

RECORD OF PROCEEDINGS

MINUTES OF REGULAR JOINT MEETING

BOARD OF DIRECTORS

PLATTE CANYON WATER AND SANITATION DISTRICT

AND

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT¹

Friday
October 23, 2009
Jefferson County, Colorado

The regular joint 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, October 23, 2009, 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 Platte Canyon Directors were in attendance, to-wit:

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

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

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

The following Platte Canyon staff members were in attendance: Patrick J. Fitzgerald, manager; Scott Morse, assistant manager; Dennis Morse, construction

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

RECORD OF PROCEEDINGS

coordinator and inspector; Vanessa Shipley, financial administrator; and Scott Hand, operations supervisor.²

Also in attendance were State Senator Mike Kopp, Senate District 22, and State Representative James Kerr, House District No. 28; William H. Van Schooneveld, Southwest's financial consultant; Paul Goldfain, from Kennedy/Jenks Consultants, 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 and announced that the agenda would be rearranged to accommodate the elected State officials who were in attendance.

JOINT MEETING INFORMATION/DISCUSSION ITEMS

1. **Littleton Sewer Rate Coalition Report.** State Senator Mike Kopp and State Representative James Kerr both expressed a willingness to again sponsor legislation to require that municipal wastewater utilities like the City of Littleton adhere to cost of service principles in establishing rates for outside City customers. Both Senator Kopp and Representative Kerr thanked Patrick Fitzgerald for his assistance and efforts in advocating for the bill that was introduced last year. Both Senator Kopp and Representative Kerr believe that there is more support for a bill of this nature this year and believe that they could get a bill out of committee and to the floor of their respective legislative bodies.

The recent decision of the Littleton City Council to increase sanitary sewer rates for all customers 9% across the board for calendar year 2010 was discussed. The sewer rate increase does not differ significantly from one of the options proposed by the Coalition's rate consultant.

It appears that Littleton Mayor Doug Clark is apparently under the impression that the connector districts will introduce cost of service legislation again this year. The matter was discussed in detail. At the conclusion of the discussion, the manager was directed to send a letter to the Littleton City Council saying that in the spirit of cooperation, the connector districts would not introduce legislation this year and would

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.

RECORD OF PROCEEDINGS

continue to work cooperatively with Littleton staff for the purpose of bringing Littleton's rate methodology in line with cost of service principles.

Senator Kopp and Representative Kerr then left the meeting. However before leaving, both Boards thanked these representatives for their assistance in helping Platte Canyon, Southwest and the other connector districts deal with the Littleton sewer rate issues that have been ongoing for a number of years.

PLATTE CANYON ACTION ITEMS

1. **Approval of Platte Canyon Agenda.** A motion was made by Platte Canyon Director Spielman and seconded by Platte Canyon Director Eckert to approve the Platte Canyon agenda as modified to include an additional action item for the purchase of a large diameter pipe camera transporter. 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.** A motion was made by Platte Canyon Director Spielman and seconded by Platte Canyon Director Bradford 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 October 2009 in the aggregate amount of \$132,021.66 represented by Platte Canyon check nos. 25723 through 25784, inclusive. Following a brief discussion, a motion was made by Platte Canyon Director Eckert and seconded by Platte Canyon Director Bradford to: (a) ratify, approve and confirm all checks written and all electronic fund transfers occurring since the Board's September 18, 2009 special meeting, including all checks written by the District manager for less than \$2,500.00; and (b) approve for payment the payables presented to the Platte Canyon Board at this meeting which included authority for the

RECORD OF PROCEEDINGS

Platte Canyon Directors 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 September 2009, which reflects the following transactions:

(a) **New Purchases.** On September 21, 2009 Platte Canyon purchased a \$145,000.00 one-year certificate of deposit at Flatirons Bank and a \$150,000.00 certificate of deposit at FirstTier Bank. Both certificates mature September 21, 2010 and bear interest at the rate of 1.74% and 2% per annum respectively. On September 28, 2009 Platte Canyon purchased a \$600,000.00 par value Federal National Mortgage Association Note that matures September 28, 2012 and has a coupon rate of interest of 2% per annum and a yield to maturity of 1.94%; and

(b) **Redemptions.** No treasury notes or other securities owned by Platte Canyon matured during the month of September 2009; and

(c) **Renewals.** No Certificates of Deposit were renewed or rolled over during the month.

