

RECORD OF PROCEEDINGS

**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
AUGUST 16, 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 16th day of August, 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
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.

James Riley; Resident

Marie Sullivan; Board Candidate

**ADMINISTRATIVE
MATTERS**

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

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

17.144 Resolution 2017-8-1; Adopting a Policy Regarding the Public Comment Portion of District Board of Director Meetings: Attorney Flynn presented to the Board Resolution 2017-8-1; Adopting a Policy Regarding the Public Comment Portion of District Board of Director Meetings.

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Following discussion, upon motion duly made by Director Henney, seconded by Director Bovee and, upon vote, unanimously carried, the Board adopted Resolution 2017-8-1; Adopting a Policy Regarding the Public Comment Portion of District Board of Director Meetings

17.145 Minutes: The Board reviewed the minutes of the July 19, 2017 Regular Meeting.

Following discussion, upon motion duly made by Director Plaul, seconded by Director Henney and, upon vote, unanimously carried, the minutes for the July 19, 2017 Regular Meeting were approved.

17.146 Appointment of Director: The Board considered the appointment of Marie E. Sullivan to fill the vacancy of the Board of Directors.

Following discussion, upon motion duly made by Director Henney, seconded by Director Dilatush and, upon vote, unanimously carried, Marie E. Sullivan was appointed to fill the vacancy of the Board of Directors. Director Henney administered the Oath of Office. Thereafter, she assumed her seat on the Board and participated in the balance of the meeting. Legal counsel will file the Oath with the Arapahoe County District Court, the Denver and Arapahoe County Clerk and Recorders and the Division of Local Government, as required by law.

LEGAL MATTERS

17.147 Denver Water Matters: Attorney Flynn reported to the Board that Denver Water will soon be adopting a rate increase for 2018. Attorney Flynn also reported that the Army Corps of Engineers has approved Denver Waters request to raise Gross Dam in Boulder County. The next mile stone for the project is approval by the Federal Energy Regulatory Commission (FERC) of Denver Water's hydraulic power license amendment, which is expected before the end of 2018.

17.148 Sewer Backup Claims: Mr. Riley addressed the Board and asserted that the offer (which is no longer in effect) of \$30,000 is not sufficient to cover his damages. Mr. Riley requested copies of the meeting minutes for the last eleven years and asked the Board why they do not address what was discussed at the prior meetings. Attorney Flynn reported to the Board that the insurance company's Legal Counsel has advised Mr. Flynn and the Board not to discuss the sewer back up issues.

17.149 Timeline for Certification of Delinquent Accounts: Mr. Beckman reported to the Board that the deadline certification dates are September 20, 2017 for the City and County of Denver and November 1, 2017 for Arapahoe County. The Board discussed holding a special meeting if necessary. Mr. Beckman to verify certification

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dates. Mr. Riley asked about the notification process for special meetings. Attorney Flynn explained the 72 hour notice requirement, and notice to be posted at the Firehouse and two other posting locations within the District and also within the offices of the Clerk and Recorder of both Arapahoe County and the City and County of Denver.

FINANCIAL MATTERS

17.150 Approval of Claims: Mr. Beckman then reviewed with the Board the claims for the period ending August 16, 2017, as follows:

General Fund:	\$ 91,334.16
Capital Projects Fund:	\$ 277.05
Enterprise Fund:	\$ 208.44
Total:	<u>\$ 91,819.65</u>

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 August 16, 2017, as presented.

17.151 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 July 31, 2017.

Following discussion, upon motion duly made by Director Henney, seconded by Director Plaul and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the periods ending July 31, 2017.

17.152 Delinquent Accounts: Mr. Beckman reviewed the Delinquent Accounts list with the Board, and discussed the process for certifying to the Arapahoe and Denver County Treasurer offices, respectively, the delinquent accounts that qualify for collection by the Treasurer with the real property taxes. It is anticipated that the public hearing that will need to be held for purposes of certifying these accounts will be scheduled for the Board's September 20, 2017 meeting, unless a special meeting is necessary.

17.153 2018 Budget: Mr. Beckman discussed the draft 2018 Budget with the Board. The Board discussed Metro Wastewater's annual bills and process. Mr. Beckman reported that the 2018 projections are not available at this time.

The Board determined to set the public hearing to adopt the 2018 Budget for November 15, 2017.

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OPERATIONS

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

CAPITAL PROJECTS

17.155 2017 Capital Projects: *Bid Tabulation and Engineering Recommendation:* The Board reviewed the bid tabulation dated July 21, 2017 prepared by ENS Consulting detailing the bids received from Insituform, Layne Inliner, LLC and C&L Water Solutions for the “Holly Hills Water and Sanitation District-Construction of 2017 Sanitary Sewer Main-Cured-In-Place Lining”, Specifications No. B7-1501.

Following review and discussion, upon motion duly made by Director Henney, seconded by Director Dilatush and, upon vote, carried with Directors Henney, Bovee, Paul and Dilatush voting “Yes” and Director Sullivan abstaining, the Board awarded the contract to Insituform Technologies, LLC, for an amount not to exceed \$91,396.00.

