

# RECORD OF PROCEEDINGS

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## MINUTES OF JOINT REGULAR MEETING

### BOARD OF DIRECTORS

### PLATTE CANYON WATER AND SANITATION DISTRICT

### AND

### SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT<sup>1</sup>

Friday  
February 26, 2021  
Jefferson County, Colorado

The regular joint monthly meeting of the Board of Directors of the Platte Canyon Water and Sanitation District (“Platte Canyon”) and the Board of Directors of the Southwest Metropolitan Water and Sanitation District (“Southwest”) convened on Friday, February 26, 2021, at 8:30 a.m. in the Districts’ office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123. Due to the COVID-19 pandemic, the meeting was also conducted virtually using Microsoft Teams Meeting. Accordingly, those Board members who could not or were not comfortable physically attending, could attend by telephone or by on-line virtual meeting. The web address and call-in information were included in the meeting notice so that interested members of the public could also attend. Although jointly conducted, a portion of the meeting pertained solely to one District or the other and, accordingly, at times only the vote of one Board or the other was required.

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

William D. Buckner  
Anthony M. Dursey (by telephone)  
Louis J. Fohn  
George E. Hamblin, Jr.

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

Anthony M. Dursey (by telephone)  
Kenton C. Ensor, Jr.  
George E. Hamblin, Jr.  
Chuck Hause  
Bernard J. Sebastian, Jr.

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

The following Platte Canyon staff members were physically in attendance in the boardroom: Patrick J. Fitzgerald, manager; and Cynthia Lane, assistant manager. The following Platte Canyon staff members attended virtually, although they were physically present in their office: Vanessa Shipley, financial administrator; Scott Hand, operations supervisor; Tony Cocozzella, construction program manager; Alyssa Quinn, business program specialist; and Bridgett Butterfield, communications and administrative services coordinator.<sup>2</sup>

Also, physically in attendance was 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, George E. Hamblin, Jr., 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 Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye

### **PLATTE CANYON CONSENT AGENDA ITEMS**

Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Fohn to approve Platte Canyon Consent Agenda Items 1 & 2, as set forth below, by a single motion.

**1. Ratification of Interim Disbursements and Approval of Current Payables.** Platte Canyon payables and supplemental disbursements for the month of February 2021, in the aggregate amount of \$324,313.31, represented by Platte Canyon check nos. 33515 thru 33564, inclusive, together with various electronic fund payments for employee salaries, utility payments and other authorized electronic fund payment vendors.

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<sup>2</sup> 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.

**2. Platte Canyon Investment/Deposit Transaction Report.** During the month of January 2021, Platte Canyon did not purchase any treasury notes or agency securities nor did any agency securities or treasury notes mature or redeem. Further, Platte Canyon did not roll-over or renew any certificates of deposit.

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

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye

### **PLATTE CANYON ACTION ITEMS**

There were no action items to come before the Platte Canyon Board.

### **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.

### **JOINT PARTICIPATION PORTION OF THE MEETING**

George E. Hamblin, Jr. continued to act as Chair of the joint participation portion of the meeting.

### **APPROVAL OF JOINT MEETING AGENDA**

A motion was made by Southwest Director Hause and seconded by Southwest Director Sebastian, to approve the joint meeting agenda as presented. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye

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

Anthony M. Dursey	Aye
Kenton C. Ensor, Jr.	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

### **JOINT MEETING CONSENT AGENDA ITEM**

**1. Approval of the Minutes of the Boards' January 22, 2021 Joint Regular Meeting.** Following a brief discussion, a motion was made by Southwest Director Hause and seconded by Southwest Director Sebastian to approve the minutes of the Boards' January 22, 2021 joint regular meeting, as presented. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye

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

Anthony M. Dursey	Aye
Kenton C. Ensor, Jr.	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

The approved minutes will be presented to the members of each Board for signature as soon as practical, 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 one-month period ending January 30, 2021, were presented to the Boards:

(i) Statement of Net Assets, dated January 31, 2021, showing Platte Canyon's Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the one-month period ending January 31, 2021;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the one-month period ending January 31, 2021; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the one-month period ending January 31, 2021.

