

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE HOLLY HILLS WATER AND SANITATION DISTRICT AND THE BOARD OF DIRECTORS OF THE WATER UTILITY ENTERPRISE HELD JANUARY 17, 2018

A Regular Meeting of the Board of Directors of the Holly Hills Water and Sanitation District and the Board of Directors of the Water Activity Enterprise (referred to hereafter as "Board") was convened on Wednesday, the 17th day of January, 2018, at 7:00 p.m., at the Skyline Firehouse, 6000 E. Yale Avenue, Denver, Colorado 80222. The meeting was open to the public.

Directors In Attendance Were:

Raymond V. Henney
Irina Bovee
David Paul
William Dilatush
Marie E. Sullivan

Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc.

Timothy J. Flynn, Esq.; Collins Cockrel and Cole, P.C.

Scott Kemmeries; Resident

Deputy Scott Sickafoose; Arapahoe County Sheriff's Department

**ADMINISTRATIVE
MATTERS**

18.01 Agenda: Mr. Beckman presented the Agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director Sullivan seconded by Director Dilatush and, upon vote, unanimously carried, the Agenda was approved, as amended.

18.02 Minutes: The Board reviewed the minutes of the November 15, 2017 Regular Meeting.

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Following discussion, upon motion duly made by Director Plaul seconded by Director Henney and, upon vote, unanimously carried, the minutes for the November 15, 2017 Regular Meeting were approved.

LEGAL MATTERS

18.03 Denver Water Matters: Attorney Flynn reported that the Denver Water Board adopted rates for 2018 and noted that those rates are increasing for each class of distributor as well as inside City users so that in 2018, Denver Water's revenues will increase by approximately 3%.

18.04 Resolution No. 2018-01-1; Designating the Location for Posting Open Meetings Law Notices: Attorney Flynn reviewed Resolution No. 2018-01-1; Designating the Location for Posting Open Meetings Law Notices with the Board.

Following discussion, upon motion duly made by Director Sullivan, seconded by Director Henney and, upon vote, unanimously carried, the Board adopted Resolution No. 2018-01-1; Designating the Location for Posting Open Meetings Law Notices. A copy of the adopted Resolution attached hereto and incorporated herein by this reference.

18.05 Resolution No. 2018-01-2; Calling for the May 8, 2018 Regular Election and Appointing a Designated Election Official: Attorney Flynn Resolution No. 2018-01-2; Calling for the May 8, 2018 Regular Election and Appointing a Designated Election Official with the Board.

Following discussion, upon motion duly made by Director Sullivan, seconded by Director Dilatush, and upon vote, unanimously carried, the Board adopted Resolution No. 2018-01-2; Calling for the May 8, 2018 Regular Election and Appointing a Designated Election Official and appointed AJ Beckman as the Designated Election Official and appointed and authorized him to perform all tasks required for the May 8, 2018 Regular Election of the Board of Directors for the conduct of a polling place election.

18.06 DRC Contract: Attorney Flynn reported that all material items of the agreement have been agreed to. He noted that he is coordinating execution of the contract with DRC.

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FINANCIAL MATTERS

18.07 Approval of Claims: Mr. Beckman then reviewed with the Board the claims for the period ending December 11, 2017, as follows:

General Fund:	\$ 9,035.03
Capital Projects Fund:	\$ -0-
Enterprise Fund:	\$ 684.00
Total:	<u>\$ 9,719.03</u>

Following review and discussion, upon motion duly made by Director Henney, seconded by Director Plaul and, upon vote, unanimously carried, the Board ratified approval of the payment of claims for the period ending December 11, 2017, as presented.

18.08 Approval of Claims: Mr. Beckman then reviewed with the Board the claims for the period ending January 17, 2018, as follows:

General Fund:	\$ 6,947.58
Capital Projects Fund:	\$ 85,606.60
Enterprise Fund:	\$ 4,370.70
Total:	<u>\$ 96,924.88</u>

Following review and discussion, upon motion duly made by Director Bovee, seconded by Director Sullivan and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending January 17, 2018, as presented.

