

## 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  
JULY 19, 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 19th day of July, 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  
William Dilatush

**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

Sarah Sheehan and Mia Sullivan; Residents

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**ADMINISTRATIVE  
MATTERS**

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

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

**17.130 Minutes:** The Board reviewed the minutes of the June 21, 2017 Regular Meeting.

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Following discussion, upon motion duly made by Director Plaul, seconded by Director Bovee and, upon vote, unanimously carried, the minutes for the June 21, 2017 Regular Meeting were approved.

### LEGAL MATTERS

**17.131 Sewer Backup Claims:** Attorney Flynn reported to the Board that the insurance company is still investigating.

**17.132 Denver Water Matters:** Attorney Flynn reported to the Board that Denver Water is starting the process to set rates for 2018.

### FINANCIAL MATTERS

**17.133 Approval of Claims:** Mr. Beckman then reviewed with the Board the claims for the period ending July 19, 2017, as follows:

General Fund:	\$ 6,259.23
Capital Projects Fund:	\$ 3,329.44
Enterprise Fund:	\$ 4,468.20
<b>Total:</b>	<b>\$ 14,056.87</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 July 19, 2017, as presented.

**17.134 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 June 30, 2017.

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

**17.135 Delinquent Accounts:** Mr. Beckman reviewed the Delinquent Accounts list with the Board.

**17.136 2016 Audit** The Board discussed the status of the 2016 Audit.

Following discussion, upon motion duly made by Director Henney, seconded by Director Bovee and, upon vote, unanimously carried, the Board authorized the District Accountant to file a request for an extension of time to file the 2016 Audit with the State Auditor's office.



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### OPERATIONS

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

**17.138 Sewer Line Cleaning:** Mr. Beckman discussed with the Board the status of sewer line cleaning, explaining that Area 3 will be cleaned this fall.

**17.139 Preliminary Determination of Flows and Loadings:** Mr. Cassens reviewed and discussed his report with the Board.

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### CAPITAL PROJECTS

**17.140 2017 Capital Projects:** Mr. Cassens reported to the Board on the status of bids and noted that they would be received by Friday July 21, 2017. Mr. Cassens discussed lining types and explained that C & L Water Solutions is expected to bid on the project. He noted that they use a fiberglass liner. The Bids will be presented to the Board at its August meeting so that the Board can consider the award of a contract for the 2017 capital project work.

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### PUBLIC COMMENT

**17.141 Public Comment:** Ms. Sullivan asked about the useful life and cost differences of the different sewer pipe relining materials. Mr. Cassens discussed the differences between the traditional felt, cured-in-place liner versus fiberglass lining materials noting that the fiberglass materials haven't been in production long enough to prove the manufacturer's claims of superior performance. Ms. Sheehan asked about the status of the sewer backup claim submitted by Mr. Riley. Attorney Flynn explained that the claim has been turned over to and is being handled by the District's insurance carrier. Ms. Sheehan asked what the cause of the backup was. Attorney Flynn explained that the cause is not known for sure, and that a forensic investigation is in process. Ms. Sheehan asked about the frequency of sewer line cleaning. Attorney Flynn explained that the entire system is cleaned approximately every 18 months. She then asked when the area where the backup occurred was last cleaned. Both Attorney Flynn and Mr. Beckman stated that they were uncertain; Mr. Beckman stated that he believes it last occurred in December of 2015. Ms. Sheehan then asked if the backup may have been prevented if the area were cleaned more recently and asked the Directors if they have experienced the same issues and asked about accountability. Attorney Flynn noted that remnants which appear to have been from prior relining work were removed by the District's maintenance contractor when the backup occurred, and reiterated that the cause is under investigation. Mr. Riley then discussed the size of the line upstream of the manhole where the blockage occurred noting that the line is smaller than the size noted on the District maps. Ms. Sheehan asked how such remnants would have gotten into the sewer line if not by the contractor performing work upstream of the area where the blockage occurred. Mr. Flynn stated that there are a number of ways coupons could have gotten into the sewer line and reiterated that until the investigation is complete, the cause of the

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backup will not be known. In response to a question from a member of the public, Attorney Flynn then explained that, without in anyway admitting liability, the District previously made a good faith offer to Mr. Riley, which the Directors agreed was fair and appropriate and which was subsequently rejected by Mr. Riley. Ms. Sheehan then asked the Board members if they have inspected the sewer main lines near their homes. Ms. Sheehan then asked how to become a Board Member. Mr. Beckman recommended that she email him a letter of interest in order to be considered for appointment to an open seat by the Board. Mr. Riley asked about elected versus appointed Directors. Attorney Flynn explained that the Board can appoint qualified electors to serve on the Board to fill a vacancy until the next regular election, at which time the seat would be up for election. Ms. Sullivan asked if the information know by the District has been communicated to Mr. Riley. Attorney Flynn discussed the numerous open records requests made by Mr. Riley. Mr. Riley then discussed the video records he reviewed as part of his records request noting that the drop-tee within the manhole where the blockage occurred was not video inspected. Mr. Riley asked if there were plans to replace the sewer line upstream of the manhole where the blockage occurred. Director Henny explained that the District's Engineer is of the opinion that the line, in its current condition has sufficient flow and loading capacity. Ms. Sheehan asked if the board has requested a second opinion. The Board determined it would consider obtaining a second opinion.

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### EXECUTIVE SESSION

**17.142 Executive Session:** There was no need for an Executive Session at this time.

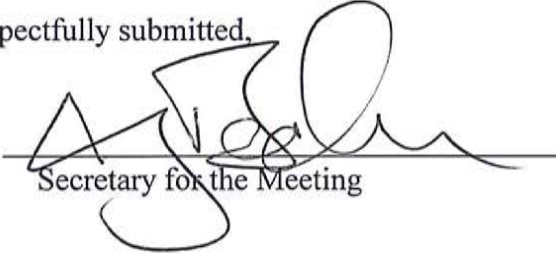
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### ADJOURNMENT

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: \_\_\_\_\_

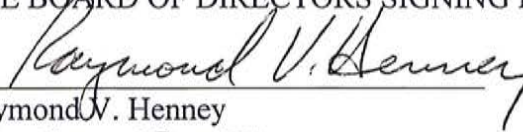
  
Secretary for the Meeting




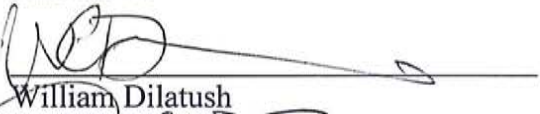
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THESE MINUTES ARE APPROVED AS THE OFFICIAL JULY 19, 2017  
MINUTES OF THE HOLLY HILLS WATER AND SANITATION DISTRICT BY  
THE BOARD OF DIRECTORS SIGNING BELOW:

  
Raymond W. Henney

  
Irina Bovee

  
William Dilatush

  
David Plaul