

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
July 22, 2011
Jefferson County, Colorado

The regular 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, July 22, 2011, at 8:30 a.m. in the Districts’ office located at 8739 West Coal Mine Avenue, Littleton, Colorado 80123. Although jointly conducted, a portion of the meeting pertained solely to one District or the other, and accordingly at times only the vote of one Board or the other was required.

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

Kenneth D. Bradford
Anthony M. Dursey
George E. Hamblin, Jr.
Chuck Hause

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

Kenneth D. Bradford
Anthony M. Dursey
Richard C. Eckert
Richard Spielman

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

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The following Platte Canyon staff members were in attendance: Patrick J. Fitzgerald, manager; Scott Morse, assistant manager; Dennis Morse, construction coordinator and inspector; and Scott Hand, operations supervisor.²

Also in attendance were Paul Goldfain from Kennedy/Jenks Consultants, Inc., Southwest's consulting engineer; and Timothy J. Flynn, from Collins Cockrel & Cole, P.C., legal counsel for both Districts.

CALL TO ORDER

The meeting was called to order by Anthony M. Dursey, who presided as Chair.

SOUTHWEST ACTION ITEMS

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

| | |
|------------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| George E. Hamblin, Jr. | Aye |
| Chuck Hause | Aye |

2. **Director's Absence Excused.** Following a brief discussion, a motion was made by Southwest Director Bradford and seconded by Southwest Director Hamblin to excuse the absence of Southwest Director Kenton C. Ensor, Jr., who was unable to attend the meeting. The Chair called for a vote of the Southwest Board, and the vote was as follows:

| | |
|------------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| George E. Hamblin, Jr. | Aye |
| Chuck Hause | Aye |

3. **Southwest Accounts Payable.** The Boards reviewed a list and supplemental list of Southwest vouchers paid and payable for July 2011 in the aggregate amount of \$4,217.80. Following a brief discussion, a motion was made by Southwest

² Southwest has no employees. The above-named personnel are Platte Canyon employees who, pursuant to contract with Platte Canyon, provide management, operation and maintenance services for Southwest.

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Director Hause and seconded by Southwest Director Hamblin to ratify, approve and confirm the payables as presented, and to authorize Southwest Directors to execute Southwest check numbers 16510 through 16517, inclusive, in payment thereof. The Chair called for a vote of the Southwest Board, and the vote was as follows:

| | |
|------------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| George E. Hamblin, Jr. | Aye |
| Chuck Hause | Aye |

4. **Southwest Investment/Deposit Transaction Report.** The Boards reviewed the Schedule of Investment Principal Activity for Southwest for the month of June 2011, which reflects the following transactions:

(a) **New Purchases.** No treasury or agency securities were purchased by Southwest during the month; and

(b) **Redemptions.** No treasury or agency securities were redeemed or matured; and

(c) **Renewals.** On June 18, 2011, Southwest renewed a \$100,000 certificate of deposit at Citywide Banks for one year and a \$100,000 certificate of deposit at Flat Irons Bank for one year. These certificates of deposit earn interest at the rates of 0.8% per annum and 1.04% per annum, respectively.

At the conclusion of the manager's review of the above-referenced investment transactions, a motion was made by Southwest Director Hause and seconded by Southwest Director Bradford to ratify, approve and confirm the Southwest Investment Principal Activity Report for the month of June 2011. The Chair called for a vote of the Southwest Board, and the vote was as follows:

| | |
|------------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| George E. Hamblin, Jr. | Aye |
| Chuck Hause | Aye |

5. **Change in Methodology for Calculating the Single Family Equivalency of Commercial Sewer Taps.** Scott Morse reviewed a written memorandum he had previously prepared and which explains why staff recommends that Southwest change its methodology for calculating the equivalency of commercial sewer connections, from a

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fixture unit computation formula to a water tap size formula. He noted that the Metro Wastewater Reclamation District, the City of Littleton, and most other sewer service providers have adopted the water tap size methodology over the past couple of years. In particular, the Metro Wastewater Reclamation District has conducted a detailed study of commercial sewer use to determine a single family equivalency table which is now recognized throughout the metropolitan area.

