

RECORD OF PROCEEDINGS

MINUTES OF REGULAR JOINT MEETING

BOARD OF DIRECTORS

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT

AND

PLATTE CANYON WATER AND SANITATION DISTRICT¹

Friday
November 20, 2009
Jefferson County, Colorado

The regular joint 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, November 20, 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 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
Jack C. Dice
Anthony M. Dursey
Richard C. Eckert
Richard Spielman

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.

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

Also in attendance were Glenn H. Martin, business development advisor for Promontory Interfinancial Network, L.L.C.; 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.

SOUTHWEST ACTION ITEMS

1. **Approval of Southwest Agenda.** Following a brief discussion, it was agreed that joint meeting information/discussion agenda item no. 5, Investment Policy Discussion, would be addressed next. With that understanding, a motion to approve the Southwest agenda as presented was made by Southwest Director Hause and seconded by Southwest Director Hamblin. 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

JOINT MEETING INFORMATION/DISCUSSION ITEMS

1. **Investment Policy Discussion.** Glenn H. Martin, business development advisor for the Promontory Interfinancial Network, L.L.C., appeared before the Boards and explained how Promontory Certificate of Deposit Account Registry Service ("CDARS") works. CDARS is in essence a certificate of deposit placement service operated by the Promontory Interfinancial Network, L.L.C. The program is available only to community banks who must sign up and become a member of the network. Through use of a sophisticated computer placement system, a member bank can access up to \$50,000,000 of FDIC insurance coverage for certificates of deposit. Mr. Martin explained that when a public funds depositor places a large deposit with a network member, that bank uses the CDARS service to place the funds into certificates of deposit

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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issued by members of the network. This occurs in increments below the standard FDIC insurance maximum to insure that both principal and interest are eligible for full FDIC insurance protection. Other members of the network do the same thing with their customers' funds. With the help of a sophisticated matching system, banks exchange funds with other members of the network. These exchanges, which occur on a dollar-for-dollar basis, bring the full amount of the public funds deposit back to each originating bank.

The concept is that by allowing large dollar volumes of funds to be placed over a number of banks, the depositor can increase the amount of interest it earns on its certificates of deposit and at the same time have those deposits fully insured by the FDIC. There is no guaranty, however, that the interest rate will be greater than if the depositor placed the funds directly with a local bank. However, the amount of bookkeeping and administration associated with the placement of large amounts of money in increments of \$240,000 or less is much simpler using the CDARS system. Mr. Martin explained the type of statement that Southwest and Platte Canyon would receive and provided the Boards with a three minute video program explaining how the system works. He then answered questions from the Board members.

The Boards thanked Mr. Martin for explaining the program and at the conclusion of his presentation, Mr. Martin left the meeting. The Boards then discussed the CDARS program at length, as well as other changes to the Districts' investment policy. Other proposed changes include extending the maturity on certificates of deposit and on U.S. government treasury and agency securities. The manager and Mr. Hamblin were instructed to prepare suggested revisions to the Districts' investment policy and bring them to the Board for consideration at either the December or January Board meeting. Legal counsel will review the changes for compliance with the Public Funds Investment statutes.

The Board then returned to the Southwest agenda items.

SOUTHWEST ACTION ITEMS **(CONTINUED)**

2. **Southwest Accounts Payable.** The Boards reviewed a list and supplemental list of Southwest vouchers paid and payable for November 2009 in the aggregate amount of \$77,930.79. Following a brief discussion, a motion was made by Southwest Director Hamblin and seconded by Southwest Director Bradford to ratify, approve and confirm the payables as presented and to authorize Southwest Directors to

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execute Southwest check nos. 15805 through 15835 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

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

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

(b) **Redemptions.** On October 15, 2009, a one-year certificate of deposit at Liberty Savings Bank matured generating a total of \$150,000 in principal proceeds, plus accrued interest to Southwest; and

(c) **Renewals.** On October 4, 2009, Southwest renewed a \$100,000 certificates of deposit at Bank of Denver for a period of one year at an interest rate of 2% per annum. On October 15, 2009, Southwest renewed a \$150,000 certificate of deposit at Guaranty Bank and Trust for a period of one year at an interest rate of 1.65% per annum.