PUBLIC COMMENT

17.156 Public Comment: For approximately 30 minutes, Mr. Riley addressed the Board noting that he feels that being limited to five minutes for public comment will not be sufficient. He asked if the Board has received a second opinion on the size of the sewer line upstream of the manhole where the blockage occurred on December 24, 2016, and asked if there was an update to the testing on the materials retrieved from the December 24, 2016 blockage to determine which manufacturer and installer was responsible for their introduction to the sanitary sewer system and further noted that only the contractors that install the pipe lining materials could have performed the work that would have created the tailings (“coupons”) that were associated with the backup. Mr. Riley requested a copy of any written report by ENS Consulting that would have concluded that the size of the line in question is sufficient. Mr. Riley asked if DRC provides videos and reports or just videos. Mr. Beckman explained that they provide both. Mr. Riley requested that Mr. Beckman send him the reports that accompany the videos previously sent. Mr. Riley then stated that he believes the District’s investigation should have been completed by now. He then reported that Professional Restoration has thrown away electronic equipment which he estimates to be worth approximately \$9,000. Mr. Riley then explained that Mr. Beckman did not explain to him that the District has a policy to pay for sewage cleanup, and had he known that he would have hired his own contractor. Mr. Riley then stated that he believes the District has acted negligently in conducting the testing of the coupons. Mr. Riley also stated that the District’s offer of \$30,000 is not sufficient to cover his expenses which include approximately \$7,500 in out of pocket expenses for lodging and other costs as well as legal costs incurred which are approximately \$9,800. In total, he estimates his damages to be approximately \$100,000.

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EXECUTIVE SESSION

17.157 Executive Session: Following a brief discussion, at approximately 8:14 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 Paul 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, Bovee, Paul and Dilatush; Legal Counsel and District Manager.

The executive session lasted approximately 17 minutes and was not recorded because it constituted a privileged attorney-client communication for which no electronic recording is required. At approximately 8:31 p.m. the Board returned to open public meeting.

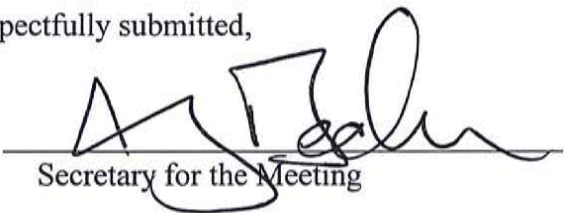
ADJOURNMENT

It was noted that if the September 20, 2017 certification of delinquent fee deadline is not flexible the Board would consider a special meeting on September 19, 2017.

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

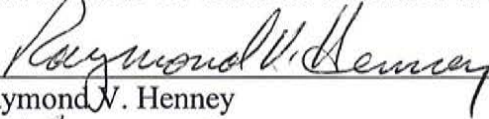
Respectfully submitted,

By: _____

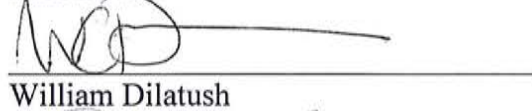

Secretary for the Meeting

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THESE MINUTES ARE APPROVED AS THE OFFICIAL AUGUST 16, 2017 MINUTES OF THE HOLLY HILLS WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Raymond V. Henney


Irina Boyce


William Dilatush


David Plaul


Marie E. Sullivan

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 an Executive Session on Wednesday, August 16, 2017 at approximately 8:14 P.M. I further state that the executive session was not recorded because it constituted a privilege 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: Sept 20, 2017 Signature: Timothy J. Flynn

HOLLY HILLS WATER AND SANITATION DISTRICT

RESOLUTION NO. 2017-8-1

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

**A RESOLUTION ADOPTING A POLICY REGARDING THE PUBLIC COMMENT
PORTION OF DISTRICT BOARD OF DIRECTOR MEETINGS**

WHEREAS, the Board of Directors (“Board”) of the Holly Hills Water and Sanitation District (the “District”), has the power and authority to adopt pursuant to Section 32-1-1001(1)(m) C.R.S. rules, regulations and policies not in conflict with the Constitution and laws of the State for carrying on the business, objects and affairs of the Board and of the District; and

WHEREAS, in the interest of efficiently running Board meetings, the Board finds it appropriate, desirable and necessary to adopt a policy regarding the public comment portion during such meetings; and

WHEREAS, the Board has discussed a proposed policy and has determined that the adoption of the proposed policy is in the best interest of the District and its habitants.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Holly Hills Water and Sanitation District as follows:

1. **Public Comment – Agenda Item.** Members of the public are invited to provide comments to the Board regarding any matter that is not on the Board’s agenda or scheduled for a public hearing, during and only during the public comment portion of any Board meeting.
2. **Sign Up Sheet.** Persons wishing to provide comments to the Board during the public comment portion of a Board meeting shall provide their name, address and telephone number (telephone number optional) on a public comment sign in sheet that indicates the topic or subject matter upon which comment will be provided.
3. **Time Limit.** Public comments shall be limited to five minutes per speaker.
4. **Comments Only.** The Board shall listen to all comments and may if it desires ask questions, or refer the matter to staff for follow-up. The Board, however, will not engage in a general dialogue or discussion with any speaker during the public comment portion of the Board meeting.
5. **Public Hearing.** With respect to matters that are on the Board’s agenda that are scheduled for a public hearing, the Board will invite public comment during the public hearing portion of the meeting. Comments, will be limited to five minutes per speaker.
6. **Interpretation.** The Board reserves the right to interpret, change or rescind this policy at any time and in addition, reserves the right to determine the meaning, purpose, and affect of the policy.


7. **Severability.** 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. **Prior Acts, Orders and Resolutions.** All acts, orders, and resolutions, or parts thereof, heretofore adopted by the Board which are inconsistent with or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

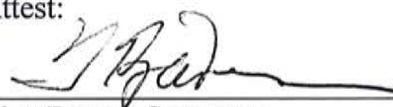
ADOPTED this 16 day of August, 2017.

HOLLY HILLS WATER AND SANITATION
DISTRICT

By:


Raymond V. Henney, Chairman

Attest:


Irina Bovee, Secretary