

## 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  
OCTOBER 18, 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 18th day of October, 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  
Marie E. Sullivan

**Also In Attendance Were:**

AJ Beckman; Special District Management Services, Inc.

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

Officer Sickafoose; Arapahoe County Sheriff's Department

James Riley; Resident

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**ADMINISTRATIVE  
MATTERS**

**17.172 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 presented.

**17.173 Minutes:** The Board reviewed the minutes of the September 20, 2017 Regular Meeting.

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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 September 20, 2017 Regular Meeting were approved, as presented.

### LEGAL MATTERS

**17.174 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 sufficiently to increase overall revenues by 3%. Just how that 3% revenue increase will be allocated among the three different distributor classes is not yet known for sure. The new rates are expected to become effective for March 2018.

Attorney Flynn reported that the 2016 Audited Financial Statements have been filed.

**17.175 Sewer Backup Claims:** Insituform Technologies, LLC continues, through its legal counsel to investigate the sewer backup that incurred on December 24, 2016 for the purpose of responding to the Special District and Property Liability Pool's demand that Insituform accept responsibility for defending/settling the claims that arose out of the incident. Mr. Flynn has advised Insituform's legal counsel of the need for a prompt response.

### FINANCIAL MATTERS

**17.176 Approval of Claims:** Mr. Beckman then reviewed with the Board the claims for the period ending October 18, 2017, as follows:

General Fund:	\$ 14,174.58
Capital Projects Fund:	\$ 40.50
Enterprise Fund:	<u>\$ 759.57</u>
<b>Total:</b>	<b><u>\$ 14,974.65</u></b>

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 October 18, 2017, as presented.

**17.177 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 September 30, 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 September 30, 2017.

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**17.178 2018 Draft Budget:** Mr. Beckman reviewed the draft 2018 Budget and the rate increase projection spreadsheet with the Board. It was noted that the District will be required to publish notice of the rate increase for the January meeting. The Board directed Mr. Beckman to incorporate a 10% rate increase into the draft 2018 Budget to distribute to the Board.

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### OPERATIONS

**17.179 Service Contract with DRC Construction Services, Inc. ("DRC"):** Attorney Flynn informed the Board that he is working on the Service Contract with DRC Construction Services, Inc. for 2018 Sanitary Sewer Services. He noted that he will have the scope of work for the grease traps available at the November meeting.

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### CAPITAL PROJECTS

**17.180 2017 Capital Projects:** Mr. Beckman reported to the Board that the pre-cleaning and video inspections are scheduled to begin in about a week and a half, with the project scheduled to begin on November 1, 2017.

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### PUBLIC COMMENT

**17.181 Public Comment:** Mr. Riley addressed the Board with several questions and comments. He inquired as to why Officer Sickafoose was in attendance at the meeting. Mr. Riley commented that Attorney Flynn previously said that Mr. Riley was waging a campaign against the District. Mr. Riley said that he is not waging a campaign, but is standing up for this right to recover damages. He then asserted that in his view, the contractors and engineer responsible for the design and maintenance of the sewer line where the back occurred were negligent. Mr. Riley then claimed that the Board inappropriately awarded a contract to Insituform Technologies, LLC for the District's 2017 sewer relining project. Mr. Riley claimed that the Board should have tested the coupons when he originally requested that they be tested, and that he would not have spent \$10,000 on a lawyer if the Board would have tested the coupons retrieved by DRC Construction when he originally asked. Mr. Riley noted that he would wait in the parking lot for the Board to consider a settlement. Attorney Flynn advised Mr. Riley that since he has retained Counsel, any offer or request for settlement would have to be communicated through his attorney. Mr. Riley then noted that in an effort to expedite a settlement he would bypass Counsel.

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### EXECUTIVE SESSION

**17.182 Executive Session:** It was determined that an Executive Session was not necessary.

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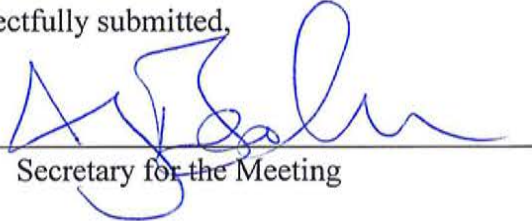
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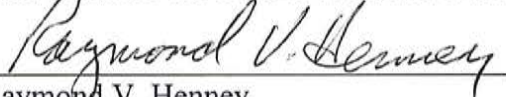
**ADJOURNMENT**

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 OCTOBER 18, 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

  
Marie E. Sullivan