Following a brief discussion of the above-referenced investment transactions by Vanessa Shipley, a motion was made by Platte Canyon Director Bradford and seconded by Platte Canyon Director Spielman to ratify, approve and confirm the Platte Canyon Investment Principal Activity Report for the month of September 2009. 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

5. **Purchase of Large Diameter Pipe Camera Transporter.** A large diameter pipe camera transporter would allow Platte Canyon's maintenance staff to more effectively televise and inspect large diameter sewer mains ranging in size from 12" to

RECORD OF PROCEEDINGS

16” in diameter. After evaluating the options, assistant manager Scott Morse recommended to the Board the purchase of such a camera transporter from Cues, Inc. through local distributor Boyle Equipment Company for a purchase price not to exceed \$29,900.00. Following a brief discussion, a motion to authorize the purchase of the recommended camera transporter unit from Boyle Equipment Company for said price was made by Platte Canyon Director Bradford and seconded by Platte Canyon Director Spielman. 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

PLATTE CANYON INFORMATION/DISCUSSION ITEMS

1. **Capital Projects Report.** Dennis Morse briefly reviewed the Platte Canyon Capital Projects Report for October 2009. He noted that both the West Leewood Drive and West Ottawa Place water line replacement projects have been completed. Final settlement on both projects will be made on the advertised final settlement date as long as no subcontractor or materialmen claims are filed against the project before that date.

PLATTE CANYON NEW BUSINESS

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

TEMPORARY RECESS

A motion was made by Platte Canyon Director Bradford and seconded by Platte Canyon Director Eckert to temporarily recess the joint meeting so that the Platte Canyon Board could reconvene as the Board of the Platte Canyon Water and Sanitation District Subdistrict No. 2. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

RECORD OF PROCEEDINGS

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

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

Kenneth D. Bradford	Aye
Anthony M. Dursey	Aye
Kenton C. Ensor, Jr.	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye

Whereupon the joint meeting temporarily recessed at approximately 8:55 a.m.

JOINT PARTICIPATION PORTION OF THE MEETING

The joint meeting reconvened at approximately 9:05 a.m. Anthony M. Dursey continued to act as Chair.

1. **Approval of Joint Meeting Agenda.** A motion was made by Platte Canyon Director Spielman and seconded by Southwest Director Hamblin to approve, as presented, the agenda for the joint participation portion of 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

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

Kenneth D. Bradford	Aye
Anthony M. Dursey	Aye
Kenton C. Ensor, Jr.	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye

RECORD OF PROCEEDINGS

2. **Approval of Minutes of the Boards' September 18, 2009 Special Joint Meeting.** Following a brief discussion, a motion was made by Southwest Director Bradford and seconded by Platte Canyon Director Eckert to approve, as written, the minutes of the Boards' September 18, 2009 special joint 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

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

Kenneth D. Bradford	Aye
Anthony M. Dursey	Aye
Kenton C. Ensor, Jr.	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye

The approved minutes 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.** The following unaudited Platte Canyon financial statements prepared by Vanessa Shipley for the nine month period ending September 30, 2009 were presented to the Boards:

(i) Statement of Net Assets dated September 30, 2009 showing Platte Canyon's Assets, Liabilities and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the nine month period ending September 30, 2009;

(iii) Statement of Net Assets – Comparisons dated September 30, 2009;

RECORD OF PROCEEDINGS

(iv) Schedule of Revenue and Expenditures – Budget and Actual PTD/YTD Actuals Compared to Annual Budget for the nine month period ending September 30, 2009; and

(v) Schedule of Revenue and Expenditures Budget and Actual PTD/YTD Actuals Compared to PTD/YTD Budget for the nine month period ending September 30, 2009.

Vanessa Shipley noted that there were no significant variances between the budget and actual numbers in the financial statements to bring to the Board's attention. Following a brief discussion, 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:

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 prepared by Vanessa Shipley for the nine month period ending September 30, 2009 were presented to the Boards:

(i) Statement of Net Assets dated September 30, 2009 showing Southwest's Assets and Liabilities and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the nine month period ending September 30, 2009;

(iii) Statement of Net Assets – Comparisons dated September 30, 2009;

(iv) Schedule of Revenue and Expenditures – Budget and Actual PTD/YTD Actual Compared to Annual Budget for the nine month period ending September 30, 2009; and

(v) Schedule of Revenue and Expenditures Budget and Actual PTD/YTD Actual Compared to PTD/YTD Budget for the nine month period, ending September 30, 2009.

