

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
June 24, 2022
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, June 24, 2022, at 8:30 a.m. in the Districts’ office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123. Due to COVID-19 and related virus concerns, the meeting was also conducted virtually using Microsoft Teams. 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 Southwest Directors were in attendance, to-wit:

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

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.
Mark Swatek

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

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

Scott Hand, operation supervisor; Tony Cocozzella, construction program manager; and Justin Roquemore, operator III/Engineering Technician I² and Bridget Butterfield, communications and administrative services coordinator attended by Microsoft Teams.

Also physically in attendance were Timothy J. Flynn, from Collins Cole Flynn Winn & Ulmer, PLLC, legal counsel for both Districts; Karl Kluge, senior construction manager, RG & Associates LLC, the engineering consultant for both Districts; and Samuel Rivas, Jr., a resident of Southwest interested in serving on the Southwest Board of Directors.

CALL TO ORDER

The meeting was then called to order by 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 Dursey 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
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Bernard J. Sebastian, Jr.	Aye

INTERVIEW OF CANDIDATE FOR VACANT BOARD POSITION

Samuel Rivas Jr., a resident of Southwest interested in serving on the Southwest Board introduced himself and provided a brief personal, business and employment history for the Boards. He expressed his interest in serving on the Southwest Board of Directors. Following his introductory remarks, various Southwest Board members had a number of questions for Mr. Rivas. At the conclusion of the interview, the Southwest Board took Mr. Rivas's application under advisement and indicated that it would most likely act upon the application at the end of the Southwest meeting. Mr. Rivas stayed in attendance for an additional fifteen minutes or so, then left the meeting due to a prior business commitment.

SOUTHWEST CONSENT AGENDA

Following a brief discussion, a motion was made by Southwest Director Hamblin and seconded by Southwest Director Sebastian to approve Southwest Consent Agenda Items 1 and 2, as set forth below, by a single motion:

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.

1. Ratification of Interim Disbursements and Approval of Current Payables. The Southwest payables and supplemental disbursements for the month of June 2022, in the aggregate amount of \$196,894.67, represented by Southwest check nos.20605 through 20630, 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 utility and other authorized electronic fund payment vendors.

2. Southwest Investment/Deposit Transaction Report. During the month, Southwest did not purchase any treasury notes or other securities nor did any Southwest treasury or other securities redeem or mature. During the month, Southwest did not roll over or open any new certificates of deposit.

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

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

SOUTHWEST ACTION ITEMS

1. Approval of Engineering Design Services Agreement with RG and Associates LLC. Before discussing RG & Associates' proposed Agreement, the manager and Board reviewed a recommendation letter from RG & Associates regarding three options for the proposed realignment and relocation of a 16" Southwest water main in South Santa Fe Drive to a new location outside of the Santa Fe Drive road right-of-way. Following the discussion and based on the manager's recommendation, the Board selected option one.

The Board then considered a professional Engineering Services Agreement with RG & Associates for engineering design and project management services for the above referenced relocation/replacement project.

Following Tony Coccozzella' s review of the Agreement which provides total compensation for all services including design survey/potholes, preliminary and final design, processing plan approvals, easement acquisition, bidding services, construction observation on an on call basis, of \$116,850, a motion to approve the Agreement was made by Southwest Director Hamblin and seconded by Southwest Director Sebastian. The motion included authorization for the District's President and Secretary to sign the Agreement on behalf of Southwest. The Chair called for a vote, and the vote was as follows:

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

2. Subpoena to Produce Documents. Legal counsel and the manager informed the Southwest Board that last week Southwest was served with a Subpoena to Produce Documents in the case of Duran vs. multiple defendants including Minnesota Mining and Manufacturing Company and J-M Manufacturing, Inc. This is a personal injury lawsuit alleging damages due to exposure to materials containing asbestos. The Subpoena is broad and requests information regarding Southwest’s use of asbestos cement pipe over multiple years.

Legal counsel contacted Ashley Hernandez-Schlagel of the firm of Nathan, Dumm, and Mayer to assist Southwest in responding to this Subpoena. He explained to the Southwest Board that he would be signing a Retention Agreement with that firm on Southwest behalf. Ashley Hernandez-Schlagel’s hourly rate is \$225 an hour.

Following a brief discussion, the Board authorized legal counsel to proceed as discussed and specifically authorized legal counsel and the manager to retain and work with Ms. Schlagel.

SOUTHWEST INFORMATION/DISCUSSION ITEMS

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

SOUTHWEST NEW BUSINESS

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

JOINT PARTICIPATION PORTION OF THE MEETING

Chuck E. Hause, Southwest’s President, continued to act as Chair of the joint participation portion of the meeting.

APPROVAL OF JOINT MEETING AGENDA

A motion was made by Platte Canyon Director Hamblin and seconded by Southwest Director Sebastian 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
George E. Hamblin, Jr.	Aye
Chuck Hause	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 Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Mark Swatek	Aye

JOINT MEETING CONSENT AGENDA ITEM

1. **Approval of the Minutes of the Boards' May 27, 2022, Joint Regular Meeting.** Following a brief discussion, a motion was made by Platte Canyon Director Buckner and seconded by Southwest Director Hamblin to approve the minutes of the Boards May 27, 2022, joint regular meeting, as presented. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	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 Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	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 the Board members ratification, confirmation, and approval.

