

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
SEPTEMBER 20, 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 20th day of September, 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
Marie E. Sullivan

Also In Attendance Were:

AJ Beckman; Special District Management Services, Inc.

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

John Simmons; Simmons & Wheeler, P.C. (for a portion of the meeting)

James Riley; Resident

**ADMINISTRATIVE
MATTERS**

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

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

17.159 Minutes: The Board reviewed the minutes of the August 16, 2017 Regular Meeting.

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Following discussion, upon motion duly made by Director Plaul, seconded by Director Sullivan and, upon vote, unanimously carried, the minutes for the August 16, 2017 Regular Meeting were approved, as amended.

LEGAL MATTERS

17.160 Denver Water Matters: Mr. Flynn informed the Board that Denver Water is in the process of completing its cost of service study for the purpose of determining water rates for 2018. Preliminary indications are that Denver Water anticipates increasing rates sufficient to increase overall revenues by 3%. Denver Water's base charge will most likely increase more than 3% as Denver Water continues to try to improve the reliability of its water revenues. The new rates are expected to become effective for March 2018.

In response to a question from Mr. Riley, Mr. Flynn explained why the District has an interest in keeping apprised to what occurs at Denver Water.

17.161 Sewer Backup Claims: Attorney Flynn reported to the Board that Insituform has acknowledged that the coupon belongs to them. The Pool has tendered the claim to Insituform.

FINANCIAL MATTERS

17.162 Approval of Claims: Mr. Beckman then reviewed with the Board the claims for the period ending September 20 2017, as follows:

General Fund:	\$ 6,100.28
Capital Projects Fund:	\$ -0-
Enterprise Fund:	\$ 1,449.36
Total:	<u>\$ 7,549.64</u>

Following review and discussion, upon motion duly made by Director Henney, seconded by Director Dilatush and, upon vote, unanimously carried, the Board approved the payment of claims for the period ending September 20, 2017, as presented.

17.163 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 August 31, 2017.

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

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17.164 2016 Audit: Mr. Simmons reviewed the 2016 draft Audit with the Board.

Mr. Simmons noted that the audit report contains his firm's unmodified or "clean opinion". This means that in his firm's opinion the District's financial statements present fairly, in all material respects, the financial position of the business type activities of the Holly Hills Water and Sanitation District as of December 31, 2016 and for the year then ended, in accordance with accounting principals generally accepted in the United States of America.

Following review and discussion, upon motion duly made by Director Henney, seconded by Director Plaul and, upon vote, unanimously carried, the Board approved the 2016 Audit with certain amendments discussed during the discussion and subject to legal counsel's final review. The Board also authorized execution of the management representation letter once it was amended to incorporate legal counsel's suggested modification.

17.165 Delinquent Accounts Public Hearing: Attorney Flynn advised the Board that, as required by law, Special District Management Services, Inc. had provided each property owner and other persons in interest prior written notice of the Board's intent to certify at this meeting the delinquent account pertaining to their property to the applicable County Treasurer for collection. Mr. Flynn then distributed and reviewed Resolution No. 2017-9-01 Certifying Delinquent Accounts for Collection to the City and County of Denver Treasurer and Resolution No. 2017-9-02 Certifying Delinquent Accounts for Collection to the Arapahoe County Treasurer with the Board.

It was noted that no members of the public or any customers appeared to object to the District's certification of the delinquent accounts. Following discussion, upon motion duly made by Director Henney, seconded by Director Bovee and, upon vote, unanimously carried, the Board adopted Resolution No. 2017-9-01 Certifying Delinquent Accounts for Collection to the City and County of Denver Treasurer and Resolution No. 2017-9-02 Certifying Delinquent Accounts for Collection to the Arapahoe County Treasurer. Copies of the Resolutions are attached to these minutes and incorporated herein by this reference.

OPERATIONS

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

17.167 Preliminary Determination of Flows and Loadings: Mr. Beckman reviewed ENS Consulting, LLC's report with the Board.

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17.168 Service Contract with DRC Construction Services, Inc.("DRC"): This item was discussed in Executive Session.

CAPITAL PROJECTS 17.169 2017 Capital Projects: Mr. Beckman reported to the Board that the project is about to start and should only take a few weeks. Mr. Riley inquired as to the location of the project. Mr. Beckman explained that the project locations were detailed in the bid documents previously approved by the Board. Mr. Beckman noted he will distribute the project map via email.

PUBLIC COMMENT 17.170 Public Comment: Mr. Riley addressed the board with several questions and comments. He noted that he did not feel that renewing the contract with DRC Construction Services was prudent. He then noted that the District should televise the private lines down stream of customers with grease traps. He then commented that in his opinion all lines should be scoped before and after cleaning, and cited that backup on Monaco which occurred in April 2017 as an example. He further noted that manholes should be routinely inspected and cleaned and noted that he is aware of root intrusions. Mr. Riley then noted that in his opinion, Tri Star Risk Management has ceased the investigation to determine negligence on the part of the District. He believes the investigation should be ongoing, or should have concluded that DRC Construction Service's maintenance is insufficient. He then stated that the District should have tested the coupons recovered from the blockage by February 2017, as this would have saved him approximately \$10,000.00 in legal fees. He then asked the District for an update on the second opinion regarding the sewer line capacity upstream of manhole 87. Mr. Flynn stated that the District has been advised by legal counsel for the District's insurance company and by his office that the Board should not comment on such matters because of the potential for litigation over the sewer backup that occurred in December of 2016.

