

# RECORD OF PROCEEDINGS

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**MINUTES OF JOINT REGULAR MEETING**  
**BOARD OF DIRECTORS**  
**SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT**  
**AND**  
**PLATTE CANYON WATER AND SANITATION DISTRICT**<sup>1</sup>

Friday  
August 26, 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, August 26, 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 and for purposes of convenience, the meeting was also conducted virtually using Microsoft Teams. Any 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  
George E. Hamblin, Jr.  
Chuck Hause  
Samuel Rivas, Jr.

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

William D. Buckner  
Anthony M. Dursey  
Louis J. Fohn  
George E. Hamblin, Jr.  
Mark Swatek

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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: Cynthia Lane, manager; Alyssa Quinn, assistant manager; Vanessa Shipley, financial administrator; Scott Hand, operations supervisor; and Tony Cocozzella, construction program manager. Bridget Butterfield, administrative services coordinator attended by Microsoft Teams.<sup>2</sup>

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

### **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 Hamblin 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
Samuel Rivas, Jr.	Aye

### **SOUTHWEST CONSENT AGENDA**

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

**1. Ratification of Interim Disbursements and Approval of Current Payables.** The Southwest payables and supplemental disbursements for the month of August 2022, in the aggregate amount of \$290,770.18, represented by Southwest check numbers 20662 through 20690, 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 purchased a \$1,000,000 one-year treasury note having a maturity date of July 31, 2023, a face rate of interest of 2.75% per annum and a yield to maturity of 3.21%. During the month Southwest did not have any treasury or other securities redeem or mature

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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.

nor did Southwest 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
Samuel Rivas, Jr.	Aye

### **SOUTHWEST ACTION ITEMS**

#### **1. Ratification of Settlement Agreement With Foothills Bible Church.**

Legal counsel and the manager reviewed a Settlement Agreement and Mutual Release between Southwest and the Foothills Bible Church arising out of property damages the church sustained on or about April 22, 2022, allegedly as a result of the operation of the Southwest Coal Mine Water Pump Station. As part of the Agreement, the Special District Property and Liability Pool will pay the Foothills Bible Church \$63,000 as compensation for damages arising from one or more ruptures. As part of the Agreement both sides mutually released each other from any and all claims and any and all liability. Further, as part of the Settlement Agreement, Southwest expressly disclaims any liability for negligence or wrongful doing.

Following a brief discussion, a motion to ratify and approve the Settlement Agreement previously executed by the District’s manager due to the need to resolve this matter between meetings, was made by Southwest Director Rivas and seconded by Southwest Director Hamblin. The Chair called for a vote, and the vote was as follows:

Anthony M. Dursey	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Samuel Rivas, Jr.	Aye

### **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 Swatek and seconded by Southwest 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
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye
Samuel Rivas, Jr.	Aye

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

**JOINT MEETING CONSENT AGENDA**

**1. Approval of the Minutes of the Boards’ July 22, 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 July 22, 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
Samuel Rivas, 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 each Board member’s 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 seven-month period ending July 31, 2022, were presented to the Boards:

- i. Statement of Net Assets, dated July 31, 2022, showing Platte Canyon’s Assets, Liabilities, and Net Assets; and
- ii. Statement of Revenue, Expenses and Changes in Net Assets for the seven-month period ending July 31, 2022; and
- iii. Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the seven-month period ending July 31, 2022; and
- iv. Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the seven-month period ending July 31, 2022.

Vanessa Shipley noted that Platte Canyon is likely to exceed budgeted amounts for water contract remedial repairs and personnel wages. She is watching both of these categories closely. The Platte Canyon budget may need to be amended before the end of the year.

At the conclusion of her review of the financial statements, a motion was made by Platte Canyon Director Swatek 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
Mark Swatek	Aye

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

- i. Statement of Net Assets, dated July 31, 2022, showing Southwest’s Assets, Liabilities, and Net Assets;
- ii. Statement of Revenue, Expenses and Changes in Net Assets for the seven-month period ending July 31, 2022;
- iii. Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the seven-month period ending July 31, 2022; and
- iv. Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the seven-month period ending July 31, 2022.

Following Vanessa Shipley’s brief review of Southwest’s financial statements, a motion was made by Southwest Director Rivas 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
Samuel Rivas, 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 July 31, 2022, Platte Canyon’s investments and deposits totaled \$10,698,138.05, itemized as follows:

<b><u>Description</u></b>	<b><u>Amount</u></b>	<b><u>Percentage</u></b>
Checking	\$166,183.39	1.55%
Certificates of Deposit	\$495,000.00	4.63%
ColoTrust-Edge	\$1,721,737.81	16.09%
ColoTrust-Plus	\$2,152,495.73	20.12%
ColoTrust-Trust Account	\$9,385.48	0.09%
CSAFE-Core	\$380,154.42	3.55%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$4,269,889.66	39.91%
U.S. Government Agencies and Instrumentalities	\$1,503,321.56	14.05%
<b>TOTAL</b>	<b><u><u>\$10,698,138.05</u></u></b>	<b><u><u>100.00%</u></u></b>

The average yield on Platte Canyon’s investments for the month of July 2022, as calculated by staff, was 1.1229% per annum.

Following a brief discussion, which included consideration of purchasing one-year treasury notes on a laddered or staggered basis, a motion was made by Platte Canyon Director Dursey and seconded by Platte Canyon Director Hamblin 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 July 31, 2022, Southwest’s investments and deposits totaled \$25,025,720.58, itemized as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage</u>
Checking	\$16,443.71	0.07%
Certificates of Deposit	\$494,000.00	1.97%
ColoTrust-Edge	\$4,291,934.22	17.15
ColoTrust-Plus	\$208,342.91	0.83
ColoTrust-Trust Account	\$26,221.70	0.10%
CSAFE-Core	\$536,004.50	2.14%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$13,452,773.54	53.76%
U.S. Government Agencies and Instrumentalities	\$6,000,000.00	23.98%
<b>TOTAL</b>	<b><u>\$25,025,720.58</u></b>	<b><u>100.00%</u></b>

The average yield on Southwest’s investments for the month of July 2022, as calculated by staff, was 1.1798% per annum.

