

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 18, 2017**

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 18th day of January, 2017, 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
Gary J. Crosby
David Plaul
William Dilatush

Following discussion, upon motion duly made by Director Henney, seconded by Director Crosby and, upon vote, unanimously carried, the absence of Irina Bovee was excused.

Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc.

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

Richard Cassens; ENS Consulting, LLC

Patrick and Dianna Carroll; DRC Construction Service, Inc.

James and Sabina Riley; Residents

**ADMINISTRATIVE
MATTERS**

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

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

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17.41 Minutes: The Board reviewed the minutes of the November 16, 2016 Regular Meeting.

Following discussion, upon motion duly made by Director Henney seconded by Director Dilatush and, upon vote, unanimously carried, the minutes for the November 16, 2016 Regular Meeting were approved.

LEGAL MATTERS

17.42 Statement of Purpose: There was nothing new to report.

17.43 Xpress Bill Pay: Attorney Flynn reported that he has reviewed the agreements and will be presented to the Board for approval at the next meeting.

17.44 Resolution No. 2017-01-01; Designating the Location for Posting Open Meetings Law Notices: Attorney Flynn reviewed Resolution No. 2017-01-01; Designating the Location for Posting Open Meetings Law Notices with the Board.

Following discussion, upon motion duly made by Director Crosby, seconded by Director Dilatush and, upon vote, unanimously carried, the Board adopted Resolution No. 2017-01-01; Designating the Location for Posting Open Meetings Law Notices. A copy of the adopted Resolution attached hereto and incorporated herein by this reference.

FINANCIAL MATTERS

17.45 Approval of Claims: Mr. Beckman reviewed with the Board the claims for the period ending December 15, 2016, as follows:

General Fund:	\$ 3,528.92
Capital Projects Fund:	\$ -0-
Enterprise Fund:	\$ 756.00
Total:	\$ 4,284.92

Following review and discussion, upon motion duly made by Director Henney, seconded by Director Crosby and, upon vote, unanimously carried, the Board ratified approval of the payment of claims for the period ending December 15, 2016, as presented.

Mr. Beckman then reviewed with the Board the claims for the period ending January 18, 2017, as follows:

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General Fund:	\$ 2,205.16
Capital Projects Fund:	\$ -0-
Enterprise Fund:	\$ 17,869.10
Total:	<u>\$ 20,074.26</u>

Following review and discussion, upon motion duly made by Director Dilatush, seconded by Director Paul and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending January 18, 2017, as presented.

17.46 Unaudited Financial Statements: Mr. Beckman reviewed the unaudited financial statements of the District setting forth the cash deposits, investments, and budget analysis for the periods ending December 31, 2016.

Following discussion, upon motion duly made by Director Henney, seconded by Director Paul and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the periods ending December 31, 2016.

17.47 Certificate of Deposit: The Board discussed the Certificate of Deposit maturing on February 10, 2017.

Following discussion, upon motion duly made by Director Henney, seconded by Director Crosby and, upon vote, unanimously carried, the Board authorized Mr. Beckman to deposit the funds into the ColoTrust account.

17.48 Delinquent Accounts: Mr. Beckman reviewed the Delinquent Accounts list with the Board.

OPERATIONS

17.49 Sewer Backup: James and Sabina Riley addressed the Board explaining the damages caused to their home by the backup and the subsequent disruption and status of restoration efforts. Attorney Flynn explained that the District is waiting on the conclusion of the investigation by the District's Insurance adjuster to determine if the District is at fault. He also explained that a decision by the Special District Property and Liability Pool is expected by next week. Attorney Flynn explained that the District cannot discuss liability or who is at fault until the District's insurance carrier has concluded its investigation. Attorney Flynn discussed the "No Fault" provision of the District's insurance coverage explaining that it provides for \$5,000 of coverage per occurrence. Mr. Riley requested that the District acquire a policy that would fully cover properties that may experience such backups in the future. He also explained that he wants to be reimbursed for what he has suffered in damages and expenses. Director Henney explained that most of the sewer lines in the District have been relined in order to prevent such issues. Director Henney further noted that the Board

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will be looking into the manhole where the incident occurred. Mr. Riley then noted that in his opinion the diameter of the pipe going into the manhole is not code compliant. Attorney Flynn explained that to the best of his knowledge the sewer lines are compliant with applicable standards for sewage collection systems. Mr. and Mrs. Riley then asked if the reduced pipe size of 8" to 6" was signed-off by an engineer. Ms. Carroll explained that changes to the pipe resulting in reduced size happened approximately 20 years ago and engineering records from that period of time are not readily available so she did not know if the work had been reviewed or approved by an engineer. Mr. Riley asked if the District has the funds to pay his claim in absence of insurance reimbursement. Attorney Flynn explained that the district has funds but cannot comment at this time on what the Board may elect to cover in the absence of insurance. Mr. Riley then complained that a City of Denver employee responded on the evening of the backup but failed to clear the blockage.

17.50 Sewer Line Cleaning: Mr. Carroll reported to the Board that Area 3 was cleaned in the second half of 2016.

17.51 Grease Trap Inspections: Mr. Beckman reviewed the report with the Board.

CAPITAL PROJECTS **17.52 2017 Capital Projects:** Mr. Henney discussed with the Board relining approximately 3,271.1 feet of sewer mains in 2017 and the rehabilitation of the District's 223 manholes. The estimated cost for relining is \$81,792.50. The Board asked DRC Construction Service, Inc. to rate the condition of the manholes.

EXECUTIVE SESSION

17.53 Executive Session: Following a brief discussion, at approximately 8:23 p.m., pursuant to Section 24-6-402(4)(b) and (e), C.R.S., upon motion duly made by Director Henney, seconded by Director Crosby and, upon an affirmative vote of all Directors present, the Board convened in executive session for the purpose of receiving legal advice with respect to the sewer backup matter on December 24th and determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators.

Those present during the executive session consisted of Directors Henney, Crosby, Paul and Dilatush; Legal Counsel, District Manager, Patrick and Dianna Carroll and Rich Cassens.

The executive session lasted approximately 40 minutes and was not recorded because it constituted a privileged attorney-client communication for which no electronic recording is required. At approximately 9:07 p.m. the Board returned to open public meeting.

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ADJOURNMENT

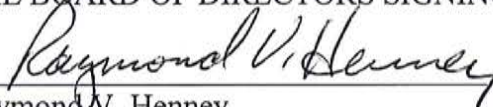
There being no further business to come before the Board at this time, upon motion duly made, seconded and, upon vote, unanimously carried, the meeting was adjourned.

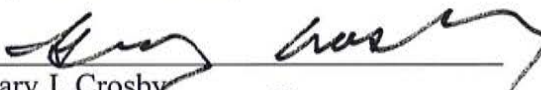
Respectfully submitted,

By: _____


Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL JANUARY 18, 2017 MINUTES OF THE HOLLY HILLS WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Raymond V. Henney


Gary J. Crosby


Irina Boyce


William Dilatush


David Plaul

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 18, 2017 at approximately 8:23 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: 3/15/2017

Signature: 

Timothy J. Flynn

RESOLUTION NO. 2017-01-1

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 2017 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 2017 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 18th day of January, 2017.

HOLLY HILLS WATER AND SANITATION
DISTRICT

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

Attest:



Irina Bovee, Secretary

David G. Plaul Assistant Secretary