minutes as Exhibit A.

The Platte Canyon Board then considered Platte Canyon Resolution 2018-11-2, which Resolution authorizes and appropriates the sum of \$4,436,731 for expenditure by Platte Canyon in calendar year 2019. The motion to adopt said Resolution was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Buckner. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner
Louis J. Fohn
George E. Hamblin, Jr.
Richard Rock

A copy of Resolution 2018-11-2 is attached to the original of these minutes as Exhibit B.

Platte Canyon's 2019 Budget contemplates the expenditure of property tax revenues, and the manager addressed the need for certifying a property tax mill levy. Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn to adopt Resolution 2018-11-3 which Resolution

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formally authorizes certification of a mill levy of 7.157 mills consisting of an operations and maintenance mill levy of 7.104 mills and a mill levy for refunds and abatements of 0.53 mills. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner
Louis J. Fohn
George E. Hamblin, Jr.
Richard Rock

A copy of Resolution 2018-11-3 is attached to the original of these minutes as Exhibit C.

As referenced earlier, the Budget Resolution, Appropriation Resolution and Mill Levy Certification Resolution were adopted subject to whatever adjustments are necessary when the final assessed valuation for Platte Canyon is received from Arapahoe and Jefferson Counties, Colorado. The motion also authorized the District's manager and/or an officer of Platte Canyon to sign the Mill Levy Certification forms to both Arapahoe and Jefferson Counties, Colorado.

3. **Adoption of Resolution 2018-11-4 Approving a Fee Schedule for 2019.** The manager then reviewed Resolution 2018-11-4 which approves and confirms Platte Canyon's fee schedule for 2019. Following a brief discussion, a motion to adopt Resolution 2018-11-4 was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Buckner. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner
Louis J. Fohn
George E. Hamblin, Jr.
Richard Rock

A copy of Resolution 2018-11-4 is attached to the original of these minutes as Exhibit D.

4. **Approval of Revised Cash Reserve Policy.** The Board then considered Resolution 2018-11-5 which Resolution approves a revised Cash Reserve Policy for Platte Canyon. During the October 2018 Platte Canyon Board meeting, the Board of Directors requested that the Capital Reserve component of the District's Cash Reserve Policy be

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modified from five years of capital expense to ten years of capital expenses. The Policy attached to the Resolution incorporates this change. Currently the desired cash reserve level is calculated to be the greater of: (i) projected capital expenditures for the next five years; or (ii) a set percentage (currently 10%) of the replacement cost of all Platte Canyon assets adjusted for depreciation. As stated above, the revised Policy revises the projected capital expenditure component of the formula from five years to ten years of projected capital expenses. This will have the effect of increasing the desired cash reserve level for Platte Canyon.

Following a brief discussion, a motion to adopt Resolution 2018-11-5 was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner
Louis J. Fohn
George E. Hamblin, Jr.
Richard Rock

A copy of Resolution 2018-11-5 is attached to the original of these minutes as Exhibit E.

5. **Approval of Revised Employee Handbook.** A revised Platte Canyon employee handbook updated to incorporate several recently adopted Platte Canyon workplace policies was reviewed by the assistant manager. The revised employee handbook was reviewed by attorneys at the Employer's Council (previously known as the Mountain States Employer's Council) and all suggested changes were incorporated into the handbook. Following a brief discussion, a motion to approve the revised employee handbook was made by Platte Canyon Director Hamblin and seconded by Platte Canyon Director Buckner. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner
Louis J. Fohn
George E. Hamblin, Jr.
Richard Rock

6. **Approval of Revised Drug and Alcohol Policy.** The assistant manager reviewed a revised drug and alcohol policy she had prepared in coordination with a review

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provided that was performed by the Employer's Council. The purpose of the revised drug and alcohol policy is to clearly define the expectations for Platte Canyon staff regarding the use of drugs and alcohol while working for Platte Canyon. The revisions incorporate recent changes to the law and various related regulations.