18.09 Unaudited Financial Statements: Mr. Beckman reviewed the unaudited financial statements of the District setting forth the cash deposits, investments, and budget analysis for the period ending November 30, 2017.

Following discussion, upon motion duly made by Director Henney, seconded by Director Bovee and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending November 30, 2017.

18.10 Rate Increase: Mr. Beckman reviewed the annual water consumption over the past five years, and the projected revenue for 2018 under various rate increase scenarios. He noted that the statutory notice requirements for considering a rate increase at this meeting have been complied with.

Following discussion, upon motion duly made by Director Plaul, seconded by Director Bovee and, upon vote, unanimously carried, the Board determined to increase the rates by 5%, effective April 1, 2018.

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OPERATIONS

18.11 Grease Trap Inspections: Mr. Beckman reported to the Board that DRC has completed the inspections in December of 2017. Reports are being prepared by DRC and will be forthcoming in the next few days.

18.12 Annual Cleaning: Mr. Beckman reported that DRC completed Area 2 in December and is preparing reports along with service line root intrusion letters. They expect to have their reports finished within the next few days. DRC will clean Area 3 next and they expect to be completed by June 30, 2018.

CAPITAL PROJECTS

18.13 2017 and 2018 Capital Projects: Mr. Beckman presented the 2017 and 2018 Capital Improvements Plan prepared by ENS Consulting, LLC and discussed with the Board.

Following discussion, upon motion duly made by Director Bovee, seconded by Director Henney and, upon vote, unanimously carried, the Board approved increasing the scope of the project to include 50% of the remaining work to be completed, and directed Mr. Beckman to discuss with ENS Consulting, LLC.

PUBLIC COMMENT

18.14 Public Comment: Director Paul informed the Board that his home is under contract. He expects to move out of the District which will create a vacancy on the Board. Mr. Kemmeries noted that he would be interested in serving on the Board. Attorney Flynn discussed the purpose and function of the District, and the duties of Directors serving on the Board.

EXECUTIVE SESSION

18.15 Executive Session: Following a brief discussion, at approximately 8:02 p.m., pursuant to Section 24-6-402(4)(b), C.R.S., upon motion duly made by Director Henney, seconded by Director Bovee and, upon an affirmative vote of all Directors present, the Board convened in executive session for the purposes of receiving legal advice from legal counsel with respect to matters that may become the subject of litigation arising out of a sewer backup that occurred on or about December 24, 2016.

Those present during the executive session consisted of Directors Henney, Bovee, Paul, Dilatush and Sullivan, Legal Counsel, and District Manager.

The executive session lasted approximately 28 minutes and was not recorded because it constituted a privileged attorney-client communication for which no electronic recording is required. At approximately 8:30 p.m. the Board returned to an open public meeting.

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ADJOURNMENT

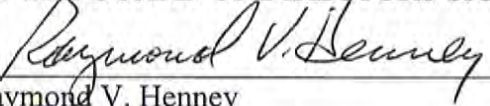
There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

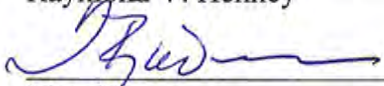
Respectfully submitted,

By: 

Secretary for the Meeting

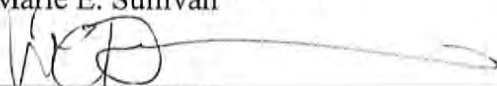
THESE MINUTES ARE APPROVED AS THE OFFICIAL JANUARY 17, 2018 MINUTES OF THE HOLLY HILLS WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Raymond V. Henney


Irina Bovee


David Plaul


Marie E. Sullivan

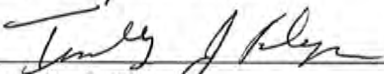

William Dilatush

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ATTORNEY STATEMENT

Pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., I, Timothy J. Flynn, state that I am general counsel for the Holly Hills Water and Sanitation District and that I was present at the time the Board convened in Executive Session on Wednesday, January 17, 2018 at approximately 8:02 p.m. I further state that the Executive Session was not recorded because it constituted a privileged attorney-client communication, and that no electronic recording thereof was necessary. The Board did not adopt any proposed policy, position, rule, regulation or take any formal action during the Executive Session.