At the conclusion of Vanessa Shipley's discussion of the above-referenced investment transactions, a motion was made by Southwest Director Bradford and seconded by Southwest Director Hause to ratify, approve and confirm the Southwest Investment Principal Activity Report for the month of October 2009. 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. **Adoption of 2020 Budget.** The Chair opened the public hearing on Southwest's proposed 2010 budget. Notice of the hearing was published in accordance with the Local Government Budget Law. No members of the public appeared in person or otherwise registered any objections or offered any modifications to the proposed 2010 budget, which is balanced as required by law.

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Following a discussion, a motion was made by Southwest Director Bradford and seconded by Southwest Director Hause to adopt Resolution 2009-11-1, a copy of which is attached to these minutes, which resolution officially adopts the proposed 2010 budget as heretofore submitted and amended as the official budget for Southwest for calendar year 2010. 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 Southwest Board then considered Resolution 2009-11-2, a copy of which is attached to the original of these minutes, which resolution authorizes and appropriates the sum of \$1,493,705 for expenditure by Southwest in calendar year 2010. A motion to adopt said resolution was made 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

The adopted budget for 2010 does not contemplate receipt or expenditure of property tax revenue. Following a brief discussion, a motion was made by Southwest Director Bradford and seconded by Southwest Director Hause to adopt Resolution 2009-11-3, a copy of which is attached to the original of these minutes, which resolution authorizes certification of a zero property tax mill levy to the Board of County Commissioners of Arapahoe, Jefferson and Douglas Counties. 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. **Directors Absence Excused.** Following a brief discussion, a motion was made by Southwest Director Hause and seconded by Southwest Director Hamblin to excuse the absence of Southwest Director Kenton C. Ensor, Jr., who was unable to attend

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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

6. **Acceptance of Southwest Capital Master Plan for 2010-2019.** No requests were received by staff to modify the 2010-2019 Capital Master Plan as presented during the October Board meeting. Following a brief discussion, a motion was made by Southwest Director Hamblin and seconded by Southwest Director Bradford to accept the Southwest Capital Master Plan for 2010-2019. 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

7. **Acceptance of 2009 Audit Engagement Letter.** Following a brief discussion, a motion was made by Southwest Director Hause and seconded by Southwest Director Hamblin to accept the engagement letter submitted by Schilling & Company, Inc. for performance of the District's 2009 audit subject to review by the District's legal counsel. 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 motion authorized the District's manager to sign the audit engagement letter on the Board's behalf once legal counsel has approved the agreement as to form.

SOUTHWEST INFORMATION/DISCUSSION ITEMS

1. **Engineering Report.** Paul Goldfain reviewed Kennedy/Jenks Consultants' written engineering memorandum dated November 12, 2009, a copy of which had been previously provided to both Boards. Mr. Goldfain reported that the Burgundy/Brittany

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Drive Water Line Replacement Project is now entirely complete, as-built drawings have been provided by the contractor, and the Project retainage is being released today.

SOUTHWEST NEW BUSINESS

There was no new business to come before the Southwest Board. At this point, Paul Goldfain left the meeting.

JOINT PARTICIPATION PORTION OF THE MEETING

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

JOINT ACTION ITEMS

1. **Approval of Joint Meeting Agenda.** A motion was made by Platte Canyon Director Bradford 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 then called for a vote of the Platte Canyon Board, and the vote was as follows:

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

2. **Approval of Minutes of the Boards' October 23, 2009 Regular Joint Meeting.** Following a brief discussion, a motion was made by Platte Canyon Director Eckert and seconded by Southwest Director Hamblin to approve, as written, the minutes of the Boards' October 23, 2009 regular joint meeting. 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

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

Kenneth D. Bradford	Aye
Jack C. Dice	Aye
Anthony M. Dursey	Aye
Richard C. Eckert	Aye
Richard Spielman	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 ten month period ending October 31, 2009 were presented to the Boards:

(i) Statement of Net Assets dated October 31, 2009 showing Platte Canyon's Assets, Liabilities and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the ten month period ending October 31, 2009;

(iii) Statement of Net Assets – Comparisons dated October 31, 2009;

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

(v) Schedule of Revenue and Expenditures Budget and Actual PTD/YTD Actuals Compared to PTD/YTD Budget for the ten month period ending October 31, 2009.