Following Vanessa’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:

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye

(b) **Southwest Financial Statements.** The following unaudited Southwest financial statements, prepared by Vanessa Shipley for the one-month period ending January 31, 2021, were presented to the Boards:

(i) Statement of Net Assets, dated January 31, 2021, showing Southwest’s Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the one-month period ending January 31, 2021;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the one-month period ending January 31, 2021; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the one-month period ending January 31, 2021.

Following Vanessa Shipley’s review of the Southwest financial statements, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Ensor 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
Kenton C. Ensor, Jr.	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

(c) **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 local government investment pools. As of January 31, 2021, Platte Canyon’s investments and deposits totaled \$9,210,956.29, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$138,222.66	1.50%
Certificates of Deposit	\$744,000.00	8.08%
ColoTrust-Prime	\$0.00	0.00%
ColoTrust-Plus	\$1,060,860.75	11.52%
ColoTrust-Trust Account	\$1,763,042.71	19.14%
CSAFE-Core	\$3,001,463.98	32.59%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$1,003,366.19	10.89%
U.S. Government Agencies and Instrumentalities	<u>\$1,500,000.00</u>	<u>16.28%</u>
 TOTAL	 <u>\$9,210,956.29</u>	 <u>100.00%</u>

The average yield on Platte Canyon’s investments for the month of January 2021, as calculated by staff, was 0.5513% per annum.

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

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye

It was noted that the percentage of investments in local government investment pools is in compliance with Platte Canyon’s investment policy.

(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 January 31, 2021, Southwest’s investments and deposits totaled \$24,199,355.53, itemized as follows:

<b><u>Description</u></b>	<b><u>Amount</u></b>	<b><u>Percentage</u></b>
Checking	\$5,044.53	0.02%
Certificates of Deposit	\$494,000.00	2.04%
ColoTrust-Prime	\$0.00	0.00%
ColoTrust-Plus	\$3,173,533.76	13.11%
ColoTrust-Trust Account	\$4,526,089.81	18.70%
CSAFE-Core	5,997,060.22	24.78%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$6,003,627.21	24.81%
U.S. Government Agencies and Instrumentalities	<u>\$4,000,000.00</u>	<u>16.53%</u>
TOTAL	<u>\$24,199,355.53</u>	<u>100.00%</u>

The average yield on Southwest’s investments for the month of January 2021, as calculated by staff, was 1.0911% per annum.

Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Hause 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
Kenton C. Ensor, Jr.	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

Vanessa Shipley noted that the percentage of Southwest’s investments in local government investment pools is in compliance with Southwest’s investment policy.

**2. Management Report.** The manager and the assistant manager reviewed, as more particularly set forth below, the written management report dated February 2021. A copy of the management report was previously provided to each member of both Boards.

(a) **Financial Reports for Local Government Investment Pools.** The manager informed the Boards that the fourth quarter investment reports for CSAFE and CSAFE Colorado Core are available at their respective website links provided in the meeting packet. The audited annual report for ColoTrust is posted in the Board member

portal on both the Platte Canyon and Southwest websites. Both these local government investment pools are rated AAAM by Standard & Poors, and are in good financial condition.

(b) **Legislative Report.** The legislative report for the general assembly that reconvened on February 16<sup>th</sup>, will be sent out next week to all Board members. The manager noted that an initiative has been certified for the November ballot that would reduce the residential assessment rate from 7.15% to 6.55% and reduce the assessment rate for all other property, including commercial property from 29% to 26%. If this initiative were to pass, it would have a significant impact on those local governments that are heavily dependent on property tax revenues, such as school districts, fire districts, especially rural fire districts, and a number of water and sanitation districts.

(c) **Candidate for Platte Canyon Board Vacancy.** The manager stated that Mark Swatek, who lives in the Bow Mar South Subdivision, has expressed interest in serving on the Platte Canyon Board. Mr. Swatek has been interviewed by both the manager and the assistant manager and both believe that he is a good candidate for filling the current vacancy on the Platte Canyon Board. Mr. Swatek will be invited to attend the March meeting of the Boards so he can be interviewed by the Platte Canyon Board. It is anticipated that a decision regarding his appointment to the Platte Canyon Board will be made at that time.