Following a brief discussion, a motion was made by Southwest Director Dursey and seconded by Southwest Director Rivas to accept the Southwest Investment/Deposit Report, as presented. The Chair called for a vote of the Southwest Board, and the vote was as follows:

Anthony M. Dursey	Aye
George E. Hamblin, Jr.	Aye

Chuck Hause                      Aye  
Samuel Rivas, Jr.                Aye

**JOINT MEETING INFORMATION/DISCUSSION ITEMS**

1.     **Management Report.** The manager referred the Board to her written management report for the month of July 2022, a copy of which was previously provided to each member of both Boards. Instead of reviewing her management report, the manager offered to answer any questions concerning any items in the report. In addition, she discussed with the Board the following matters:

(a)     **Capital Master Plan For 2023.** In September staff will present to each Board a Capital Mater Plan for 2023. The manager informed the Boards that as a result of inflation, supply chain issues, and other matters capital costs, are escalating at an extremely high rate. It’s anticipated that capital budget for 2023 for both Districts will increase by approximately 20% to 30%. During the discussion, Platte Canyon Director Swatek suggested that it might be advantageous for each District to try and combine small capital projects into one large project. Combining multiple small projects into one large project result in efficiencies for contractors and may allow each District to lower the cost of some or all of it capital cost next year.

A Capital Master Plan for 2023 was not presented to either District at this time. The purpose of the discussion was to inform the Boards as to the significant increase in capital cost that will be reflected in each District’s Capital Master Plan.

(b)     **Denver Water Rate Increase.** The manager advised the Boards that the Denver Board of Water Commissioners has adopted rates for 2023. With respect to each residential customer’s base charge, which is based on the size of their water meter, the base charge will increase by approximately 4.1% from \$17.20 a month to \$17.90 per month for a three-quarter inch residential water tap.

For Read and Bill Districts like Southwest Metro, the volumetrics charge will increase approximately 1.1% across each of the three tiers. This compares very favorably to what Total Service residential will be charge. Total Service customers rates will increase approximately 7.2%. Inside city the rate increase will be approximately 7.7%.

(c)     **Colorado River Watershed.** The manager provided a brief report on the drought and other issues in the Colorado River Basin, which are continuing to be of significance for Denver Water customers. Both the Upper Basin and Lower Basin states are working out a plan to conserve water, although there is a possibility that some of the Lower Basin states will not cooperate. If that occurs the federal government may have to impose some kind of mandatory allocations. Platte Canyon’s manager will continue to monitor this situation and keep the Boards apprised at future meetings.



(d) **Littleton Sewer Connection Agreement.** The City of Littleton is in the process of revising the language in the Connection Agreements it has with a number of District's that have their wastewater treated by Littleton. The manager is participating in the preliminary discussions regarding the terms and provisions that Littleton would like to see changed. Once there is a general outline and tentative topics identified Platte Canyon's legal counsel will become involved and work with the manager to assist in finalizing the terms and provisions of new Connection Agreements for both Platte Canyon and Southwest with the City of Littleton.

**2. Operations and Maintenance Summary Report.** Scott Hand reviewed the operations and maintenance summary report for July 2022. He noted that during the month neither Platte Canyon nor Southwest had any water or sewer service interruptions and as a result he had no PowerPoint presentation.

During the month C&L Water Solutions completed four remedial repairs in Platte Canyon and three in Southwest. Mr. Hand then also gave a brief update on staff training that is ongoing as well as each District's capital purchase including the pickup trucks and other equipment that has been ordered but has been delayed due to supply chain issues.

**3. 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 various District specific projects.

## **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 Buckner and seconded by Platte Canyon Director Swatek 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 Dursey and seconded by Platte Canyon Director Fohn 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 August 2022, in the aggregate amount of \$665,119.18, represented by Platte Canyon check numbers 34397 through 34444, 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 certificates 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. **Family and Medical Leave Insurance Program.** At legal counsel's request this matter was deferred until the Board's September meeting in order to allow legal to review the notice document that was provided to each employee and as well as to prepare an appropriate Resolution for the Board's consideration, if the Board determines that it would like to opt out of the Family and Medical Leave Insurance Program. Unless the Board opts out it was noted that Platte Canyon will automatically be a participant for a period of three-years. Also, premiums will need to be collected beginning in January of 2023, but employees cannot participate in the program and receive benefits under the program until January of 2024.

2. **Approval of Employee Health Benefit Plan for 2023.** The manager reviewed in detail with the Platte Canyon Board the employee health benefits for 2023 which include medical, dental, vision, as well as life insurance, and short- and long-term disability. The cost differential from 2022 to 2023 is only a 0.4% increase as more

particularly noted in a written Memorandum that the manager provided to the Platte Canyon Board and reviewed.

At the conclusion of the manager’s presentation, a motion was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Swatek to approve the proposed 2023 employee benefit package 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

### **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.

### **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 Buckner. 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
Samuel Rivas, 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 9:30 a.m. The next regular joint meeting of the Boards will be held on Friday, September 23, 2022, at 8:30 a.m. in the Districts' office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123.

Respectfully submitted,

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Timothy J. Flynn, Recording Secretary

**RECORD OF PROCEEDINGS**

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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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Mark Swatek