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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 Spielman 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
Jack C. Dice	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 ten month period ending October 31, 2009 were presented to the Boards:

(i) Statement of Net Assets dated October 31, 2009 showing Southwest's Assets and Liabilities and Net Assets;

(ii) Statement of Revenue, Expenses and Changes in Net Assets for the ten month period ending October 31, 2009;

(iii) Statement of Net Assets – Comparisons dated October 31, 2009;

(iv) Schedule of Revenue and Expenditures – Budget and Actual PTD/YTD Actual Compared to Annual Budget for the ten month period ending October 31, 2009; and

(v) Schedule of Revenue and Expenditures Budget and Actual PTD/YTD Actual Compared to PTD/YTD Budget for the ten month period, ending October 31, 2009.

Vanessa Shipley reported that there was nothing out of the ordinary or unusual reflected in the financial statements that needed to be brought to the Board's attention. A motion was then made by Southwest Director Hamblin 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:

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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, and money market funds, together with a report showing the funds Platte Canyon has in approved state depositories and authorized investment pools. As of October 31, 2009, Platte Canyon's investments and deposits totaled \$9,153,417.99, itemized as follows:

Description	Amount	Percentage
Checking	\$300,988.72	3.29%
Certificates of Deposit	\$3,842,000.00	41.97%
ColoTrust Prime	\$0.00	0.00%
ColoTrust Plus	\$1,049,568.99	11.49%
ColoTrust-Trust Account	\$935.75	0.01%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$710,232.77	7.76%
U.S. Government Agencies and Instrumentalities	\$3,249,691.76	35.50%
TOTAL	\$9,153,417.99	100.00%

The yield on Platte Canyon's investments for the month of October 2009 as calculated by staff was 2.1421% 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:

Kenneth D. Bradford	Aye
Jack C. Dice	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

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state depositories and authorized investment pools. As of October 31, 2009, Southwest's investments and deposits totaled \$37,887,209.46, itemized as follows:

Description	Amount	Percentage
Checking	\$1,092.04	0.00%
Certificates of Deposit	\$7,391,000.00	19.51%
ColoTrust Prime	\$0.00	0.00%
ColoTrust Plus	\$3,900,546.41	10.30%
ColoTrust-Trust Account	\$248,229.85	0.66%
Treasury Bills	\$0.00	0.00%
Treasury Notes	\$13,267,046.25	35.02%
U.S. Government Agencies and Instrumentalities	\$13,079,294.91	34.52%
TOTAL	\$37,887,209.46	100.00%

The yield on Southwest's investments for the month of October 2009 as calculated by staff was 3.0305% 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 Hause to accept the Southwest Schedule of investment balances 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
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye

2. **Manager's Information Report.** Due to the length of the meeting, the manager abbreviated his review of the November 2009 Manager's Information Report and confined his comments primarily to an update as to Denver Water's Moffat Collection System Project. He noted that the U.S. Army Corp of Engineers has released a draft Environmental Impact Statement. The EIS will be open for public comment through January 28, 2010. Public hearings have been scheduled in Boulder, Granby and Denver in early December and there may be an additional hearing held in Summit County. During the ninety (90) day comment period, it is expected that various environmental groups including Trout Unlimited, will seek to require Denver Water to implement more conservation measures instead of developing the expansion of Gross Reservoir which will benefit both the West Slope and the south end of Denver Water's distribution system. The manager indicated that he would provide the Board with more

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information as to those hearing dates and encouraged any Board members who are interested to attend.

As to the remainder of the Manager's Information Report, the manager offered to respond to any questions. There were none.

3. **Operations and Service Interruptions Report.** Scott Hand reviewed his Operations and Service Interruptions Report for the period beginning October 16, 2009 and ending November 10, 2009, a copy of which had been previously provided to both Boards. He noted that no water or sewer interruptions occurred in either District during the reporting period.

During routine fire hydrant maintenance, crews discovered a hydrant in the Normandy Estates Subdivision needing valve repairs. The hydrant was so old that the assembly could not be removed and a new hydrant had to be ordered and installed by C & L Water Solutions, Inc.