At the conclusion of the assistant manager's presentation and based on her recommendation, a motion to adopt the revised drug and alcohol policy was made by Platte Canyon Director Hamblin and seconded by Platte Canyon Director Buckner. The Chair called for a vote, and the vote was as follows:

William Buckner
Louis J. Fohn
George E. Hamblin, Jr.
Richard Rock

7. **Approval of Revised Federal Omnibus Transportation Employee Alcohol and Drug Testing Policy.** The assistant manager reviewed revisions that she had made again in connection with the Employer's Council to the District's Alcohol and Drug Policy previously adopted to comply with the Federal Omnibus Transportation Employee Testing Act. The purpose of this policy is to establish procedures to support a safety and health program and to comply with the minimum federal safety standards for safety sensitive functions regulated by the U.S. Department of Transportation (DOT). These standards were designed to reduce accidents that result from employee use of controlled substances and alcohol.

Following the assistant manager's review of the revised policy and motion to adopt the revised alcohol and drug policy in compliance with Federal Omnibus Transportation Employee Testing Act was made by Platte Canyon Director Hamblin and seconded by Platte Canyon Director Buckner. The Chair called for a vote, and the vote was as follows:

William Buckner
Louis J. Fohn
George E. Hamblin, Jr.
Richard Rock

Both the revised Drug and Alcohol Policy and the revised Federal Omnibus Transportation Employee Alcohol and Drug Testing Policy are effective as of November 29, 2018.

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8. **Platte Canyon Employee Salary and Benefit Review.** This matter was deferred until later in the meeting at the request of the District's manager.

PLATTE CANYON INFORMATION/DISCUSSION ITEMS

There were no information or discussion items to come before the Platte Canyon Board.

PLATTE CANYON NEW BUSINESS

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

TEMPORARY RECESS FOR PLATTE CANYON SUBDISTRICT NO. 1 AND NO. 2

A motion was then made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Dursey to temporarily recess the joint special meeting so the Platte Canyon Board could reconvene as the ex officio Board of the Platte Canyon Water and Sanitation District Subdistrict No. 1 and Subdistrict No. 2. The Chair called for a vote, and the vote was as follows:

William Buckner
Louis J. Fohn
George E. Hamblin, Jr.
Richard Rock

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

George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian	Aye

Whereupon the joint special meeting was temporarily recessed at approximately 8:50 o'clock a.m.

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JOINT PARTICIPATION PORTION OF THE MEETING

The joint participation portion of the Platte Canyon and Southwest Board meeting reconvened at approximately 9:00 o'clock a.m. Platte Canyon's President, Richard Rock, 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 Platte Canyon Director Hamblin and seconded by Southwest Director Hause 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
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

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

George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

JOINT MEETING CONSENT AGENDA ITEM

Following a brief discussion, a motion was made by Southwest Director Hause and seconded by Southwest Director Sebastian to approve, as written, the Minutes of the Board's joint special meeting held on Friday, October 26, 2018.

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

William Buckner	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

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

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George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian	Aye

The approved minutes of the Board's October 26, 2018 joint special meeting were then presented to the members of each Board for signature as further evidence of ratification, confirmation and approval.

JOINT MEETING ACTION ITEMS

There were no action items to come before the joint meeting of the Boards.

JOINT MEETING INFORMATION/DISCUSSION ITEMS

1. **Financial Matters.**

(a) **Platte Canyon Financial Statements.** The following unaudited Platte Canyon financial statements, prepared by Vanessa Shipley for the ten-month period ending October 31, 2018, were presented to the Boards:

(i) Statement of Net Assets, dated October 31, 2018, showing Platte Canyon's Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses, and Changes in Net Assets for the ten-month period ending October 31, 2018;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the ten-month period ending October 31, 2018; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the ten-month period ending October 31, 2018.