JOINT MEETING ACTION ITEMS

No action items came before this joint regular 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 five-month period ending May 31, 2022, were presented to the Boards:

(i) Statement of Net Assets, dated May 31, 2022, showing Platte Canyon’s Assets, Liabilities, and Net Assets; and

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the five -month period ending May 31, 2022; and

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the five-month period ending May 31, 2022; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the five-month period ending May 31, 2022.

Vanessa Shipley noted any significant variances from Platte Canyon’s adopted budget focusing on maintenance supplies and other expenses which at this point in the year are higher than anticipated due to circumstances beyond Platte Canyon’s control. At the conclusion of her review of the financial statements, a motion was made by Platte Canyon Director Buckner and seconded by Platte Canyon Director Swatek 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
Mark Swatek	Aye

(b) Southwest Financial Statements. The following unaudited Southwest financial statements, prepared by Vanessa Shipley for the five-month period ending May 31, 2022, were presented to the Boards:

(i) Statement of Net Assets, dated May 31, 2022, showing Southwest’s Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the five-month period ending May 31, 2022;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the five-month period ending May 31, 2022; and

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the five-month period ending May 31, 2022.

Vanessa Shipley noted and explained any significant deviations from Southwest’s adopted budget. Specifically, she stated that Southwest engineering expense and contract emergency budget categories are significantly higher than anticipated and Southwest may need to amend its budget before the end of the calendar year. Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Dursey 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
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 May 31, 2022, Platte Canyon’s investments and deposits totaled \$8,662,759.66, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$175,077.03	2.02%
Certificates of Deposit	\$495,000.00	5.71%
ColoTrust-Edge	\$1,720,128.29	19.86%
ColoTrust-Plus	\$1,610,150.44	18.59%
ColoTrust-Trust Account	\$6,084.77	0.07%
CSAFE-Core	\$379,273.48	4.38%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$2,773,576.92	32.02%
U.S. Government Agencies and Instrumentalities	\$1,503,468.73	17.36%
TOTAL	<u>\$8,662,759.66</u>	<u>100.00%</u>

The average yield on Platte Canyon’s investments for the month of May 2022, as calculated by staff, was 0.6902% per annum.

Following a brief discussion, a motion was made by Platte Canyon Director Swatek 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
 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 May 31, 2022, Southwest’s investments and deposits totaled \$24,879,930.44, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$8,221.85	0.03%
Certificates of Deposit	\$494,000.00	1.99%
ColoTrust-Edge	\$4,287,922.04	17.23
ColoTrust-Plus	\$2,566,074.58	10.31
ColoTrust-Trust Account	\$22,537.37	0.09%
CSAFE-Core	\$534,762.54	2.15%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$10,966,412.06	44.08%
U.S. Government Agencies and Instrumentalities	\$6,000,000.00	24.12%
TOTAL	<u><u>\$24,879,930.44</u></u>	<u><u>100.00%</u></u>

The average yield on Southwest’s investments for the month of May 2022, as calculated by staff, was 0.8159% per annum.

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

3. Platte Canyon/Southwest Intergovernmental Agreement Review. Vanessa Shipley thoroughly reviewed the Restated and Amended Intergovernmental Agreement between Platte Canyon and Southwest that provides for the Districts to cooperate and share expenses in connection with their respective operations. Under the Restated Agreement, Platte Canyon provides management, administration and operation services for Southwest.

Vanessa Shipley also reviewed the Joint Office and Garage Intergovernmental Agreement between Platte Canyon and Southwest dated February 1, 2019.

With respect to both Intergovernmental Agreements, she reviewed in detail how costs are tracked and allocated between Platte Canyon and Southwest. At the conclusion of her review, both the Platte Canyon and Southwest Boards felt comfortable that except for some minor tweaks recommended by Ms. Shipley during his presentation, the Agreements are fair and equitable to both Districts. Each Board decided not to have an independent third party review the cost sharing methodologies and cost allocation formulas set forth in the Agreements. In summary, it was the conclusion of both Boards that these Agreements are working well, are fair and equitable to each District, and are not in need of major revision or modification.

4. Management Report. The manager briefly reviewed her written management report for the month of May 2022, a copy of which was previously provided to each member of both boards. Her review included an update as to the following items:

(a) **2022 District Goals.** The Boards were provided with a written update as to the progress made in achieving District goals for 2022. No significant changes from last month's report were noted.

(b) **Safety Report for 2022.** An updated safety report as of June 16, 2022, was provided to each Board. Year-to-date, Platte Canyon employees have undergone fourteen hours of training. There have been no safety incident reports in 2022.