At the conclusion of the discussion, a motion was made by Southwest Director Bradford and seconded by Southwest Director Hamblin to adopt a water tap size methodology, and in particular the equivalency tables utilized by the Metro Wastewater Reclamation District as the same now exists or hereafter be amended for purposes of determining the single family equivalency of commercial connections within Southwest. The Chair called for a vote of the Southwest Board, and the vote was as follows:

| | |
|------------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| George E. Hamblin, Jr. | Aye |
| Chuck Hause | Aye |

The current equivalency conversion table utilized by the Metro Wastewater Reclamation District is as follows:

| <u>Size of Water Tap in Inches</u> | <u>Single Family Equivalence</u> |
|--|--------------------------------------|
| 3/4 | 1.9 |
| 1 | 4.5 |
| 1.5 | 11 |
| 2 | 20 |
| 3 | 42 |
| 4 | 76 |

Legal counsel was instructed to coordinate with staff to prepare a resolution to memorialize that effective August 1, 2011, Southwest has changed the methodology it will utilize to calculate the single family equivalency of sewer tap permits.

6. **Southwest Insurance Coverages.** Scott Morse and the manager reviewed with the Board a memorandum which discussed certain additional insurance coverages that Southwest could obtain as part of its commercial insurance package that it receives from the Colorado Special District Property & Liability Pool and other supplemental insurers. The additional coverages that were considered by the Board include cyber

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liability, excess liability, and commercial crime coverage. At the conclusion of the discussion and based upon staff's recommendation, a motion was made by Southwest Director Hamblin and seconded by Southwest Director Hause to make no changes at the present time in Southwest's insurance coverages. The Chair called for a vote of the Southwest Board, and the vote was as follows:

| | |
|------------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| George E. Hamblin, Jr. | Aye |
| Chuck Hause | Aye |

Staff will monitor as best it can the amount of cyber liability available to Southwest through the Colorado Special District Property and Liability Pool. Currently, there is \$200,000 per occurrence of coverage with an aggregate limit of \$1 million. This coverage, however, is shared with all members of the Colorado Special District Property and Liability Pool. If for some reason the coverage is exhausted or depleted, the Board may consider purchasing additional cyber liability insurance through the Travelers Casualty Insurance Company.

The Board determined that at this time there was no need to obtain additional excess liability insurance or to obtain additional crime coverage. Currently, the District has \$1 million of excess liability coverage and \$2 million of crime coverage.

Commercial crime coverage does not cover losses caused by outside third parties. For that reason, staff was encouraged to verify that the banks and other financial institutions that handle District money have their own crime insurance coverage which would help protect Southwest in the event of a loss caused by the bank's or financial institution's employees.

7. **Platte Canyon Insurance Coverage Options.** At the same time that Southwest's commercial insurance coverage was reviewed, the Boards also reviewed Platte Canyon's commercial insurance coverage. Following a detailed review of Platte Canyon's existing insurance coverages, and in accordance with staff's recommendations, a motion was made by Platte Canyon Director Spielman and seconded by Platte Canyon Director Eckert to increase Platte Canyon's commercial crime coverage from \$2 million to \$3 million with the Travelers Casualty Insurance Company for an additional premium of approximately \$5,018. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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| | |
|------------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| George E. Hamblin, Jr. | Aye |
| Chuck Hause | Aye |

The Platte Canyon Board decided to keep Platte Canyon's other insurance coverages the same, *i.e.*, to rely upon the Colorado Special District Property and Liability Pool's coverage for cyber liability and to keep in place Platte Canyon's \$1 million of excess general liability coverage.