RECORD OF PROCEEDINGS

Vanessa Shipley reported that there was nothing out of the ordinary or unusual reflected in the financial statements. A motion was then made by Southwest Director Hause and seconded by Southwest Director Bradford to accept the Southwest financial statements 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
Kenton C. Ensor, Jr.	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, and money market funds, together with a report showing the funds Platte Canyon has in approved state depositories and authorized investment pools. As of September 30, 2009, Platte Canyon's investments and deposits totaled \$9,170,501.53, itemized as follows:

Description	Amount	Percentage
Checking	\$3,043.97	0.03%
Certificates of Deposit	\$3,992,000.00	43.53%
ColoTrust Prime	\$0.00	0.00%
ColoTrust Plus	\$910,335.25	9.93%
ColoTrust-Trust Account	\$910.61	0.10%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$1,011,328.71	11.03%
U.S. Government Agencies and Instrumentalities	\$3,252,882.99	35.47%
TOTAL	\$9,170,501.53	100.00%

The yield on Platte Canyon's investments for the month of September 2009 as calculated by staff was 2.4841% per annum. Following a brief discussion, a motion was made by Platte Canyon Director Eckert and seconded by Platte Canyon Director Bradford 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:

RECORD OF PROCEEDINGS

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, and money market funds, together with a report showing the funds Southwest has in approved state depositories and authorized investment pools. As of September 30, 2009, Southwest's investments and deposits totaled \$36,977,274.61, itemized as follows:

Description	Amount	Percentage
Checking	\$3,043.97	0.01%
Certificates of Deposit	\$6,441,000.00	17.42%
ColoTrust Prime	\$0.00	0.00%
ColoTrust Plus	\$3,940,526.03	10.66%
ColoTrust-Trust Account	\$235,054.66	0.64%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$13,271,504.68	35.89%
U.S. Government Agencies and Instrumentalities	\$13,086,145.27	35.39%
TOTAL	\$36,977,274.61	100.00%

The yield on Southwest's investments for the month of September 2009 as calculated by staff was 3.0481% per annum. Following Vanessa Shipley's review of the Investment/Deposit Transaction report, a motion was made by Southwest Director Bradford and seconded by Southwest Director Ensor 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 follows:

Kenneth D. Bradford	Aye
Anthony M. Dursey	Aye
Kenton C. Ensor, Jr.	Aye
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye

2. **Platte Canyon Preliminary 2010 Budget.** The manager, using a Power Point presentation, provided the Boards with a comprehensive overview of the preliminary Platte Canyon budget for 2010. His presentation reviewed the services that

RECORD OF PROCEEDINGS

Platte Canyon will provide in 2010, summarized the 2010 budget, including a discussion of the major categories of revenue and expenditure, and also discussed the exhibits to the budget.

Platte Canyon provides potable water and wastewater service to approximately 19,400 in-District residents and to an additional 56,300 residents through intergovernmental agreement with Southwest, the Bow Mar, Columbine and Lochmoor Water and Sanitation Districts and the Valley Sanitation District.

Total Platte Canyon revenues for 2010 are projected to be \$2,477,812.00. The majority of Platte Canyon's revenue will come from property taxes; however, approximately one-third of Platte Canyon's revenue is generated from the service agreements it has with the above-referenced Districts.

Expenditures for 2010 are projected to be \$2,379,496.00 consisting of \$1,816,124.00 for operations and \$563,372.00 for capital improvements. Total 2010 revenues are projected to exceed projected total 2010 expenditures by \$98,316.00.

Incorporated into Platte Canyon's 2010 budget is the budget for the Platte Canyon Water and Sanitation District Subdistrict No. 1 and the budget for the Platte Canyon Water and Sanitation District Subdistrict No. 2. The contemplated expenditures in 2010 for both Subdistricts consist primarily of debt service revenue on the loan that each Subdistrict received from the Colorado Water Resource and Power Development Authority for the purpose of improving the water system that serves the Columbine Townhouses Subdivisions Three and Four respectively. The anticipated debt service for Subdistrict No. 1 is \$28,983.00 and the projected debt service for Subdistrict No. 2 is \$33,922.00.

3. **Platte Canyon Ten Year Financial Plan.** Platte Canyon's Ten Year Financial Plan projects a reserve fund balance of \$9,061,782.00 at the end of 2010. Each year the Board reviews the fund balance to determine the adequacy of the reserves that have been accumulated to pay for operations, maintenance and capital projects. The Ten Year Financial Plan projects that by the year 2014 Platte Canyon's ending fund balance will be \$11,100,807.00. By the end of calendar year 2019, Platte Canyon's projected year-end fund balance is expected to be \$15,640,252.00. No deficits are projected in Platte Canyon for the next ten years.