Date: Feb 21, 2018

Signature: 
Timothy J. Flynn

RESOLUTION NO. 2018-01-1

HOLLY HILLS WATER AND SANITATION DISTRICT
ARAPAHOE AND DENVER COUNTIES, COLORADO

A RESOLUTION ESTABLISHING THE DATE, TIME AND LOCATION FOR THE
REGULAR MEETINGS OF THE BOARD OF DIRECTORS OF THE HOLLY HILLS
WATER AND SANITATION DISTRICT AND DESIGNATING THE LOCATION FOR
POSTING NOTICE OF DISTRICT MEETINGS IN COMPLIANCE WITH THE OPEN
MEETINGS LAW AND SPECIAL DISTRICT ACT

WHEREAS, pursuant to Section 32-1-903 C.R.S., the Board of Directors (“Board”) of the Holly Hills Water and Sanitation District (“District”) is required to meet regularly at a time and in a place to be designated by the Board; and

WHEREAS, Section 24-6-402(2)(c) C.R.S., requires that the Board annually designate one or more places within the boundaries of the District as the place where notice of Board meetings, together with a meeting agenda, when available, shall be posted at least 24 hours prior to the convening of such meeting for the purpose of complying with the notice provisions of the Colorado Open Meetings Law; and

WHEREAS, pursuant to Section 32-1-903(2) C.R.S., the District is required to post in at least three public places within the limits of the District, and in addition, in the office of the County Clerk and Recorder of Arapahoe and Denver Counties, Colorado notice of the time, place and location of the District’s regular and special Board meetings; and

WHEREAS, pursuant to Section 32-1-903(1), C.R.S., all regular and special meetings of the Board shall be held at locations which are within the boundaries of the District or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty miles from the District boundaries unless such requirement is waived by the Board pursuant to Section 32-1-903(1)(a), C.R.S.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HOLLY HILLS WATER AND SANITATION DISTRICT OF ARAPAHOE AND DENVER COUNTIES, COLORADO AS FOLLOWS:

Section 1. Regular Meetings. That the Board shall meet regularly during calendar year 2018 on the third Wednesday of each month at 7:00 p.m. at the Skyline Firehouse, 6000 E. Yale Avenue, Denver, Colorado 80222, or at such other location as may from time to time be designated by the Board.

Section 2. Special Meetings. Special meeting may be called by any director by informing the other directors of the date, time and place of such special meeting, and the purpose for which it is called, and by posting notice as provided herein at least 72 hours prior to said meeting.

Section 3. Change of Meeting Dates. That until circumstances change and a future resolution of the Board so designates, the location of all special and regular meetings of the Board shall appear on the agenda of said special and regular meetings.

Section 4. Location for Open Meeting Law Postings. Skyline Firehouse, 6000 E. Yale Avenue, Denver, Colorado 80222 is hereby designated as the location for posting notices of Board meetings for purposes of complying with the notice provisions of the Open Meetings Law, Section 24-6-401, *et seq.*, C.R.S.

Section 5. Posting Locations for Regular Meetings. Notices of the Board's regular meetings for 2018 shall be posted in the Arapahoe and Denver Counties Clerk and Recorder's Office pursuant to Section 32-1-903, C.R.S. and at the following three locations within the District's boundaries:

- (a) Skyline Firehouse, 6000 E. Yale Avenue, Denver, Colorado 80222;
- (b) Holly Hills Elementary School, 6161 E. Cornell Avenue, Denver, Colorado 80222;
- (c) Holly Ridge Primary School, 3301 S. Monaco Parkway, Denver, Colorado 80222.

Section 6. Representative Authorized to Post. Any member of the District's Board of Directors or any designee of the Board is hereby authorized to post notice of the District's meetings as required by statute.

APPROVED AND ADOPTED this 17th day of January, 2018.