8. **Adoption of Revised Water Engineering Standards and Specifications.**

Following a brief discussion of Southwest's Revised Water Engineering Standards and Specifications prepared by staff and Southwest's engineer, a motion was made to accept said revised standards effective July 22, 2011 by Southwest Director Hause and seconded by Southwest Director Bradford. The Chair called for a vote of the Southwest Board, and the vote was as follows:

| | |
|------------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| George E. Hamblin, Jr. | Aye |
| Chuck Hause | Aye |

9. **Third Amendment to Grant Sewer Connection Agreement.** Staff reviewed a proposed Third Amendment to Southwest's Sewer Connection Agreement with the Grant Water and Sanitation District. The amendment allows for the equivalency of the sanitary sewer taps issued by Grant and which ultimately discharge into Southwest's system to be calculated in accordance with the water tap size methodology previously adopted by the Southwest Board. It was noted that the Grant District currently has a reserve capacity in certain Southwest interceptor lines that is equivalent to 5,000 single family residential equivalent sewer taps, 600 of which come through one connection and the balance which are allocated to a connection on Southwest's C-Line interceptor.

At the conclusion of the discussion and based upon staff's recommendation, a motion was made by Southwest Director Hause and seconded by Southwest Director Bradford to accept the proposed Third Amendment and to authorize its execution by appropriate members of the Southwest Board. The Chair called for a vote of the Southwest Board, and the vote was as follows:

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| | |
|------------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| George E. Hamblin, Jr. | Aye |
| Chuck Hause | Aye |

SOUTHWEST INFORMATION/DISCUSSION ITEMS

1. **Capital Construction Project Report.** Dennis Morse reviewed the Capital Projects Construction Report for Southwest. He noted that the C-Line Interceptor Project is going well and that the Project is approximately 50% complete. Pay Estimate No. 1 in the amount of \$5,400 was presented by Paul Goldfain for consideration and approval by the Boards. A motion was then made by Southwest Director Hause and seconded by Southwest Director Bradford to approve said pay estimate. The Chair called for a vote of the Southwest Board, and the vote was as follows:

| | |
|------------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| George E. Hamblin, Jr. | Aye |
| Chuck Hause | Aye |

Mr. Morse then reviewed the status of the Meadows Sanctuary Water Line Replacement Project. Plans for this Project have been submitted to Denver Water for review. Easements are being acquired at the present time. Work on this Project is not scheduled to start until later in the year.

2. **Herrick-Dale Waterline Project.** This Project is in the plan review process and easement acquisition stage. It was noted that an easement will be required from the U.S. Army Corps of Engineers and that a license agreement is also required from the Colorado Department of Transportation. It is not anticipated that the various right-of-way requirements will be satisfied for some time and so the Project may not get underway until very late in 2011 or early 2012.

SOUTHWEST NEW BUSINESS

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

JOINT PARTICIPATION PORTION OF THE MEETING

Anthony M. Dursey continued to act as chair for the joint participation portion of the meeting.

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JOINT MEETING ACTION ITEMS

1. **Approval of Joint Meeting Agenda.** A motion was made by Platte Canyon Director Eckert and seconded by Platte Canyon Director Spielman to approve, as presented, the agenda for the joint participation portion of the meeting. The Chair called for a vote of the Southwest Board, and the vote was as follows:

| | |
|------------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| George E. Hamblin, Jr. | Aye |
| Chuck Hause | Aye |

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

| | |
|---------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| Richard C. Eckert | Aye |
| Richard Spielman | Aye |

2. **Approval of Minutes of the Boards' June 24, 2011 Joint Regular Meeting.** Certain typographical errors in the draft minutes submitted with the Board packet identifying Jack Dice as a member of the Southwest Board had been corrected. Following a brief discussion, a motion was made by Southwest Director Hause and seconded by Platte Canyon Director Bradford to approve as corrected the minutes of the Boards' June 24, 2011 Joint Regular Meeting. The Chair called for a vote of the Southwest Board, and the vote was as follows:

| | |
|------------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| George E. Hamblin, Jr. | Aye |
| Chuck Hause | Aye |

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

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| | |
|---------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| Richard C. Eckert | Aye |
| Richard Spielman | Aye |

The approved minutes of the Boards' June 24, 2011 meeting were then presented to the members of each Board for signature as further evidence of ratification, confirmation, and approval.