At the conclusion of Vanessa Shipley's review of the Platte Canyon financial statements, 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:

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William Buckner	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

2. **Southwest Financial Statements.** The following unaudited Southwest financial statements, prepared by Vanessa Shipley for the ten-month period ending October 31, 2018, were presented to the Boards:

(i) Statement of Net Assets, dated October 31, 2018, showing Southwest's Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses, and Changes in Net Assets for the ten-month period ending October 31, 2018;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the ten-month period ending October 31, 2018; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the ten-month period ending October 31, 2018.

At the conclusion of her discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Hause to accept the Southwest financial statements, as presented. The Chair called for a vote of the Southwest Board, and the vote was as follows:

George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

3. **Platte Canyon Investment/Deposit Report.** The Boards reviewed a list of Platte Canyon's investments in U.S. Government treasury notes, agency securities, certificates of deposit, and money market funds, together with a report showing the funds Platte Canyon has in approved state depositories and authorized investment pools. As of October 31, 2018, Platte Canyon's investments and deposits totaled \$10,420,193.20, itemized as follows:

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<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$198,487.67	1.90%
Certificates of Deposit	\$994,00.00	9.54%
ColoTrust-Prime	\$0.00	0.00%
ColoTrust-Plus	\$3,180,583.21	30.52%
ColoTrust-Trust Account	\$1,051,096.30	10.09%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$0.00	0.00%
U.S. Government Agencies and Instrumentalities	\$4,996,026.02	47.95%
TOTAL	\$10,420,193.20	100.00%

The average yield on Platte Canyon's investments for the month of October 2018, as calculated by staff, was 1.9133% 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 Schedule of Deposits and Investments as presented. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

4. **Southwest Investment/Deposit Report.** The Board 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 October 31, 2018, Southwest's investments and deposits totaled \$24,022,094.75, itemized as follows:

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<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$227,127.25	0.95%
Certificates of Deposit	\$2,360,692.27	9.83%
ColoTrust-Prime	\$0.00	0.00%
ColoTrust-Plus	\$5,291,899.61	22.03%
ColoTrust-Trust Account	\$109,523.30	0.46%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$6,014,304.69	25.04%
U.S. Government Agencies and Instrumentalities	\$10,018,547.63	41.71%
TOTAL	\$24,022,094.75	100.00%

The average yield on Southwest’s investments for the month of October 2018, as calculated by staff, was 2.2795% per annum.

Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Hause to accept the Southwest Schedule of Deposits and Investments, as presented. The Chair called for a vote of the Southwest Board, and the vote was as follows:

George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

5. **Management Information Report.** The manager had nothing to add to the written Management Information Report dated November 2018, a copy of which was previously provided to the members of both Boards. The assistant manager provided an update with respect to the following matters:

(a) **Valley Interceptor Relocation Project.** The final plans and specifications for the Valley Interceptor Relocation Project have been submitted to the Colorado Department of Public Health and Environment for review and approval. Assuming a timely turnaround time, the project is scheduled to go to bid on January 7, 2019 with the expectations that bids will be received the first week of February. Easement acquisition for the project is proceeding smoothly. Easements from two of the three private property owners have been obtained and work continues on the acquisition of the Easements required from the City of Englewood.

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Staff is negotiating with Francis Kent regarding the installation of new lift stations on his property to serve specific buildings. Legal counsel is drafting an agreement that will be presented to Mr. Kent for his review in the very near future.

(b) **Colorado Department of Public Health Regulation 22.** Regulation 22 is important to Platte Canyon and Southwest because it requires the submittal of the plans and specifications for large interceptor and lift station projects to the State for review and approval. The interceptor and lift station work group which is involved in providing revisions to this Regulation last met on October 29, 2018.

The effort of the work group and the Colorado Department of Public Health and Environment at this point in time is to adopt meaningful modifications to Regulation 22 dealing with site location and design approval regulations for domestic wastewater treatment works. As mentioned above, this Regulation establishes design guidelines for wastewater interceptors and lift stations. It is hoped that as a result of the revisions the process for obtaining approval of these types of facilities through the State can be streamlined.

