

## 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  
MARCH 21, 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 21st day of March, 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  
David Plaul  
Marie E. Sullivan

Following discussion, upon motion duly made by Director Henney, seconded by Director Plaul and, upon vote, unanimously carried, the absences of Irina Bovee and William Dilatush were excused.

**Also In Attendance Were:**

AJ Beckman and Steve Beck; 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**

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

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

**18.26 Minutes:** The Board reviewed the minutes of the February 21, 2018 Regular Meeting.

## RECORD OF PROCEEDINGS

---

Following discussion, upon motion duly made by Director Plaul seconded by Director Henney and, upon vote, unanimously carried, the minutes for the February 21, 2018 Regular Meeting were approved.

### LEGAL MATTERS

**18.27 May 8, 2018 Election:** Attorney Flynn reported to the Board that the election was canceled because there were no more candidates than open positions and all candidates were deemed elected. The oaths of office will be administered at the Board meeting following the election.

**18.28 Update on December 2016 Insurance Backup Claims:** Attorney Flynn reported that the attorney for Insituform Technologies has not formally accepted the demand to defend the potential lawsuit against Insituform and that a mediation has been scheduled for April 26, 2018 between the church and Insituform and will be held before former Colorado Supreme Court Judge Jim Neighbors. James Riley has submitted a claim to John Riley, the attorney for Insituform. If James Riley's claim is not settled before the mediation, he may be invited to that mediation session. The SDA Property and Liability Insurance Pool may also participate through their attorney, Anthony Melonakis. It was noted that Professional Restoration Services has filed a lien against the church property and as a result, Professional Restoration Services may also be invited to attend the mediation session.

**18.29 Other Legal Updates:** Attorney Flynn reported that he has had a discussion with the District's engineer Rich Cassens, and due to health considerations, the District may need to consider transferring engineering responsibilities to a new engineer who Mr. Flynn had contacted. That engineer has expressed an interest, but at the present time may have other commitments that conflict with the District's regular meeting schedule. The engineer that Mr. Flynn contacted will be invited to attend the April 18<sup>th</sup> Board meeting which even though he may not be able to arrive until 7:30-8:00 p.m.

Attorney Flynn reported that Denver Water has contacted him requesting letters of support for the power license for the Moffat facility expansion. The District has issued such a letter in the past.

Following discussion, upon motion made by Director Henney, seconded by Director Plaul, and upon vote unanimously carried the Board authorized Attorney Flynn to draft a letter of support on behalf of the District and to provide the letter to Denver Water for inclusion with their application.

Attorney Flynn also updated the Board on reports from Denver Water regarding the levels of lead (Pb) and phosphorous (P) in water that exceeded EPA action levels in 2012. Because of the exceedance, the Colorado Water Quality Control

## RECORD OF PROCEEDINGS

---

Division required a corrosion control study be performed by Denver Water. There is no lead in any of the pipes in Denver's distribution system. The lead is attributable to lead pipes in older homes that were constructed primarily before 1950 when lead was outlawed in service lines.

The use of orthophosphate (PO<sub>4</sub>) will increase the amount of phosphorous that wastewater treatment plants will have to remove and will probably increase phosphorous loads on the streams and reservoirs that are tributary to Denver Waters distribution system.

### FINANCIAL MATTERS

**18.30 Approval of Claims:** Mr. Beckman reviewed with the Board the claims for the period ending March 21, 2018, as follows:

General Fund:	\$ 8,744.11
Capital Projects Fund:	\$ 4,471.40
Enterprise Fund:	\$ 2,454.00
<b>Total:</b>	<b><u>\$ 15,669.51</u></b>

Following review and discussion, upon motion duly made by Director Henney, seconded by Director Plaul and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending March 21, 2018, as presented.

**18.31 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 January 31, 2018.

Following discussion, upon motion duly made by Director Henney, seconded by Director Sullivan and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending January 31, 2018.

Director Henney requested that the District Accountant process the statements more timely so that the Board has the most current and prior month information available. Director Henney also requested the transfer of excess funds from the checking account to ColoTrust.

**18.32 Engagement of Simons & Wheeler, P.C. for 2017 Audit:** Mr. Beckman reported that due to legal expenses related to the backup claims, the operating expenses for 2017 exceeded the threshold requiring an audit of the financial records. Simons & Wheeler has been contacted to perform the audit for an amount not to exceed \$4,000.00 which is what has been the cost of prior audits.

## RECORD OF PROCEEDINGS

---

Following discussion, upon motion duly made by Director Henney, seconded by Director Plaul and, upon vote, unanimously carried, the Board approved the engagement of Simons & Wheeler, P.C. to perform the 2017 audit, in the amount of \$ 4,000.

---

### OPERATIONS

**18.33 Grease Trap Inspections:** Mr. Beckman reported that there has been no change in the operations report from the prior month and that the next follow-up would be performed about April 1 and that the new report would be available at the next Board meeting. Mr. Beckman also reported that letters had been sent to about twenty residents regarding potential root penetration and blockage in their residential lines. When these letters were first sent a mailing error occurred so corrected letters specific to each residence were resent at no cost to the District. He noted that only a few residents have called asking about the letters.

---

### CAPITAL PROJECTS

**18.34 2017 and 2018 Capital Projects:** Mr. Beckman reported that 2017 improvements have been completed and 2018 improvements are not out for bid yet pending action from the project manager.

---

### PUBLIC COMMENT

**18.35 Public Comment:** There were no public comments.

---

### EXECUTIVE SESSION


**18.36 Executive Session:** Not required.

---

### ADJOURNMENT

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

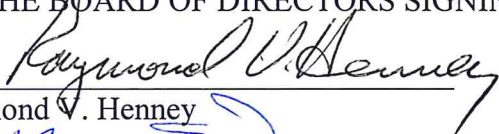
Respectfully submitted,


By:   
Secretary for the Meeting

## RECORD OF PROCEEDINGS

---


THESE MINUTES ARE APPROVED AS THE OFFICIAL MARCH 21, 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