JOINT MEETING INFORMATION/DISCUSSION ITEMS

1. **Financial Matters.**

(a) **Platte Canyon Financial Statements.** In Vanessa Shipley's absence, the following unaudited Platte Canyon financial statements for the six month period ending June 30, 2011 were reviewed by the manager:

(i) Statement of Net Assets dated June 30, 2011 showing Platte Canyon's Assets, Liabilities and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the six month period ending June 30, 2011;

(iii) Statement of Net Assets – Comparisons dated June 30, 2011;

(iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the six month period ending June 30, 2011; and

(v) Schedule of Revenue and Expenditures -- Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the six month period ending June 30, 2011.

The manager noted that Platte Canyon is in good financial shape and that year-to-date revenues actually received are in excess of those budgeted and expenditures are below the amounts budgeted. At the conclusion of the manager's discussion of the Platte Canyon Financial Statements, a motion was made by Platte Canyon Director Eckert and seconded by Platte Canyon Director Bradford to accept the Platte Canyon financial statements as presented. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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| | |
|---------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| Richard C. Eckert | Aye |
| Richard Spielman | Aye |

(b) **Southwest Financial Statements.** The following unaudited Southwest financial statements for the six month period ending June 30, 2011 were reviewed by the manager:

- (i) Statement of Net Assets dated June 30, 2011 showing Southwest's Assets and Liabilities and Net Assets;
- (ii) Statement of Revenue, Expenses and Changes in Net Assets for the six month period ending June 30, 2011;
- (iii) Statement of Net Assets – Comparisons dated June 30, 2011;
- (iv) Schedule of Revenue and Expenditures – Budget & Actual CM/YTD Actuals Compared to Annual Budget for the six month period ending June 30, 2011; and
- (v) Schedule of Revenue and Expenditures -- Budget & Actual CM/YTD Actuals Compared to CM/YTD Budget for the six month period ending June 30, 2011.

At the conclusion of the manager's review, a motion to accept the Southwest Financial Statements was made by Southwest Director Hamblin and seconded by Southwest Director Bradford. The Chair called for a vote of the Southwest Board, and the vote was as follows:

| | |
|------------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| George E. Hamblin, Jr. | Aye |
| Chuck Hause | Aye |

(c) **Platte Canyon Investment/Deposit Report.** The Boards received 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 investment pools. As of

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June 30, 2011, Platte Canyon's investments and deposits totaled \$10,245,444.66, itemized as follows:

| <u>Description</u> | <u>Amount</u> | <u>Percentage</u> |
|--|-----------------|-------------------|
| Checking | \$247,191.29 | 2.41% |
| Certificates of Deposit | \$2,837,000.00 | 27.69% |
| ColoTrust-Prime | \$0.00 | 0.00% |
| ColoTrust-Plus | \$2,156,103.58 | 21.04% |
| ColoTrust-Trust Account | \$1,256,553.26 | 12.26% |
| Treasury Bills | \$0.00 | 0.00% |
| Treasury Notes | \$1,398,596.53 | 13.65% |
| U.S. Government Agencies and Instrumentalities | \$2,350,000.00 | 22.94% |
| TOTAL | \$10,245,444.66 | 100.00% |

The yield on Platte Canyon's investments for the month of June 2011 as calculated by staff was 1.0557% per annum. Following a brief discussion, a motion was made by Platte Canyon Director Spielman and seconded by Platte Canyon Director Eckert to accept the Platte Canyon Schedule of Deposits and Investments as presented. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

| | |
|---------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| Richard C. Eckert | Aye |
| Richard Spielman | Aye |

(d) **Southwest Investment/Deposit Report.** The Boards received a list of Southwest 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 June 30, 2011, Southwest's investments and deposits totaled \$37,460,889.46, itemized as follows:

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| <u>Description</u> | <u>Amount</u> | <u>Percentage</u> |
|--|-----------------|-------------------|
| Checking | \$366.68 | 0.00% |
| Certificates of Deposit | \$4,736,000.00 | 12.64% |
| ColoTrust-Prime | \$0.00 | 0.00% |
| ColoTrust-Plus | \$4,635,992.20 | 12.38% |
| ColoTrust-Trust Account | \$3,563.06 | 0.01% |
| Treasury Bills | \$0.00 | 0.00% |
| Treasury Notes | \$11,301,666.31 | 30.17% |
| U.S. Government Agencies and Instrumentalities | \$16,738,301.21 | 44.80% |
| TOTAL | \$37,460,889.46 | 100.00% |