(d) **Distributor Denver Water Rates and Fees Technical Advisory Committee (TAC).** Fernando Aranda, the rate consultant currently working for the Distributor Denver Water Rates and Fees Technical Advisory Committee, is scheduled to meet with Fletcher Davis, head of Denver Water's Rate section in early April. The purpose of this meeting is to start discussions toward a permanent solution for allocating the cost of Denver Water's Lead Service Line Reduction Program between inside and outside City customers.

(e) **District Newsletter.** Cynthia Lane reported that the Platte Canyon and Southwest newsletters will be ready for publication next week. The Platte Canyon newsletter will have an article concerning former Director Richard Rock, who passed away recently.

(f) **Covid-19 Pandemic Response.** The assistant manager reported that the Platte Canyon staff will become eligible soon for receiving a Covid-19 vaccine because the District's personnel are classified as performing an essential function. It is hoped that all employees will be vaccinated as soon as the vaccine becomes available. There have been no suspected or confirmed Covid-19 staff exposures since the last report.

(g) **Risk and Resiliency Analysis.** The assistant manager reported staff participated in one final round of facilitated workshops to complete the final step of the Risk and Resiliency Analysis that is currently being performed by Hazen & Associates.



From that exercise, several items were flagged for further analysis. These include identifying the location and issues surrounding all water lines located beneath box culverts, researching ways to better understand and strengthen the Hogback pump station pressure zone, and locating back-up fuel providers for diesel generators. Hazen & Associates is scheduled to present the results of their analysis to the Boards at the March meeting. Given the complexity of some of these items, it is anticipated that additional consulting services will be required to complete a full analysis and develop a response plan.

(h) **Dutch Creek Interceptor Damage Claim.** The manager reported that legal counsel is working with the insurance adjuster for Travelers Insurance, the insurance carrier that insures Superior Underground, the boring contractor that damaged Southwest's Dutch Creek Interceptor. Travelers has resolved all coverage issues and is now in the process of analyzing its insured's liability. It is anticipated that Travelers will complete its investigation in the near future.

**3. Operations and Maintenance Summary Report.** Scott Hand reviewed the Operations and Maintenance Summary report dated January 2021. During the reporting period, neither Platte Canyon nor Southwest had any sanitary sewer service interruptions. Platte Canyon had one water service interruption at 7501 S. Platte Canyon Road on Ken Caryl Avenue. Staff discovered water seepage in the roadway. A leak survey was performed, and a small leak was located. A welder repaired the leak on an 18" main and installed two small plate repairs. A PowerPoint presentation showing the repair work was provided by Scott Hand.

On January 5, 2021, Southwest experienced a water service interruption due to a break on a 6" asbestos pipe located at 7981 W. Euclid Place. A very small leak was discovered on a 3/4" service line; the tap was exposed and a 3' section of copper was replaced.

Both Southwest's and Platte Canyon's ongoing remedial repair programs continued during January of 2021. Six remedial repairs were completed within Southwest during January. Also, during January, members of Platte Canyon's field staff attended a webinar for use of the GraniteNet Software. This is software used in the inspection van during CCTV inspections. Also, during January, staff initiated the process to replace the District's 2008 flatbed truck. The replacement for the 2014 Explorer has been ordered, and a replacement for the 2003 Ford pickup truck has also been ordered.

During the discussion, it was noted that the Ford Explorer would normally be traded in and exchanged for the new vehicle that is being purchased. At the request of the manager, both Boards authorized the manager to purchase the Explorer, which is the vehicle he is currently driving; provided he pays the full amount of the trade-in value that will be given to Platte Canyon at the time the new vehicle is purchased.

**4. Capital Projects Report.** Tony Cocozzella reviewed the Capital Projects Report for Platte Canyon and Southwest. As part of his report, Mr. Cocozzella updated the Boards as to the status of all ongoing Platte Canyon and Southwest projects, including developer and District-specific projects. He also updated the Boards as to the status of the Valley Sanitation District Sewer Interceptor Project, which is nearing completion. Platte Canyon and Southwest projects that are in the design phase were also included as his report.

