

# **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  
August 25, 2023  
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, August 25, 2023, at 8:30 a.m. in the Districts’ office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123. For purposes of convenience, the meeting was also conducted virtually using Microsoft Teams.

Any Board member who could not or was not comfortable physically attending, could attend by telephone or virtually. 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 (by telephone)  
Anthony M. Dursey (by telephone)  
Louis J. Fohn  
George E. Hamblin, Jr.<sup>2</sup> (by telephone)  
Mark Swatek

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

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

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

<sup>2</sup> Director Hamblin arrived during the joint participation portion of the meeting.

The following Platte Canyon staff members were physically in attendance: Cynthia Lane, manager; Alyssa Quinn, assistant manager; Vanessa Shipley, financial administrator; Tony Cocozzella, construction program manager; Bridget Butterfield, communications and administrative services coordinator; Adam Morse, GIS/Website/IT technician; and John Mathias.

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

### **CALL TO ORDER**

The meeting was called to order by Platte Canyon's Vice President, Mark Swatek, 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 D. Buckner  
Anthony M. Dursey  
Louis J. Fohn  
Mark Swatek

### **PLATTE CANYON CONSENT AGENDA**

Following a brief discussion, a motion was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Buckner to approve Platte Canyon Consent Agenda Items No. 1 and No. 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 July 2023, in the aggregate amount of \$214,947.96, represented by Platte Canyon check numbers 34947 thru 34987, 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 employee salaries, utility payments and other authorized electronic fund vendors.

**2. Platte Canyon Investment/Deposit Transaction Report.** During the month of July 2023, Platte Canyon did not purchase treasury notes or agency securities, nor did Platte Canyon sell or have any treasury notes or other securities mature or redeem. On June 11, 2023, Platte Canyon renewed a \$150,000.00 certificate of deposit at Fowler State Bank for a term of one year at an interest rate of 4.35% per annum.

With respect to Consent Agenda Item Nos. 1 and 2 above, the Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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

### **PLATTE CANYON ACTION ITEM**

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

### **PLATTE CANYON INFORMATION/DISCUSSION ITEMS**

1. **2024 Budget Schedule and Process.** Proposition HH, which will be on the November 7, 2023 ballot, could change Platte Canyon’s final assessed value which, if Proposition HH is passed, will not be available until December 29, 2023. To avoid having two budget hearings, the manager recommended Platte Canyon receive a preliminary draft budget on or about October 15, 2023, and the budget hearing for Platte Canyon for calendar year 2024 occur on December 14, 2023. It was understood that the preliminary budget that will be on file by October 15, 2023 may need to be revised prior to the December 14, 2023 budget hearing.

Following a brief discussion, the Board concurred with the manager’s recommendation regarding Platte Canyon’s 2024 budget calendar. Notice of the budget hearing will be reviewed with legal counsel to ensure it complies with all statutory requirements for the budget notice.

### **PLATTE CANYON NEW BUSINESS**

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

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

Mark Swatek, continued to act as Chair and called the joint participation portion of the meeting to order.

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

Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Rivas, 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 D. Buckner     Aye  
Anthony M. Dursey     Aye  
Louis J. Fohn           Aye  
Mark Swatek            Aye

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

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

**JOINT MEETING CONSENT AGENDA**

1.     **Approval of the Minutes of the Boards’ July 28, 2023, Joint Regular Meeting.** Following a brief discussion and review, a motion was made by Platte Canyon Director Fohn and seconded by Southwest Director Sebastian to approve the minutes of the Boards’ July 28, 2023, joint regular meeting, as written. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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

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

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

The approved minutes will be presented to the members of each Board for signature as soon as practical following the meeting, as further evidence of ratification, confirmation, and approval.

**JOINT MEETING ACTION ITEMS**

1.     **Financial Matters.**

(a)     **Platte Canyon Financial Statements.** The following unaudited Platte Canyon financial statements, prepared by Vanessa Shipley, for the seven-month period ending July 31, 2023, were presented to the Boards:

(i) Statement of Net Assets, dated July 31, 2023, showing Platte Canyon’s Assets, Liabilities, and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the seven-month period ending July 31, 2023;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the seven-month period ending July 31, 2023; 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, 2023.

Vanessa Shipley reviewed the Platte Canyon financial statements, noting those items where there was a deviation from the adopted budget. At the conclusion of her review, a motion was made by Platte Canyon Director Fohn and seconded by Platte Canyon Director Buckner to accept the Platte Canyon financial statements, as presented. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

William D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
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, 2023, were presented to the Boards:

(i) Statement of Net Assets, dated July 31, 2023, 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, 2023;

(iii) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the seven-month period ending July 31, 2023; 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, 2023.