All Board members were given the opportunity to ask questions and make suggestions concerning both the 2010 preliminary budget and the Ten Year Financial Plan. No decisions however, regarding the 2010 budget were made at this time. It was

RECORD OF PROCEEDINGS

noted that Platte Canyon's formal budget hearing is scheduled for Friday, November 20, 2009.

At this point in the meeting (approximately 9:40 a.m.), Director Kenneth D. Bradford left the meeting due to a prior business commitment.

4. **Southwest Preliminary 2010 Budget.** Continuing with the Power Point presentation, the manager provided the Boards with a comprehensive overview of the preliminary Southwest budget for 2010. His presentation reviewed the services that Southwest will provide in 2010, summarized the 2010 budget, including a discussion of the major categories of revenue and expenditure, and also discussed the exhibits to the budget.

Southwest provides potable water and wastewater service to approximately 47,000 in-District residents. Southwest's potable water distribution system consists of over a 167 miles of water mains and over 158 miles of sanitary sewer mains.

Total Southwest revenues for 2010 are projected to be \$1,033,973.00. The majority of Southwest's revenue is generated from interest income which, due to market conditions, has been deteriorating. A nominal amount of tap fee revenue is projected for 2010. Southwest expenditures for 2010 are projected to be \$1,493,705.00 consisting of \$1,206,150.00 for operations and maintenance and \$287,555.00 for capital improvements. Because of the deteriorating interest rate environment, Southwest's expenditures for 2010 are projected to exceed revenues by \$459,732.00. The manager pointed out that Southwest has significant capital reserves and the 2010 preliminary budget can easily be absorbed without any material adverse effect on Southwest's financial condition.

5. **Southwest Ten Year Financial Plan.** The Ten Year Financial Plan for Southwest covers the period beginning 2010 and ending December 31, 2019. The Ten Year Financial Plan projects Southwest's revenues and expenditures over this ten year planning period and in particular projects the reserve fund balance that will be maintained during each of these years. As stated above, because of decreased interest rate revenue, Southwest's reserve fund balance for 2010 is projected to decrease by \$459,732.00. However, over the ten year planning period, Southwest's reserve fund balance is expected to increase. At the end of 2010, the ending fund balance is projected to be \$38,941,196.00. By the year 2010, the projected ending fund balance is expected to increase to \$39,670,013.00 and by the year 2019 the ending fund balance is expected to be \$43,216,060.00. The interest rate assumed over these years is presumed to average

RECORD OF PROCEEDINGS

2.5% during 2010 and then to increase each year at the rate of .5% to 5.4% per annum in years 2016 through 2019.

The Board members were given the opportunity to ask questions and make suggestions concerning both the 2010 preliminary budget and the Ten Year Financial Plan. No decisions however, regarding the 2010 budget were made at this time. Southwest's formal budget hearing is scheduled for Friday, November 20, 2009.

6. **Platte Canyon Capital Improvement Master Plan.** The Platte Canyon Capital Improvement Master Plan for 2010 through 2019 was reviewed in detail. The purpose of Platte Canyon's Capital Improvement Master Plan is to prioritize and schedule water and wastewater facility expansion rehabilitation and replacement projects and to enhance the accuracy and effectiveness of budgeting and cash flow analysis. Because Platte Canyon is an older district than Southwest, Platte Canyon has significantly more capital improvement projects projected over the ten year period.

Platte Canyon's Capital Improvement Master Plan for 2010 through 2019 proposes total capital improvement projects expenditures for the ten year period of \$3,003,704.00. Of this amount, \$1,484,708.00 or approximately 49.4% is planned for water system capital improvements, \$600,996.00 is planned for sewer system improvements and \$918,000.00 is projected for vehicle and equipment purchases.

For 2010, Platte Canyon's Capital Improvement Master Plan contemplates two water system capital improvement projects. One project will be in the Columbine West Subdivision and consists of the replacement of 325 linear feet of 4" cast iron pipe at a projected cost of \$42,176.00. The other water system improvement project is projected for the Normandy Estates Subdivision and consists of the replacement of 1,100 linear feet of 6" cast iron pipe at an estimated cost of \$137,425.00. For 2010, one sewer capital improvement project is planned. The project will be in the Columbine Knolls Subdivision and consists of the replacement of 383 linear feet of 8" vitrified clay pipe at a projected cost of \$131,301.00.