### **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 President Anthony M. Dursey, who presided as Chair.

#### **APPROVAL OF SOUTHWEST AGENDA**

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

Anthony M. Dursey	Aye
Kenton C. Ensor, Jr.	Aye
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 by Southwest Director Hamblin to approve Southwest consent agenda items 1 and 2, as set forth below, by single motion:

**1. Approval of Accounts Payable and Ratification of Interim Disbursements.** The Southwest payables and supplemental payables for the month of February 2021, in the aggregate amount of \$212,514.23, represented by Southwest check nos. 20137 through 20169, inclusive, including any checks written by the manager pursuant to prior Board authorization for less than \$2,500, as well as various electronic fund

payments for employee salaries, utilities and other authorized electronic fund payment vendors.

**2. Southwest Investment/Deposit Transaction Report.** During the month of January 2021, Southwest did not purchase any treasury notes or agency securities. On January 17, Southwest renewed a \$99,000 certificate of deposit at Fowler State Bank for 730 days at an interest rate of 0.45% per annum. The renewal occurred on January 17, 2021.

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

Anthony M. Dursey	Aye
Kenton C. Ensor, Jr.	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

### **SOUTHWEST ACTION ITEMS**

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

### **SOUTHWEST NEW BUSINESS**

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

### **EXECUTIVE SESSION**

Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Hamblin for both Boards to go into Executive Session to discuss personnel matters pursuant to Section 24-6-402(4)(f) C.R.S. relating to the proposed general manager's employment contract. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye

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

Anthony M. Dursey	Aye
Kenton C. Ensor, Jr.	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

Whereupon at approximately 9:00 a.m., both Boards went into Executive Session for the purpose stated above. Present during the Executive Session were the members of each Board and legal counsel. The Executive Session was recorded as required by law. At approximately 10:00 a.m., the Boards returned to open public meeting.

Following a brief discussion, a motion was made by Platte Canyon Director Fohn and seconded by Platte Canyon Buckner to approve the form of general manager employment contract with Cynthia Lane as reviewed by Platte Canyon's legal counsel and authorize it to be executed by appropriate representatives of Platte Canyon ten days following the first date a notice of the general manager job opening position is posted on the bulletin board in the Platte Canyon employee kitchen area. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye

All members of the Southwest Board agreed with the action taken by the Platte Canyon Board.

### **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 Hause and seconded by Southwest Director Sebastian. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye

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

Anthony M. Dursey	Aye
Kenton C. Ensor, Jr.	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

Whereupon, this joint regular meeting of the Platte Canyon and Southwest Boards of Directors adjourned at approximately 10:15 a.m. The next regular joint meeting of the Boards will be held on Friday, March 26, 2021, at 8:30 a.m. in the District's office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123.

Respectfully submitted,

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Timothy J. Flynn, Recording Secretary

THE MINUTES OF THIS JOINT REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT AND THE BOARD OF DIRECTORS OF THE PLATTE CANYON WATER AND SANITATION DISTRICT ARE HEREBY RATIFIED, CONFIRMED AND APPROVED BY THE FOLLOWING NAMED INDIVIDUALS WHO, INDIVIDUALLY AND AS MEMBERS OF THE BOARD OF DIRECTORS OF SAID DISTRICTS, WAIVE ANY AND ALL NOTICE THAT MAY BE REQUIRED BY THE STATUTES OF THE STATE OF COLORADO PERTAINING TO THE CONVENING AND THE CONDUCTING OF THIS SPECIAL MEETING OF THE DISTRICTS' BOARDS OF DIRECTORS; AND THE UNDERSIGNED DO HEREBY CONSENT TO THE SAID MEETING BEING HELD ON THE DATE, AT THE TIME AND AT THE PLACE AS HEREINABOVE SET FORTH.

SOUTHWEST METROPOLITAN  
WATER AND SANITATION DISTRICT

PLATTE CANYON WATER AND  
SANITATION DISTRICT

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Anthony M. Dursey

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William D. Buckner

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