Following Vanessa Shipley’s review of the financial statements, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Rivas to accept the

Southwest financial statements, as presented. During the discussion of the Southwest financial statements, Director Hamblin entered the meeting room. 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
Bernard J. Sebastian, Jr.	Aye

(c) **Platte Canyon Investment/Deposit Report.** The Boards reviewed a list of Platte Canyon investments in U.S. Government treasury notes, agency securities, certificates of deposit, and money market funds, together with a report showing the funds Platte Canyon has in approved state depositories and authorized local government investment pools. As of July 31, 2023, Platte Canyon’s investments and deposits totaled \$11,178,078.58, itemized as follows:

<b><u>Description</u></b>	<b><u>Amount</u></b>	<b><u>Percentage</u></b>
Checking	\$251,089.80	2.25%
Certificates of Deposit	\$495,000.00	4.43%
COLOTRUST-Edge	\$552,109.56	4.94%
COLOTRUST-Plus	\$3,109,660.44	27.82%
COLOTRUST-Trust Account	\$567,769.42	5.08%
CSAFE-Core	\$416,923.84	3.73%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$4,283,084.57	38.32%
U.S. Government Agencies and Instrumentalities	\$1,502,440.95	13.44%
<b>TOTAL</b>	<b><u>\$11,178,078.58</u></b>	<b><u>100.00%</u></b>

The average yield on Platte Canyon’s investments for the month of July 2023, as calculated by staff, was 3.0417% per annum.

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

William D. 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, 2023, Southwest’s investments and deposits totaled \$25,080,570.68 itemized as follows:

<b><u>Description</u></b>	<b><u>Amount</u></b>	<b><u>Percentage</u></b>
Checking	\$13,846.81	0.06%
Certificates of Deposit	\$494,000.00	1.97%
COLOTRUST-Edge	\$856,645.09	3.42%
COLOTRUST-Plus	\$2,027,588.04	8.08%
COLOTRUST-Trust Account	\$1,210,634.98	4.83%
CSAFE-Core	\$1,011,391.52	4.03%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$13,466,464.248	53.69%
U.S. Government Agencies and Instrumentalities	\$6,000,000.00	23.92%
TOTAL	<u>\$25,080,570.68</u>	<u>100.00%</u>

The average yield on Southwest’s investments for the month of July 2023, as calculated by staff, was 2.0808% 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
Samuel Rivas, Jr.	Aye
Bernard J. Sebastian, Jr.	Aye

### **INFORMATION/DISCUSSION ITEMS**

1. **Emergency Response Plan.** Alyssa Quinn, assistant manager for Platte Canyon, reviewed with the Board, Platte Canyon and Southwest’s Emergency Response Plan.

The update of this plan was one of the goals assigned to staff for calendar year 2023. The update included conducting a threat assessment for potential outside attacks on the facilities of each District as well as the workforce in the field. A plan was then developed to improve security at all facilities and for the field workforce. A specialized group was created to accomplish the update, which group was identified as the Emergency Response

Team, consisting of Alyssa Quinn, assistant manager, Scott Hand, operations supervisor, John Mathias, senior operator, Bridget Butterfield, communications coordinator, and Adam Morse, IT/GIS technician.

A PowerPoint presentation that reviewed all aspects of the Emergency Response Plan update was presented by Alyssa Quinn. It was a very detailed report. She noted that the Emergency Response Plan is a living document and will be reviewed every year with a major review every five years for purposes of completely updating the plan. At the conclusion of her presentation, the Board commented on how comprehensive the Plan is and appreciated all of the work that went into updating it. Board members also provided constructive comments.

2. **Management Report.** The manager reviewed her written management report for both Boards for the month of August 2023, a copy of which was previously included in the meeting packet.

(a) **2024 Denver Water Rates.** In addition, the manager updated the Board as to actions taken by the Denver Board of Water Commissioners with respect to Denver Water's 2024 rates. Read and Bill customers, like Platte Canyon and Southwest, will see rates increased by approximately 3.5%. The fixed charge is increasing for a ¾" meter by approximately 5%. She also reviewed the increases that will go into effect inside the City, in Total Service Distributor areas, and in Master Meter areas. The Denver Board of Water Commissioners expressed some concern that Read and Bill rates are very close to inside City rates. Some commissioners expressed concern that outside City rates should be higher than inside City rates. It was noted, however, Denver Water rates do not include the costs that Read and Bill and Master Meter customers pay to own and operate their respective distribution systems.

In general, the Distributors are in agreement with the rates that have been proposed by Denver Water for calendar year 2024.

(b) **Distributor Breakfast.** A Distributor Breakfast will be held by Denver Water on September 19, 2023 at 8:30 a.m. in the Three Stones building on the Denver Water Campus. Any interested Board members may attend. The manager will RSVP on behalf of those Board members who would like to attend the breakfast.