7. **Southwest Capital Improvement Master Plan.** The Southwest Capital Improvement Master Plan for 2010 through 2019 was reviewed in detail. The purpose of Southwest's Capital Improvement Master Plan is also to prioritize and schedule water and wastewater facility expansion rehabilitation and replacement projects and to enhance the accuracy and effectiveness of budgeting and cash flow analysis.

Southwest's Capital Improvement Master Plan for 2010 through 2019 proposes total capital improvement projects expenditures for the ten year period of \$496,191.00.

RECORD OF PROCEEDINGS

Of this amount, \$199,036.00 or approximately 40% is projected to be spent on sewer capital improvements, while \$297,195.00 or 60% is projected to be spent on water capital improvement projects.

For 2010, Southwest is at the present time planning only one sewer replacement project in the amount of \$173,075.00. This is a replacement of approximately 494 linear feet of 8" vitrified clay pipe in the Meadows Filing No. 3 Subdivision. The manager discussed in detail the reasons for this proposed project and showed through the Power Point presentation specifically where the replacement project would occur and what homes in the Meadows Filing No. 3 Subdivision would be affected.

8. **Maintenance Goals for 2010.** Scott Hand reviewed the maintenance goals for Platte Canyon, Southwest, Bow Mar, Columbine and Lochmoor Water and Sanitation Districts and the Valley Sanitation District for calendar year 2010. The purpose of the maintenance goal report is to schedule all water and wastewater facility maintenance for all of these Districts utilizing labor, equipment and material in the most efficient and cost effective manner possible.

The report details the level of service that Platte Canyon's maintenance staff will provide in each of the Districts during 2010. The report specifically identifies each projected maintenance task, the anticipated number of man hours involved for each task, and the level of man hour requirements and service level standards applicable to each task. These goals, standards and tasks have been determined by staff to be necessary and appropriate for the effective, efficient and economical operation of each of the above Districts during 2010.

Pursuant to the Intergovernmental Agreement between Southwest and Platte Canyon, both Southwest and Platte Canyon need to accept the maintenance goals for 2010 insofar as they pertain to these two Districts for the upcoming year. Accordingly, following a brief discussion, a motion was made by Platte Canyon Director Eckert and seconded by Platte Canyon Director Spielman to accept the 2010 maintenance goals as more particularly set forth in Mr. Hand's written report. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

Anthony M. Dursey	Aye
Richard C. Eckert	Aye
Richard Spielman	Aye

RECORD OF PROCEEDINGS

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

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

9. **Manager's Information Report.** Due to the lateness of the hour and in the interest of time, the manager stated that he did not have anything additional to add to his written Information Report dated October 2009, a copy of which had been previously provided to both Boards. He stated that in lieu of his normal report he would respond to any questions. There were a few questions to which he responded and then the Board moved on to the Operations and Service Interruptions Report.

10. **Operations and Service Interruptions Report.** Scott Hand reviewed his Operations and Service Interruptions Report dated October 23, 2009. During the month, both Platte Canyon and Southwest experienced a water line break. The Platte Canyon break occurred on October 11, 2009 at 1 Robincrest Lane in the Columbine Heights Subdivision. The Southwest break occurred on October 6, 2009 at 9519 W. Fairview Avenue in the Meadows Filing No. 3 Subdivision. Both repairs were effectuated by C & L Water Solutions, Inc. without any significant service interruptions to District customers.

No sewer service interruptions were reported during the month.

As part of the Kipling Hills water replacement project that was completed during the month, it was reported that staff worked with the contractor during the nighttime to disconnect the old water line. The project affected a three-story bank building at the corner of West Bowles Avenue and South Wadsworth Boulevard, but the disconnect process went smoothly.

During the month the District's maintenance staff attended an operator's training session hosted by the Denver Water Board at the Marston Treatment Plant. Mr. Hand reported that the session was very useful and helpful to the District's employees and had been organized by the District's manager and the Distributor Forum.

NEW BUSINESS

1. **Ongoing Service Contracts.** The manager reported to the Platte Canyon Board that various service contracts that Platte Canyon has with vendors, such as the

RECORD OF PROCEEDINGS

landscape maintenance contract, the janitorial service contract, and others expire at the end of 2009. He requested direction from the Board as to whether these contracts should be rebid or simply extended. Following a brief discussion, it was the consensus of the Platte Canyon Board that the manager should bid or extend these service contracts as he believes appropriate and in the best interest of Platte Canyon.