The yield on Southwest's investments for the month of June 2011 as calculated by staff was approximately 2.396% per annum. Following a brief discussion, a motion was made by Southwest Director Hause and seconded by Southwest Director Bradford to accept the Southwest Schedule of Deposits and Investments as presented. The Chair called for a vote of the Southwest Board, and the vote was as follows:

| | |
|------------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| George E. Hamblin, Jr. | Aye |
| Chuck Hause | Aye |

2. **Manager's Information Report.** The manager reviewed his written Information Report dated July 2011, a copy of which had been previously provided to both Boards. As part of his report, the manager highlighted the following matters:

(a) **Distributors Denver Water Rates & Fees Technical Advisory Committee ("TAC").** The Red Oak invoice issue discussed at last month's Board of Directors meeting has been resolved. Red Oak will write off \$35,000 in fees and will complete the scope of work specified in Red Oak's contract with each of the TAC members for the funds remaining under the approved \$75,000 budget. The work will be done in a timely and quality manner.

On July 19, 2011, Denver Water staff met with representatives of the TAC and Distributor Forum representatives to discuss the WISE project, including the financial model for the project. The manager briefed the Board on the meeting and provided an overview of the WISE Project. He also discussed the anticipated revenues that Denver Water is expected to receive for the water rights and facilities it provides for the Project.

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(b) **Conveyance of Sheridan Boulevard Water Pumping Station Site and Related Facilities.** Bow Mar South, Inc., the Homeowner's Association for the Bow Mar South community has expressed an interest in taking title to Southwest's decommissioned Sheridan Boulevard water pumping station and related improvements. A proposed form of quit claim deed has been submitted to the Association for its review. Staff is in the process of determining the costs and expenses that have been incurred by the District in preparation of the deed and in cleaning the site for conveyance. These costs will be recovered from the Association in exchange for the District's execution and delivery of a quit claim deed.

(c) **Sewer Service Line Spill Adjacent to Coon Creek.** During the month, Platte Canyon staff responded to a reported sewer spill adjacent to Coon Creek at a location south of West Bowles Avenue and east of South Jay Street. It was determined that spill originated from a sewer service pipe and not from a Platte Canyon-owned facility. As a result, Platte Canyon did not remediate the spill, nor did it file a sewage spill report with the State of Colorado. Staff did however provide advice to the property owner with regard to cleanup of the spill.

3. **Operations and Service Interruptions Report.** Scott Hand reviewed the Operations and Service Interruption Report dated July 22, 2011. For the reporting period beginning June 16, 2011 and ending July 13, 2011, neither Platte Canyon nor Southwest had any sewer service interruptions. During the same period, Southwest did not have any water service interruptions. Platte Canyon, however, experienced a water line break on June 24, 2011 at 7684 South Ingalls Street in the Columbine Hills Subdivision. This water service interruption was the result of a beam break over a sewer service trench. Staff installed a clamp over the break. A brief PowerPoint presentation regarding the repair was presented to the Boards by Scott Hand.

During the month, Platte Canyon experienced a control panel failure at the Columbine West Water Pump Station as a result of recent severe storm activity. The failure was discovered and the problem corrected. The Pump Station was back on line within a relatively short period of time.

Scott Hand is obtaining proposals from Brannan Construction, C&L Water Solutions, Inc. and T Lowell Construction for the repair of a reach of Platte Canyon sewer line in West Bowles Avenue between South Platte Canyon Road and South Middlefield Street.

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The problem in this reach of line stems from the collapse of a liner inside the pipe which is distorting flow. It is anticipated that proposals for this repair work will be presented to the Platte Canyon Board at its August meeting.