As a result of routine television inspections and root cutting maintenance, five letters were sent to customers in Southwest alerting them of potential sewer service problems related to root intrusions.

NEW BUSINESS

1. **Change in December Meeting Schedule.** Due to the Christmas holiday, the manager reminded the Board members that the Board's December meeting will be held on Friday, December 18, 2009 at 8:30 a.m. in the Platte Canyon and Southwest office.

PLATTE CANYON ACTION ITEMS

CALL TO ORDER

The Platte Canyon action items portion of the joint meeting was called to order by Jack C. Dice, who presided as Chair.

1. **Approval of Platte Canyon Agenda.** Following a brief discussion, a motion was made by Platte Canyon Director Eckert and seconded by Platte Canyon Director Bradford 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:

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

2. **Platte Canyon Accounts Payable.** The Boards reviewed a list and supplemental list of Platte Canyon vouchers paid and payable for November 2009 in the aggregate amount of \$145,033.45 represented by Platte Canyon check nos. 25785 through 25848, inclusive. Following a brief discussion, a motion was made by Platte Canyon Director Spielman and seconded by Platte Canyon Director Eckert to: (a) ratify, approve and confirm all checks written and all electronic fund transfers occurring since the Board's October 23, 2009 regular 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 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
Jack C. Dice	Aye
Anthony M. Dursey	Aye
Richard C. Eckert	Aye
Richard Spielman	Aye

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

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

(b) **Redemptions.** On October 15, 2009, a one-year certificate of deposit at Liberty Savings Bank matured generating a total of \$150,000 in principal proceeds, plus accrued interest, to Platte Canyon; and

(c) **Renewals.** On October 4, 2009, Platte Canyon renewed a \$100,000 certificates of deposit at Bank of Denver for a period of one year at an interest rate of 2% per annum. On October 15, 2009, Platte Canyon renewed a \$150,000 certificate of deposit at Guaranty Bank and Trust for a period of one year at an interest rate of 1.65% per annum.

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

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

4. **Adoption of 2010 Budget.** The Chair opened the public hearing on Platte Canyon's proposed 2010 budget. Notice of the hearing was published in accordance with the Local Government Budget Law. No members of the public appeared in person or otherwise registered any objections or offered any modifications to the proposed 2010 budget, which is balanced as required by law.

Following a discussion, a motion was made by Platte Canyon Director Spielman and seconded by Platte Canyon Director Dursey to adopt Resolution 2009-11-1, a copy of which is attached to these minutes, which Resolution formally adopts the proposed 2010 budget as heretofore submitted and amended as the official budget for Platte Canyon for calendar year 2010. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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

The Platte Canyon Board then considered Resolution 2009-11-2, a copy of which is attached to these minutes, which Resolution authorizes and appropriates the sum of \$2,379,496 for expenditure by Platte Canyon in calendar year 2010. A motion to adopt said Resolution was made by Platte Canyon Director Spielman and seconded by Platte Canyon Director Eckert. 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
Jack C. Dice	Aye
Anthony M. Dursey	Aye
Richard C. Eckert	Aye
Richard Spielman	Aye

Platte Canyon's 2010 budget contemplates the expenditure of property tax revenues and the manager addressed the need for certifying a property tax mill levy. Following a brief discussion, a motion was made by Platte Canyon Director Dursey and seconded by Platte Canyon Director Spielman to adopt Resolution 2009-11-3, a copy of which is attached to these minutes, which Resolution formally authorizes certification of an operations and maintenance mill levy of 7.124 mills of which 7.104 mills is for operations and maintenance and 0.020 mills is for the recovery of refunds and abatements. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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

5. **Approval of Platte Canyon Master Plan for 2010-2019.** The manager briefly discussed the Platte Canyon Master Plan for 2010-2019, noting that no significant changes have been made to the Master Plan as presented to the Board at its October 2009 meeting. A motion was then made by Platte Canyon Director Dursey and seconded by Platte Canyon Director Spielman to accept the Platte Canyon Master Plan for 2010-2019. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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

6. **Acceptance of 2009 Audit Engagement Letter.** Following a brief discussion, a motion was made by Platte Canyon Director Spielman and seconded by Platte Canyon Director Eckert to accept the engagement letter submitted by Schilling & Company, Inc. for performance of the District's 2009 audit subject to review by the

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District's legal counsel. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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

The motion authorized the District's manager to sign the audit engagement letter on the Board's behalf once legal counsel has approved the agreement as to form.