HOLLY HILLS WATER AND SANITATION
DISTRICT

By: Raymond V. Henney
Raymond V. Henney, Chairman

Attest:

Irina Bovee
Irina Bovee, Secretary

RESOLUTION NO. 2018-01-2

**HOLLY HILLS WATER AND SANITATION DISTRICT
ARAPAHOE AND DENVER COUNTIES, COLORADO**

**A RESOLUTION CALLING FOR THE 2018 REGULAR DISTRICT ELECTION AND
APPOINTING A DESIGNATED ELECTION OFFICIAL**

WHEREAS, the Holly Hills Water and Sanitation District (“District”) is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Colorado Revised Statutes; and

WHEREAS, the terms of office of Directors Irina Bovee, William C. Dilatush, and Marie E. Sullivan shall expire after their successors are elected at the regular special district election to be held on May 8, 2018 (“Election”) and have taken office; and

WHEREAS, in accordance with the provisions of the Special District Act (“Act”) and the Colorado Local Government Election Code (“Code”) (the Act and the Code being referred to jointly as the “Election Laws”), the Election must be conducted to elect three (3) Directors to serve for a term of four (4) years.

NOW, THEREFORE, be it resolved by the Board of Directors of the Holly Hills Water and Sanitation District in the Counties of Arapahoe and Denver, State of Colorado that:

1. The regular election of the eligible electors of the District shall be held on May 8, 2018, between the hours of 7:00 a.m. and 7:00 p.m. pursuant to and in accordance with the Election Laws, and other applicable laws. At that time, three (3) Directors will be elected to serve a four-year term.

2. There shall be one election precinct for the convenience of the eligible electors of the District, the boundaries of which shall be identical to the boundaries of the District, and there shall be one (1) polling place at the following location:

Skyline Firehouse
6000 E. Yale Avenue
Denver, CO 80222

situate in the County of Arapahoe, State of Colorado. The polling place located at Skyline Firehouse, 6000 E. Yale Avenue, Denver, CO 80222 shall also be the polling place for disabled electors and for eligible electors not residing within the District. If the

Designated Election Official deems it to be more expedient for the convenience of the eligible electors of the District (who are also eligible electors in other special districts with overlapping boundaries which are conducting elections on the Election day), the Election may be held jointly with such special districts in accordance with coordinated election procedures as set forth in an agreement between all participating special districts. In such event, the election precincts and polling places shall be as set forth in such agreement. The Designated Election Official is authorized to execute such agreement on behalf of the District, which agreement shall include provisions for the allocation of responsibilities for the conduct and reasonable sharing of costs of the coordinated Election.

3. The Board of Directors hereby designates A.J. Beckman, Special District, Management Services, 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228 as the Designated Election Official for the conduct of the Election on behalf of the District, and he is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Election Laws or other applicable laws. Among other matters, the Designated Election Official shall publish the call for nominations, appoint election judges as necessary, appoint the Canvass Board, arrange for the required notices of election, printing of ballots, and direct that all other appropriate actions be accomplished.

4. Applications for absentee ballots may be filed with the Designated Election Official at Special District, Management Services, 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, no later than the close of business on the Tuesday immediately preceding the election (Tuesday, May 1, 2018).

5. Self-Nomination and Acceptance forms are available at the Designated Election Official's office located at the above address. All candidates must file a Self-Nomination and Acceptance form with the Designated Election Official no earlier than January 1, 2018, nor later than the close of business on Friday, March 2, 2018.

6. If the only matter before the electors is the election of Directors of the District and if, at the close of business on March 6, 2018, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent no later than March 5, 2018, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with the Code.

7. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board's intention that the various provisions hereof are severable.

8. Any and all actions previously taken by the Designated Election Official, the Secretary of the Board of Directors, or any other persons acting on their behalf pursuant to the Election Laws or other applicable laws, are hereby ratified and confirmed.

9. All acts, orders, and resolutions, or parts thereof, of the Board which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

10. The provisions of this Resolution shall take effect immediately.

ADOPTED this 17th day of January, 2018.

HOLLY HILLS WATER AND SANITATION
DISTRICT

By Raymond V. Henney
Raymond V. Henney, Chairman

ATTEST:

By Irina Bovee
Irina Bovee, Secretary