(c) **Colorado Department of Public Health and Environment Decision on Corrosion Control Affecting Denver Water.** Cynthia Lane reported that the wastewater and watershed stakeholder group organized to help quantify the potential impacts of the Health Department's decision requiring Denver Water to use orthophosphate as a means of controlling corrosion in Denver Water's Distribution System continues to meet. During the most recent meeting of the work group various items were discussed, including obtaining detailed cost estimates from two major entities, the Metro Wastewater Reclamation District and the South Platte Renewal Partnership. The group also discussed obtaining a watershed model for the Barr Milton Watershed to help analyze the impacts of orthophosphate discharges from wastewater treatment plants and non-point source loadings on the nutrient levels in streams and in reservoirs. The stakeholder group is hoping to wind down the process sometime in mid-January 2019. Platte Canyon staff remain engaged in the stakeholder process to better evaluate the potential impacts to both Platte Canyon and Southwest, its customers and the surrounding water community.

(d) **Platte Canyon and Southwest Websites.** There was a brief discussion concerning the Platte Canyon and Southwest websites, and in particular the Board Member portals used by each District. Staff wanted to know what each Board liked about their respective portals and what could be done to improve those portals. Feedback was provided to staff, and Tayler Newkirk will proceed making the requested revisions.

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Alyssa Quinn noted that in the future the District plans to deliver Board Member packets using a Windows-based system that is more functional than the current system. Alyssa is involved in converting from the current system to a Windows Surface Go Pro platform.

6. **Operations and Maintenance Summary Report.** Scott Hand reviewed the Operations and Maintenance Summary Report dated October 2018. During the October 2018 reporting period, neither Platte Canyon nor Southwest had any sanitary sewer service interruptions. Platte Canyon had no water service interruptions. Southwest experienced two water service interruption, one at 6350 South Jellison Street on October 9, 2018, and another at 6578 S. Everette Way on October 10, 2018. Mr. Hand reviewed these water service interruptions and described the repair activities undertaken to restore water service.

He then discussed a break that occurred on November 23, 2018 on an 8-inch water line in South DePew Street, noting that the cost of repairing this break were significant. He reviewed the repair activities with the Board.

Mr. Hand also discussed the staff training that is ongoing, noting that various staff members attended a one-day re-certification course for pipeline assessment certification. All District-certified operators have been re-certified as is required by health department regulation and statute.

Mr. Hand also noted that in mid-November work commenced by Levi Contractors for installing an additional valve for purposes of performing the Peakview and Wadsworth water main reconstruction. The new valve will be installed to maintain water service to residential properties while the final segment of the 10-inch line in this area is abandoned.

With respect to the flow monitoring instrumentation replacement project, it was noted that during October, Browns Hill acquired all equipment and materials necessary to start work on this project. Work began in early November and the District is now receiving flow monitoring data on a real-time basis.

7. **Construction Project Report.** Tony Coccozella reviewed with both Boards the Capital Project Information and Construction Status Report for both Platte Canyon and Southwest. The Report updated the Boards as to the status of all ongoing Platte Canyon and Southwest projects, including developer and District-specific projects. As part of the review, Mr. Coccozella also addressed those projects that are in the design phase at the present time.

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NEW BUSINESS

There was no new business to come before the joint participation portion of the meeting. It was noted that the Boards' December meeting has been canceled. There was a brief discussion concerning rescheduling the January 2019 meeting, but coordination of all Board members January schedules. If the meeting is to be rescheduled the manager will advise all Board members.

SOUTHWEST ACTION ITEMS

CALL TO ORDER

The Southwest Action Item portion of the joint special meeting was called to order by Southwest Treasurer, George E. Hamblin, Jr., who presided as Chair.

SOUTHWEST AGENDA

Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Hause to approve, as presented, the Southwest Agenda. The Chair called for a vote of the Southwest Board, and the vote was as follows:

George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

SOUTHWEST CONSENT AGENDA ITEMS

Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded Southwest Director Hause to approve the Southwest Consent Agenda Items 1 through 6 as set forth below by a single motion. The Chair called for a vote of the Southwest Board, and the vote was as follows:

George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

1. **Ratification of Interim Disbursements and current Payables.** The Southwest interim disbursements paid and current payables for the month of November 2018 in the aggregate amount of \$412,622.56, represented by Southwest check numbers

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19300 through 19340, inclusive, including those checks written by the manager pursuant to prior Board authority for less than \$2,500.