3. **Operations and Maintenance Summary Report.** Scott Hand was not able to attend the Board meeting and as a result the manager briefly reviewed his operations report. Following her review, she asked if there any questions. There were none.

4. **Construction Projects Report.** Tony Coccozella reviewed the Construction Projects Report for Platte Canyon and Southwest for the month of July 2023. As part of his report, Mr. Coccozella updated the Board as to the status of all ongoing Platte Canyon and Southwest projects, including developer and District specific projects, as well as those



projects that are in the design phase. He noted that there continues to be a significant amount of activity with respect to the River Park development in Southwest Metro along the South Santa Fe Corridor. He also noted that the Aspen Grove Lifestyle Center is starting to begin the process of its redevelopment which will include a significant number of residential units.

**NEW BUSINESS**

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

**SOUTHWEST PORTION OF THE JOINT MEETING**

**CALL TO ORDER**

The Southwest portion of the joint meeting was called to order by Southwest’s President, Chuck Hause, who presided as Chair.

**APPROVAL OF SOUTHWEST AGENDA**

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

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

**SOUTHWEST CONSENT AGENDA**

Following a brief discussion, a motion was made by Southwest Director Sebastian. and seconded by Southwest Director Rivas to approve Southwest Consent Agenda Items No. 1 and No. 2, as set forth below, by a single motion:

**1. Ratification of Interim Disbursements and Approval of Current Payables.** Southwest payables and supplemental disbursements for August 2023, in the aggregate amount of \$339,884.43, represented by Southwest check numbers 20977 through 21006, inclusive, including checks written by the manager for less than \$5,000 pursuant to prior Board authorization, as well as various electronic fund payments for utilities and other authorized electronic fund payment vendors.

**2. Southwest Investment/Deposit Transaction Report.** On July 31, 2023, a \$1,000,000.00 treasury note matured. On July 17, 2023, Southwest renewed a \$150,000.00 certificate of deposit at Fowler State Bank that will mature on January 17, 2025 and which accrues interest at the rate of 5% per annum.

With respect to the above referenced consent 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
Bernard J. Sebastian, Jr.	Aye

### **SOUTHWEST ACTION ITEMS**

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

### **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.

### **ADJOURNMENT OF PLATTE CANYON MEETING**

At this point noting that there was going to be an Executive Session for the Southwest Board, a motion to adjourn the Platte Canyon meeting was made by Platte Canyon Director Swatek 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 D. Buckner	Aye
Anthony M. Dursey	Aye
Louis J. Fohn	Aye
George E. Hamblin, Jr.	Aye
Mark Swatek	Aye

### **SOUTHWEST EXECUTIVE SESSION**

Following a brief discussion, a motion was made by Southwest Director Sebastian and seconded by Southwest Director Rivas to go into Executive Session pursuant to Section 24-6-402(4)(b) C.R.S. for the purpose of conferring with legal counsel and obtaining legal

advice regarding the Bowles Community Church litigation. 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
Bernard J. Sebastian, Jr.	Aye

At approximately 9:40 a.m. the Southwest Board went into Executive Session. Present during the Executive Session were the Southwest Board members, the manager, the assistant manager, and legal counsel. The Executive Session was not recorded because it constituted an attorney client privileged communication.

At approximately 9:54 a.m. the Southwest Board returned to open public meeting.

### **ADJOURNMENT**

There being no further business to come before the Southwest Board, a motion to adjourn the Southwest Board meeting was made by Southwest Director Sebastian and seconded by Southwest Director Rivas.

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

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

Whereupon, this joint regular meeting of the Platte Canyon and Southwest Boards of Directors adjourned at approximately 9:55 a.m. The next regular joint meeting of the Boards will be held on Friday, September 22, 2023, 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

**ATTORNEY’S STATEMENT**

Pursuant to Section 24-6-402 (2)(d.5)(II) A, C.R.S., I Timothy J. Flynn, attest that I am the attorney for the Southwest Metropolitan Water and Sanitation District and I was present at the time the Board convened in Executive Session on Friday, August 25, 2023 at approximately 9:40 a.m. I further attest that Executive Session was not recorded because it constituted a privileged attorney client communication. The Board did not adopt any policy, rule, regulation or take any formal action during the Executive Session.

\_\_\_\_\_  
Timothy J. Flynn, Legal Counsel

Date: \_\_\_\_\_

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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George E. Hamblin, Jr.

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Anthony M. Dursey

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Chuck Hause

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Louis J. Fohn

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Samuel Rivas, Jr.

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George E. Hamblin, Jr.

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Bernard J. Sebastian, Jr.

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Mark Swatek