NEW BUSINESS

There was no new business to come before the joint participation portion of the meeting. It was noted that the next joint regular meeting of the Boards is scheduled for Friday, August 26, 2011, at 8:30 a.m. in the Districts' offices.

PLATTE CANYON ACTION ITEMS

CALL TO ORDER

The Platte Canyon action item portion of the joint meeting was called to order by Anthony M. Dursey, who presided as Chair.

1. **Approval of Platte Canyon Agenda.** A motion was made by Platte Canyon Director Bradford and seconded by Platte Canyon Director Eckert to approve the Platte Canyon agenda as presented. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

| | |
|---------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| Richard C. Eckert | Aye |
| Richard Spielman | Aye |

2. **Director's Absence Excused.** Following a brief discussion, a motion was made by Platte Canyon Director Spielman and seconded by Platte Canyon Director Eckert to excuse the absence of Platte Canyon Director Jack C. Dice, who was unable to attend the meeting. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

| | |
|---------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| Richard C. Eckert | Aye |
| Richard Spielman | Aye |

3. **Platte Canyon Accounts Payable.** The Boards reviewed a list and supplemental list of Platte Canyon vouchers paid and payable for July 2011 in the aggregate amount of \$142,625.20 represented by Platte Canyon check nos. 27074

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through 27120, inclusive. Following a brief discussion, a motion was made by Platte Canyon Director Eckert and seconded by Platte Canyon Director Spielman to: (a) ratify, approve and confirm all checks written and all electronic fund transfers occurring since the Board's June 24, 2011 meeting, including all checks written by the manager for less than \$2,500.00; and (b) approve for payment the payables presented to the Platte Canyon Board at this meeting and authorize members of the Platte Canyon Board to execute checks in payment thereof. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

| | |
|---------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| Richard C. Eckert | Aye |
| Richard Spielman | Aye |

4. **Platte Canyon Investment/Deposit Transaction Report.** The Boards reviewed the Schedule of Investment Principal Activity for Platte Canyon for the month of June 2011, which reflects the following transactions:

(a) **New Purchases.** On June 9, 2011, Platte Canyon purchased at par a \$250,000 Federal Home Loan Bank note that matures December 9, 2020 and that has a coupon rate of interest of 3.95% per annum and a yield-to-maturity of 3.95% per annum; and

(b) **Redemptions.** During the month, a \$750,000 Federal Home Loan Mortgage Corporation note and a \$500,000 Federal Home Loan Bank note matured, generating a total of \$1,250,000 in principal proceeds, plus accrued interest, to Platte Canyon; and

(c) **Renewals.** During the month, a \$100,000 Certificate of Deposit at the Flatirons Bank and a \$100,000 Certificate of Deposit at Citywide Banks were both renewed for a period of one year at an interest rate of 1.04% and 0.48% per annum, respectively.

Following the manager's review of the above-referenced investment transactions, a motion was made by Platte Canyon Director Eckert and seconded by Platte Canyon Director Bradford to ratify, approve and confirm the Platte Canyon Investment Principal Activity Report for the month of June 2011. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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| | |
|---------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| Richard C. Eckert | Aye |
| Richard Spielman | Aye |

5. **Consulting Services Agreements with Hanson Information Technologies.** Following a brief discussion, a motion was made by Director Spielman and seconded by Director Eckert to accept and authorize signature of consulting services agreements with Hanson Information Technologies and with Merrick & Company relating to the transfer of Platte Canyon's GIS computer software from Spatiall Info GIS software to ESRI GIS software. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

| | |
|---------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| Richard C. Eckert | Aye |
| Richard Spielman | Aye |

6. **Change in Methodology for Calculating the Single Family Equivalency of Commercial Sewer Taps.** Scott Morse reviewed a written memorandum he had previously prepared and which explains why staff recommends that Platte Canyon change its methodology for calculating the equivalency of commercial sewer connections, from a fixture unit computation formula to a water tap size formula. He noted that the Metro Wastewater Reclamation District, the City of Littleton, and most other sewer service providers have adopted the water tap size methodology over the past couple of years for the same reasons as were discussed earlier in the meeting with regard to Southwest's change in methodology.