7. **Approval of Employee Medical Insurance Benefit Package for 2010.**

Scott Morse reviewed in detail staff's recommendations for the employee health insurance benefit package for calendar year 2010, including all of the reasons and backup for staff's recommendations. At the conclusion of the presentation, Mr. Morse recommended that Platte Canyon switch from its current United Healthcare PPO balanced 100 C1-D plan to a United Healthcare PPO balanced 100 C2-L plan. The deductible for the plan would increase from \$2,000 to \$2,500 and as a result staff recommended that the District self-insure the first \$2,000 of that \$2,500 deductible per person per year with a maximum of \$4,000 per family. The total quote for the insurance coverage for 2010 is \$143,669.04 or 0.7% more than the 2009 premium. In addition, it was recommended that the employee insurance contribution increase to 10% of dependent medical coverage from the current contribution of \$30.00 per month for employees plus spouse coverage and employee plus dependent coverage and \$60.00 per month for full family coverage.

At the conclusion of the discussion, a motion was made by Director Eckert and seconded by Director Spielman to approve staff's recommendations and to implement the health insurance benefit package for 2010 as recommended by staff. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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

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TEMPORARY RECESS

A motion was made by Platte Canyon Director Eckert and seconded by Platte Canyon Director Spielman 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. 1 and Subdistrict No. 2. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

Kenneth D. Bradford	Aye
Jack C. Dice	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
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye

Whereupon the meeting temporarily recessed at approximately 10:10 a.m.

CONTINUATION OF PLATTE CANYON MEETING

The Platte Canyon meeting was reconvened in open public session at approximately 10:20 a.m.

CONTINUATION OF JOINT INFORMATION/DISCUSSION ITEMS

1. **2010 Meeting Schedule.** Following a brief discussion, a motion was made by Platte Canyon Director Dursey and seconded by Southwest Director Hause that both Boards continue to meet jointly on the fourth Friday of each month except in November and December when their joint regular meetings would be held on the third Friday of the month due to the Thanksgiving and Christmas holidays. 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
Jack C. Dice	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
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye

2. **Investment Policy Discussion.** The Board then revisited in detail various proposed changes to both Districts' investment policy, including the extending of the maximum maturity of District investments up to ten years allowing the purchase of certificates of deposit for longer than the three years currently permitted under the investment policy. The decision was to expand to five years with not more than 50% of the portfolio having a maturity of that length. There was a discussion to allow Platte Canyon to participate in the CDARS program discussed earlier in the meeting. The District's manager and legal counsel were instructed to revise the investment policies for both Districts and to bring them back to the Board for their further consideration.

EXECUTIVE SESSION

Following a brief discussion, a motion was made by Director Dursey and seconded by Director Bradford to go into executive session for the purpose of various personnel matters involving no specific employee of Platte Canyon. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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

The executive session was duly recorded as required by law.

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Those present during the executive session consisted of the members of the Southwest Board, the Platte Canyon Board, Patrick Fitzgerald and the District's legal counsel. The executive session lasted for approximately 25 minutes at which time the Board returned to open public session.

A motion was then made by Director Dursey and seconded by Director Bradford to provide the manager with an amount of money equal to 2.28% of the District's budgeted wages and salaries for purposes of merit and cost of living increases for calendar year 2010. The average amount of the increase would be approximately 2.28% although some employees will get higher and some will get less. The range is expected to be approximately 0.50% to 5.2%. The Chair called for a vote of the Platte Canyon Board, and the vote was as follows:

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

ADJOURNMENT

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

Kenneth D. Bradford	Aye
Jack C. Dice	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
George E. Hamblin, Jr.	Aye
Chuck Hause	Aye

RECORD OF PROCEEDINGS

Whereupon, this regular joint meeting of the Platte Canyon and Southwest Boards of Directors adjourned at approximately 11:30 a.m. The next regular joint meeting of the Boards will be held on Friday, December 18, 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