

## RECORD OF PROCEEDINGS

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**MINUTES OF 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  
MAY 17, 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 17th day of May, 2017, at 7:00 p.m., at the Skyline Firehouse, 6000 E. Yale Avenue, Denver, Colorado 80222. The meeting was open to the public.

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**Directors In Attendance Were:**

Raymond V. Henney  
Irina Bovee  
David Plaul

Following discussion, upon motion duly made by Director Henney, seconded by Director Bovee and, upon vote, unanimously carried, the absence of William Dilatush 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

James Riley; Resident

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**ADMINISTRATIVE  
MATTERS**

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

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

**17.98 Minutes:** The Board reviewed the minutes of the April 19, 2017 Regular Meeting.



## RECORD OF PROCEEDINGS

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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 April 19, 2017 Regular Meeting were approved.

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### LEGAL MATTERS

**17.99 Statement of Purpose:** The Board deferred discussion.

**17.100 Denver Water's Gross Reservoir Hydropower Relicense Application:** Attorney Flynn reported to the Board that the letter from the District in support of Denver Water's Gross Reservoir hydropower plant relicense application has been received by the Federal Energy Regulatory Commission and was appreciated by Denver Water.

**17.101 Denver Water Matters:** Attorney Flynn discussed general recent activities of the Suburban Distributors Denver Water Rates and Fees Technical Advisory Committee ("TAC"). The TAC has directed its rate consultant to review Denver Water's capital project budgetary process because that process may overstate the cost of future Denver Water capital projects. Any such overstatement can result in Denver Water imposing higher rates than necessary upon its suburban and inside city customers.

**17.102 Executive Session:** The Executive Session scheduled for this time on the Agenda was deferred until later in the meeting.

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### FINANCIAL MATTERS

**17.103 Approval of Claims:** Mr. Beckman then reviewed with the Board the claims for the period ending May 17, 2017, as follows:

General Fund:	\$ 11,426.90
Capital Projects Fund:	\$ -0-
Enterprise Fund:	<u>\$ 85,320.03</u>
<b>Total:</b>	<b><u>\$ 96,746.93</u></b>

Following review and discussion, upon motion duly made by Director Plaul, seconded by Director Bovee and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending May 17, 2017, as amended. It was noted that Check No. 1466 payable to DRS, Inc., in the amount of \$87,157.00 was removed from the list of payables until additional backup information is received.





## RECORD OF PROCEEDINGS

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**17.104 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 April 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 periods ending April 30, 2017.

**17.105 Consumption Adjustments:** Mr. Beckman reported to the Board that adjustment data will be presented at the next meeting.

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### OPERATIONS

**17.106 Sewer Backup:** Attorney Flynn reported to the Board that he is waiting to hear back from Mr. Riley's Attorney regarding the claim for damages.

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

**17.108 Sewer Line Cleaning:** Mr. Beckman reported to the Board that DRC will begin cleaning Area 2 and the sewer lines along Monaco later this year. The Board requested that DRC notify the Board when cleaning starts.

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### CAPITAL PROJECTS

**17.109 2017 Capital Projects:** Mr. Cassens noted that CCS Consultants has located the utilities on South Holly Street where the sewer line replacement is being considered. He then reviewed with the Board his report regarding the sewer main from manhole #86 to manhole #87. He recommended not using the "pipe bursting" method of sewer enlargement. He presented an alternate "open cut" method to replace the sewer main with a new 8" PVC sewer main. He estimated that the cost would be approximately \$150,000. He also noted that traffic control would be an expense that would be included. The Board determined to discuss at the next meeting.

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### OTHER BUSINESS

**17.110 Public Comment:** Mr. Riley addressed the board. He asked why Insituform or DRC has not been asked by the District to pay for damages resulting from the sewer backup which occurred on December 24, 2016. Mr. Riley then discussed testing the sewer lining remnants ("coupons") which appear to have caused the backup and stated that he would like to know why the coupons have not yet been tested to determine their origin. He then informed the Board that he has met with Insituform and was informed by a company representative that Insituform offered to pay half of the cost of performing testing to determine the origin of the coupons. He then reported that the person at Insituform with whom he spoke indicated that the



## RECORD OF PROCEEDINGS

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only contact Insituform had received in relation to this matter was from Patrick Carrol with DRC Construction who allegedly called to give them only preliminary information. Mr. Riley stated that he would like to know if a post construction video for the work performed by Insituform exists and stated that he was not sure if it had already been provided to him. Mr. Riley then stated that in his opinion DRC Construction has been negligent in its maintenance duties, also noting that they are to provide video records to the District Manager. He then asserted that the engineer responsible for updating the maps has been negligent in his duties and also asserted that SDMS and the Board of Directors have been negligent in not requiring that DRC and the District's engineer perform their duties with sufficient competency. Mr. Riley repeated that he would like to know why the coupons haven't yet been tested.

Legal counsel, on behalf of the Board responded to Mr. Riley stating that the District disagrees with many of Mr. Riley's assertions. Because Mr. Riley is represented by legal counsel and because he and his wife have threatened to sue the District and its contractors, Mr. Flynn, advised the Board not to engage in a public discussion with Mr. Riley or make any comments with respect to his statements at this time. Mr. Riley's formal notice of claim, which is expected to be received soon, will be promptly forwarded to the District's insurance carrier which previously investigated the sewer backup and determined that the District was neither negligent nor legally responsible for any of Mr. Riley's claimed damages.

**17.111 Executive Session:** Following a brief discussion, at approximately 7:33 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 Plaul 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 24<sup>th</sup> 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, Bovee, Plaul, Legal Counsel and District Manager.

The executive session lasted approximately 10 minutes and was not recorded because it constituted a privileged attorney-client communication for which no electronic recording is required. At approximately 7:43 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 at approximately 7:45 p.m.



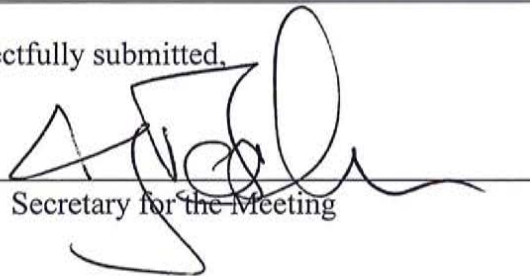


RECORD OF PROCEEDINGS

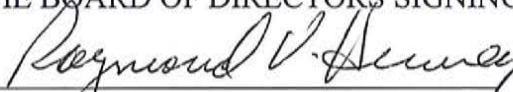
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Respectfully submitted,

By:

  
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL MAY 17, 2017 MINUTES OF THE HOLLY HILLS WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
Raymond V. Henney

  
Irina Bovee

  
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, May 17, 2017 at approximately 7:33 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 nor was any portion of the Executive Session devoted to determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations or instructing negotiators.

Date:

June 21, 2017

Signature:



Timothy J. Flynn