2. **Ratification of Southwest Investment Transactions.** During the month Southwest renewed two Certificates of Deposit, one in the amount of \$100,000 at the Bank of Denver for one year at an interest rate of 2.20% per annum, and one at the Flatirons Bank for 717 days in the amount of \$145,000 at 2.50% per annum.

3. **Approval of 2019 Audit Engagement Letter.** The approval of and authorization to sign Schilling & Company, Inc.'s Audit Engagement Letter dated October 31, 2018 for the 2018 Southwest Audit for an amount not to exceed \$5,700.00.

4. **Approval of Collins Cockrel & Cole, P.C. 2019 Letter of Engagement.** The approval of and authorization to sign Collins Cockrel & Cole, P.C. 2019 legal services Engagement Letter dated November 29, 2018 for an amount not to exceed \$37,000 without the prior written consent of the Board.

Approval of Capital Master Plan for 2019 through 2028. The Capital Master Plan for 2019 through 2028 had not been changed since being reviewed by the Board at its October 2018 meeting.

SOUTHWEST ACTION ITEMS

1. **Directors Absence Excused.** Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Hamblin to excuse the absence of Southwest Directors Anthony M. Dursey and Kenneth Ensor, who were unable to attend the meeting. The Chair called for a vote of the Southwest Board, and the vote was as follows:

George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

2. **Adoption of 2019 Budget.** The Chair opened the public hearing on the Southwest proposed 2019 Budget. Notice of the Budget Hearing was published in accordance with the Local Governmental Budget Law by staff. No members of the public appeared in person, or otherwise registered any objections or offered any amendments to the proposed 2019 Budget, which is balanced as required by law. The Chair then closed the public hearing on the 2019 hearing.

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Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Hause to adopt Southwest Resolution 2018-11-1, which Resolution formally adopts the proposed 2019 Budget, as heretofore submitted and amended, as the official Budget for Southwest for calendar year 2019, subject to whatever minor adjustments, if any, are needed when the final assessed valuations are received from Arapahoe, Jefferson and Douglas Counties. The Chair called for a vote of the Southwest Board, and the vote was as follows:

George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

A copy of Resolution 2018-11-1 is attached to the original of these minutes as Exhibit A.

The Southwest Board then considered Southwest Resolution 2018-11-2, which Resolution authorizes and appropriates the sum of \$2,223,612 for expenditure by Southwest in calendar year 2019. The motion to adopt said Resolution was made by Southwest Director Sebastian and seconded by Southwest Director Hause. The Chair called for a vote of the Southwest Board, and the vote was as follows:

George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

A copy of Resolution 2018-11-2 is attached to the original of these minutes as Exhibit B.

The Southwest 2019 Budget does not contemplate the expenditure of any property tax revenue. Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Hause to certify a zero property tax mill levy to the Clerk and Records of Arapahoe, Jefferson and Douglas Counties, Colorado. The Chair called for a vote of the Southwest Board, and the vote was as follows:

George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

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A copy of Resolution 2018-11-3 is attached to the original of these minutes as Exhibit C.

3. **Adoption of Resolution 2018-11-4 Increasing the Water and Sanitary Sewer Service Fee for Southwest.** The manager reviewed Resolution 2018-11-4 which approves Southwest Fee Schedule for 2019 including the establishment of a water and sanitary service fee in the amount of \$7.00 per single family equivalent tap per month. This fee will be collected by Denver Water and remitted to the District pursuant to an agreement that has been put in place.

Following a brief discussion, a motion to adopt Resolution 2018-11-4 was made by Southwest Director Hause and seconded by Southwest Director Sebastian. The Chair called for a vote of the Southwest Board, and the vote was as follows:

George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

A copy of Resolution 2018-11-4 is attached to the original of these minutes as Exhibit D.