EXECUTIVE SESSION

17.171 Executive Session: Following a brief discussion, at approximately 7:54 p.m., pursuant to Section 24-6-402(4)(b) and (e), C.R.S., upon motion duly made by Director Bovee, seconded by Director Henney 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 that occurred on December 24th 2016 and with determining negotiating positions with respect to the DRC Contract for 2018.

Those present during the executive session consisted of Directors Henney, Bovee, Paul, Dilatush and Sullivan; Legal Counsel and District Manager.

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The executive session lasted approximately 31 minutes and was recorded because it included some non-privileged attorney-client communication. At approximately 8:20 p.m. the Board returned to open public meeting.

ADJOURNMENT

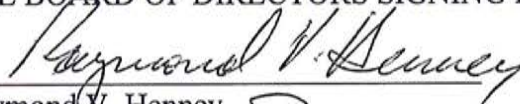
There being no further business to come before the Board at this time, upon motion duly made by Director Plaul, seconded by Director Bovee and, upon vote, unanimously carried, the meeting was adjourned.

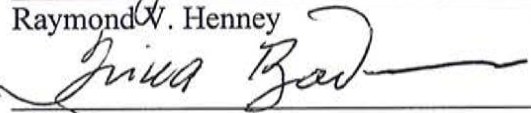
Respectfully submitted,

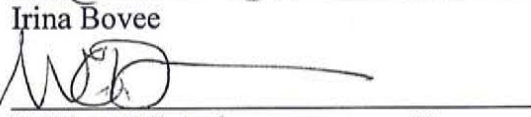
By: 

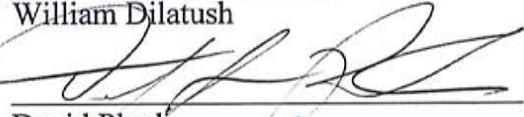
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL SEPTEMBER 20, 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


Marie E. Sullivan

RESOLUTION NO. 2017-9-1

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

A RESOLUTION CERTIFYING DELINQUENT ACCOUNTS FOR
COLLECTION BY THE DENVER COUNTY TREASURER

WHEREAS, the Holly Hills Water and Sanitation District ("District") operates pursuant to the Special District Act, § 32-1-101, C.R.S., et seq., within a portion of Arapahoe and Denver Counties, Colorado; and

WHEREAS, the District has adopted rates, fees, tolls, penalties, assessments and charges for sanitary sewer services furnished or to be furnished by the District; and

WHEREAS, the District is empowered by § 32-1-1101(1)(e), C.R.S., to collect any delinquent rates, fees, tolls, penalties, assessments and charges by certification thereof to the applicable County Treasurer; and

WHEREAS, notice of the public meeting at which this Resolution will be considered for adoption has been given to the affected parties, including the property owner or owners, by certified mail return receipt requested; and

WHEREAS, the adoption of this Resolution will serve a public use and promote the public health, safety and general welfare of the inhabitants of the District, and the people of the State of Colorado.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Holly Hills Water and Sanitation District, Arapahoe and Denver Counties, Colorado that:

Section 1. The District hereby certifies to the Denver County Treasurer that the delinquent accounts for the properties located in Denver County, Colorado as listed on Exhibit "A" and attached hereto and incorporated herein by this reference, are for rates, fees, tolls, penalties, assessments and charges levied solely for sanitary sewer service, including availability of such service, if applicable, and that each account has been delinquent for at least six (6) months and is in excess of \$150 per account.

Section 2. The District hereby requests that the Denver County Treasurer collect the delinquent accounts set forth on Exhibit A at the earliest possible date and in the same manner as property taxes, pursuant to § 32-1-1101(1)(e), C.R.S., and understands that the Treasurer may add an additional penalty to be paid by the property owner or affected party to defray the cost of collection.

ADOPTED this 20th day of September, 2017.

HOLLY HILLS WATER AND
SANITATION DISTRICT

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

Attest:

Irina Bovee
Irina Bovee, Secretary

EXHIBIT "A"

List of Delinquent Account(s) for Collection by the Denver County Treasurer for 2017

<u>Owner</u>	<u>Property Description</u>	<u>Amount Claimed</u>	
Roger Morales & Brenda Prime 3120 S. Holly Place Denver, CO 80222	Lot 13, Blk 21, Gaiser Holly Ridge 2nd Filing County of Denver, State of Colorado Assessor Parcel No. 06323-06-013-000	Past Due	\$ 371.54
		Collection Fee	\$ 200.00
		<u>Total</u>	<u>\$ 571.54</u>