At this point in the meeting Platte Canyon Director Eckert left to attend a prior commitment.

SOUTHWEST ACTION ITEMS

The Southwest action item portion of the meeting was called to order by Anthony M. Dursey who continued to preside as Chair.

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

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

2. **Southwest Accounts Payable.** The Boards reviewed a list and supplemental list of Southwest vouchers paid and payable for October 2009 in the aggregate amount of \$238,829.56. Following a brief discussion, a motion was made by Southwest Director Hamblin and seconded by Southwest Director Hause to ratify, approve and confirm the payables as presented and authorize Southwest Directors to execute Southwest's check nos. 15768 through 15804 inclusive, in payment thereof. The Chair called for a vote of the Southwest Board, and the vote was as follows:

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

3. **Southwest Investment/Deposit Transaction Report.** The Boards reviewed the Schedule of Investment Principal Activity for Southwest for the month of September 2009, which reflects the following transactions:

RECORD OF PROCEEDINGS

(a) **New Purchases.** On September 29, 2009 Southwest purchased a \$145,000.00 one-year certificate of deposit at Flatirons Bank and a \$150,000.00 one-year certificate of deposit at FirsTier Bank. The interest rate on the Flatirons certificate of deposit is 1.74% per annum and the interest rate on the FirsTier Bank certificate of deposit is 2% per annum; and

(b) **Redemptions.** On September 15, 2009 a Treasury Note matured generating a total of \$1,345,000 in principal proceeds, plus accrued interest to Southwest; and

(c) **Renewals.** No certificates of deposit were renewed or rolled over during the month.

At the conclusion of Vanessa Shipley's discussion of the above-referenced investment transactions, a motion was made by Southwest Director Hause and seconded by Southwest Director Ensor to ratify, approve and confirm the Southwest Investment Principal Activity Report for the month of September 2009. The Chair called for a vote of the Southwest Board, and the vote was as follows:

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

SOUTHWEST INFORMATION/DISCUSSION ITEMS

1. **Engineering Report.** Paul Goldfain reviewed Kennedy/Jenks Consultants' written engineering memorandum dated October 15, 2009, a copy of which had been previously provided to both Boards. Mr. Goldfain reported that the Burgundy/Brittany Drive Water Line Replacement Project has been completed. He then reviewed with the Board Change Order No. 1 which increases the contract price by \$11,470.19 to pay the contractor for certain additional work and/or costs incurred on the Project. He also reviewed Change Order No. 2 which is done to bring the final contract price into conformance with the amount actually paid to the contractor for the Project. The contract price increased by \$7,482.65 mainly due to additional trench asphalt replacement and overlay paving due to excavations required on service lines that were disconnected and then reconnected.

At the conclusion of the engineering report and based upon the engineer's recommendation, a motion was made by Southwest Director Hamblin and seconded by

RECORD OF PROCEEDINGS

Southwest Director Ensor to approve Change Order No. 1 and Change Order No. 2. The Chair called for a vote of the Southwest Board, and the vote was as follows:

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

2. **Capital Projects Report.** Dennis Morse briefly reviewed the Southwest Capital Projects report for October 2009. He noted that he had very little to add beyond what was in the written report and in the interest of time offered to answer any questions the Board might have. There were none.

SOUTHWEST NEW BUSINESS

1. **Ongoing Service Contracts.** The manager reported to the Southwest Board that various service contracts that Southwest has with vendors, such as the landscape maintenance contract, the janitorial service contract, and others expire at the end of 2009. He requested direction from the Board as to whether these contracts should be rebid or simply extended. Following a brief discussion, it was the consensus of the Southwest Board that the manager should bid or extend these service contracts as he believes appropriate and in the best interest of Southwest.

ADJOURNMENT

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

Anthony M. Dursey	Aye
Richard C. Eckert	Aye
Richard Spielman	Aye

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

RECORD OF PROCEEDINGS

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

Whereupon, this regular joint meeting of the Platte Canyon and Southwest Boards of Directors adjourned at approximately 10:55 a.m. The next regular joint meeting of the Boards will be held on Friday, November 20, 2009 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 REGULAR JOINT MEETING OF THE BOARD OF DIRECTORS OF THE PLATTE CANYON WATER AND SANITATION DISTRICT AND THE BOARD OF DIRECTORS OF THE SOUTHWEST METROPOLITAN 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