4. **Adoption of Resolution approving Southwest Rates, Fees and Charges Schedule for 2019.** The manager reviewed with the Southwest Board, Resolution 2018-11-5 which reaffirms, ratifies and approves the Southwest Rates, Fees and Charges Schedule for 2019 as more particularly set forth on Exhibit A as attached to the Resolution.

At the conclusion of the discussion, a motion to adopt Resolution 2018-11-5 was made by Southwest Director Hause and seconded by Southwest Director Sebastian. The Chair called for a vote of the Southwest Board, and the vote was as follows:

George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

A copy of Resolution 2018-11-5 is attached to the original of these minutes as Exhibit E.

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PLATTE CANYON INFORMATION/DISCUSSION ITEMS

1. **Platte Canyon Employee Salary and Benefit Review**. At this point in the meeting all of the Platte Canyon employees left the meeting, except for the manager and the assistant manager. The Platte Canyon Board, with the Southwest Board in attendance, took up consideration of the Platte Canyon Employee Salary and Benefit Review which was deferred from earlier in the meeting.

The manager then reviewed the Platte Canyon employee salary and benefit schedule for 2019, including a description of the various eleven job classifications that are available within Platte Canyon. He also discussed an increase in the salary range for each of the various job classifications based on survey data that has been collected from the Colorado Municipal League, the Employer's Council and other resources available to Platte Canyon.

At the conclusion of the discussion, a motion was made to approve an increase in the salary range for the various employee job classifications from between 2.5% to 2.8% as recommended by the manager. A motion to approve was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

The manager then discussed various wage adjustments he would like to make with respect to Platte Canyon's employees, noting that the increase in wages for employees ranges from 2.6% to 10% depending on the employee's job classification and evaluation that he and other staff members have recently completed.

At the conclusion of the discussion, a motion to approve the salary increases as outlined and recommended by the manager was made by Platte Canyon Director Fohn and

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seconded by Platte Canyon Director Buckner. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

Following the vote, the assistant manager left the meeting.

The manager then briefly reviewed Cynthia Lane's performance since she had been hired. The Platte Canyon and the Southwest Board members asked various questions to which the manager responded. The net effect of the evaluation was very positive. There were questions that were briefly asked concerning the succession plan that the manager has in place and what the assistant manager's goals are for long-term relationship with the District.

2. **Approval of RG & Associates Engineering Contract.** The manager advised the staff has been negotiating with RG & Associates to perform engineering design and construction observation for five projects in Platte Canyon. Total cost of the work, if all five projects were awarded, will be approximately \$120,000.00. It was noted that a draft Agreement has been prepared by legal counsel.

At the request of the manager and based on his recommendation, a motion to authorize Platte Canyon to enter into a contract with RG & Associates for the design of these five projects was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Buckner. The motion included authority for the District's manager to sign

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

William Buckner	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

NEW BUSINESS

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

ADJOURNMENT

There being no further business to come before this joint special meeting of the Platte Canyon and Southwest Boards, a motion to adjourn was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Buckner. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Richard Rock	Aye

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

George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

Whereupon, this special joint meeting of the Platte Canyon and Southwest Boards of Directors adjourned at approximately 10:25 a.m. The next regular joint meeting of the Boards will be held on Friday, January 25, 2019, at 8:30 a.m. in the Districts' office, located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123. The Boards' regular joint meeting scheduled for Friday, December 28, 2018, was canceled due to the Christmas holiday.

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Respectfully submitted,

Timothy J. Flynn, Recording Secretary

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THE MINUTES OF THIS JOINT SPECIAL 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 REGULAR MEETING OF THE DISTRICT'S BOARD 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

Kenton C. Ensor, Jr.

Anthony M. Dursey

George E. Hamblin, Jr.

Louis J. Fohn

Chuck Hause

George E. Hamblin, Jr.

Bernard J. Sebastian, Jr.

Richard Rock