(c) **Update on Platte Canyon Ballot Issue.** Due to the limited number of days before a November 8, 2022, election, Platte Canyon staff recommended that Platte Canyon not seek authority at the present time to borrow money for Platte Canyon's 2023 capital improvement projects. It was believed that a better time to conduct the election will be November of 2023. The manager explained that delaying presentation of a debt question to Platte Canyon's voters will not delay Platte Canyon's application for a State Revolving Fund Loan. Ms. Lane further explained that both Districts are in the process of getting on the eligibility for State Revolving Fund Loans, should either District, in the future seek to borrow money from the Fund.

(d) **Miscellaneous Matters.** Due to the lateness of the hour and the length of the meeting that preceded the management report portion of the meeting, the manager referred the Board to her written report and offered to answer any questions should any Board member have any. The Board acknowledged receiving the report and no Board members had any specific questions for the manager at this time.

5. Operations and Maintenance Summary Report. Scott Hand reviewed the operations and maintenance summary report for May 2022. He noted that during the reporting period neither Platte Canyon nor Southwest experienced any water or sewer service interruptions. During May, Platte Canyon’s operation staff attended various certification courses including a flagger training course that covered proper traffic control processes and procedures.

Platte Canyon’s operations staff also attended a Collections Systems Expo on May 19, 2022. The Expo included a number of short classes involving practices in collection system operation and maintenance. In addition, there were vendors onsite promoting industry equipment and materials.

6. Capital Projects Report. Tony Cocozzella reviewed the capital projects report for Platte Canyon and Southwest. He noted there continues to be a lot of activity in both Districts. As part of his report, Mr. Cocozzella updated the Board as to the status of all ongoing Platte Canyon and Southwest projects including developer projects and District specific projects.

NEW BUSINESS

1. Appointment to Fill Vacancy on Southwest Board. At this point the Southwest Board considered in greater detail the application of Samuel Rivas, Jr. Following the discussion, a motion was made by Southwest Director Hamblin and seconded by Southwest Director Sebastian to appoint Mr. Rivas to the Southwest Board to fill the vacancy created by the resignation of Kenton C. Ensor earlier this year from the Southwest Board. The Chair called for a vote of the Southwest Board, and the vote was as follows:

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

Legal counsel’s office will prepare the appropriate Oath of Office and Certificate of Appointment and deliver those documents to staff so that the Oath can be administered to Mr. Rivas and the Certificate of Appointment signed and delivered to him prior to the July Joint Meeting of both Boards. Legal counsel’s office will also file the Oath of Office with the Clerk and Recorder’s offices of Douglas, Jefferson, and Arapahoe Counties, the Division of Local Government, and the Jefferson County District Court.

PLATTE CANYON PORTION OF THE JOINT MEETING

CALL TO ORDER

The Platte Canyon portion of the joint meeting was called to order by Platte Canyon’s President George E. Hamblin, Jr., who presided as Chair.

APPROVAL OF PLATTE CANYON AGENDA

A motion was made by Platte Canyon Director Swatek 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
Mark Swatek	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 Swatek to approve Platte Canyon Consent Agenda Items 1 and 2, as set forth below, by a single motion:

1. Approval of Accounts Payable and Ratification of Interim Disbursements. Platte Canyon payables and supplemental payables for the month of May 2022, in the aggregate amount of \$210,334.42, represented by Platte Canyon check nos. 34319 through 34355, 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, Platte Canyon did not purchase any treasury notes or other securities nor did any Platte Canyon treasury or other securities redeem or mature. During the month, Platte Canyon did not roll over or open any new certifications of deposit. With respect to the above-referenced consent agenda items, 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
Mark Swatek	Aye

PLATTE CANYON ACTION ITEMS

1. **Acceptance of Revised Safety Manual.** Alyssa Quinn, assistant manager for Platte Canyon, reviewed with both Boards in detail an updated and revised Platte Canyon Safety Manual that has been in the redrafting process for the last several months with assistance from the Employers Council. Her report was detailed and very thorough. Both Boards expressed their appreciation for the time and work that has gone into revising the Platte Canyon Safety Manual and bringing it up to date so that it is compliant with current federal and state statutes and current employment practices.

At the conclusion of her report a motion to accept the updated Safety Manual 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 Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Mark Swatek	Aye

PLATTE CANYON INFORMATION/DISCUSSION ITEMS

There were no information or discussion items to come before the Platte Canyon Board. Cynthia Lane, however, reiterated that Platte Canyon will defer any debt authorization election until November of 2023.

PLATTE CANYON NEW BUSINESS

In addition, the manager brought to the Boards attention Platte Canyon has ordered updated hats for all District employees. Any Platte Canyon or Southwest Board member interested in obtaining a hat can do so. In order to obtain a hat, staff needs the Director's specific hat size.

ADJOURNMENT

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

Anthony M. Dursey	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	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 Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Mark Swatek	Aye

Whereupon, this joint regular meeting of the Southwest and Platte Canyon Boards of Directors adjourned at approximately 11:00 a.m. The next regular joint meeting of the Boards will be held on Friday, July 22, 2022, 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

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

George E. Hamblin, Jr

Anthony M. Dursey

Chuck Hause

Louis J. Fohn

Bernard J. Sebastian, Jr.

George E. Hamblin, Jr.

Mark Swatek