At the conclusion of the discussion, a motion was made by Platte Canyon Director Spielman and seconded by Platte Canyon Director Bradford to adopt the water tap size, and in particular, the equivalency tables utilized by the Metro Wastewater Reclamation District as the same now exists or may hereafter be amended for purposes of determining the single family equivalence of commercial connections within Platte Canyon. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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| | |
|---------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| Richard C. Eckert | Aye |
| Richard Spielman | Aye |

The conversion table utilized by Metro Wastewater Reclamation District is as follows:

| <u>Size of Water Tap in Inches</u> | <u>Single Family Equivalence</u> |
|--|--------------------------------------|
| 3/4 | 1.9 |
| 1 | 4.5 |
| 1.5 | 11 |
| 2 | 20 |
| 3 | 42 |
| 4 | 76 |

Legal counsel will coordinate with staff to prepare a resolution that would formally memorialize the change in single family equivalent methodology which will become effective August 1, 2011.

7. **Insurance Coverage Options.** This matter was handled earlier in connection with the Southwest meeting.

8. **Adoption of Revised Water Engineering Standards and Specifications.** No member of the Platte Canyon Board had any suggested comments or changes to the proposed Revised Water Engineering Standards and Specifications as prepared by staff and the District's engineer. Following a brief discussion, a motion was made to accept said revised standards by Platte Canyon Director Eckert and seconded by Platte Canyon Director Bradford. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

| | |
|---------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| Richard C. Eckert | Aye |
| Richard Spielman | Aye |

Legal counsel will prepare an appropriate resolution memorializing the Board's adoption of the Revised Water Engineering Standards and Specifications.

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PLATTE CANYON INFORMATION/DISCUSSION ITEMS

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

PLATTE CANYON NEW BUSINESS

1. **Request to Encroach Within Water and Sewer Line Easement.** The owner of a lot located at 6726 South Zenobia Court in the Estates at Fox Haven, Second Filing, has requested permission to site a new home such that approximately three feet of the home will be located within Platte Canyon water and sanitary sewer line easements. At its May meeting, the Board authorized execution of a license agreement to permit a driveway and improvements to be constructed within these easement areas. After discussing the second request in detail, the Board determined that it was not in the District's best interest to allow a house to come that far into the District's easements. There was concern about damage to the property in the event of a break and/or the District's need to excavate in the future to repair either a water or sewer line. Following the discussion, a motion was made by Director Spielman and seconded by Director Bradford to deny the property owner's request to have 3 feet of the home's garage encroach within the District's easement area. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

| | |
|---------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| Richard C. Eckert | Aye |
| Richard Spielman | Aye |

The manager will notify the homeowner of the Board's action.

ADJOURNMENT

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

RECORD OF PROCEEDINGS

| | |
|------------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| George E. Hamblin, Jr. | Aye |
| Chuck Hause | Aye |

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

| | |
|---------------------|-----|
| Kenneth D. Bradford | Aye |
| Anthony M. Dursey | Aye |
| Richard C. Eckert | Aye |
| Richard Spielman | Aye |

Whereupon, this joint regular meeting of the Southwest and Platte Canyon Boards of Directors adjourned at approximately 9:45 a.m. The next regular joint meeting of the Boards will be held on Friday, August 26, 2011, 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 REGULAR MEETING OF THE DISTRICT'S BOARD OF DIRECTORS; AND THE UNDERSIGNED DO HEREBY CONSENT TO THE SAID MEETING BEING HELD ON THE DATE, AT THE TIME AND AT THE PLACE AS HEREINABOVE SET FORTH.

SOUTHWEST METROPOLITAN
WATER AND SANITATION DISTRICT

PLATTE CANYON WATER AND
SANITATION DISTRICT

Kenneth D. Bradford

Kenneth D. Bradford

Kenton C. Ensor, Jr.

Jack C. Dice

Chuck Hause

Anthony M. Dursey

Anthony M. Dursey

Richard C. Eckert

George E. Hamblin, Jr.

Richard Spielman