

RECORD OF PROCEEDINGS

**MINUTES OF A 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
NOVEMBER 15, 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 15th day of November, 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.

James Riley; Resident

**ADMINISTRATIVE
MATTERS**

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

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

17.184 Minutes: The Board reviewed the minutes of the October 18, 2017 Regular Meeting.

The Board discussed the public comment portion of the minutes. Director Bovee recommended taking written statements for public comment. Attorney Flynn discussed the Board's existing policy and the Board determined to recite actions primarily. Director Bovee asked if the District's Special Counsel for litigation

RECORD OF PROCEEDINGS

would attend future meetings. Attorney Flynn noted that he will inquire with Special Counsel.

Following discussion, upon motion duly made by Director Henney seconded by Director Plaul and, upon vote, unanimously carried, the minutes for the October 18, 2017 Regular Meeting were approved.

17.185 2018 Meeting Dates: Mr. Beckman reviewed the business to be conducted in 2018 to meet the statutory compliance requirements.

Following discussion, upon motion duly made by Director Bovee, seconded by Director Henney and, upon vote, unanimously carried, the Board determined to meet on the third Wednesday of every month at 7:00 p.m. at the Skyline Firehouse, 6000 East Yale Avenue, Denver, Colorado 80222.

LEGAL MATTERS

17.186 Denver Water Matters: Attorney Flynn reported that the Denver Water Board adopted rates for 2018, and that he will distribute the rate schedule to the Board.

17.187 Contract with DRC Construction Inc.: This matter was deferred so that it could be discussed in executive session later in the meeting.

FINANCIAL MATTERS

17.188 Approval of Claims: Mr. Beckman reviewed with the Board the claims for the period ending November 15, 2017.

Following 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 November 15, 2017, as presented.

17.189 Unaudited Financial Statements: Mr. Beckman reviewed the unaudited financial statements of the District setting forth the cash deposits, investments, and budget analysis for the period ending October 31, 2017.

Following discussion, upon motion duly made by Director Dilatush, seconded by Director Bovee and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending October 31, 2017.

17.190 2017 Application for Exemption from Audit: The Board discussed the requirements for an audit.

Following discussion, upon motion duly made by Director Henney, seconded by Director Bovee and, upon vote, unanimously carried, the Board authorized the

RECORD OF PROCEEDINGS

District Accountant to prepare the Application for Exemption from Audit for 2017.

17.191 2018 Budget: The President opened the public hearing to consider the proposed 2018 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2018 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

Mr. Riley commented that in his opinion nobody in the community cares about the District's business.

Mr. Beckman reviewed the estimated 2017 revenues and expenditures and the proposed 2018 revenues and expenditures.

Following discussion, the Board considered the adoption of the Resolutions to Adopt the 2018 Budget and Appropriate Sums of Money and Set Mill Levies, for the General Fund for the City and County of Denver at 2.716 mills and the General Fund for Arapahoe County at 2.716 mills. Upon motion duly made by Director Plaul, seconded by Director Bovee and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the City and County of Denver and Arapahoe County on or before December 10, 2017. Mr. Beckman stated that the Board would next be asked to give authorization to the District's accountant to transmit the Certification of Mill Levies to the Board of County Commissioners of Arapahoe County and the City and County of Denver and the Division of Local Government, not later than December 15, 2017. Mr. Beckman was authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2018. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

The Board indicated that they would consider adopting a rate increase at their January 2018 meeting to go into effect during the second quarter of 2018.

17.192 DLG-70 Mill Levy Certification Form: The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Henney, seconded by Director Plaul and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

OPERATIONS

17.193 Service Contract with DRC Construction Services, Inc. ("DRC"): As stated earlier in the meeting, this matter was differed so it could be considered in executive session later in the meeting.

17.194 Grease Trap Inspections: Mr. Beckman reported to the Board that High Pointe Assisted Living has agreed to go to quarterly inspections.

CAPITAL PROJECTS

17.195 2017 Capital Projects: Mr. Beckman reported that Insituform has completed the pre-cleaning and televising of the sections to be relined. The relining work is expected to begin December 4, 2017 or December 11, 2017 and take about two weeks..

PUBLIC COMMENT

17.196 Public Comment: Mr. Riley reported that his attorney sent correspondence to Attorney Flynn confirming that he is no longer represented. Mr. Riley asked if the Board has the authority to accept a settlement offer. Attorney Flynn reported that the claim is in the hands of the District's insurance provider. Mr. Riley explained that he no longer cares about anyone else's property, since nobody comes to the Board Meetings in support of his claim. Mr. Riley restated his grievances and claims of negligence against the District's Directors and staff. After making his comments, Mr. Riley left the meeting.

OTHER BUSINESS

17.197 32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2018: The Board discussed §32-1-809 reporting requirements and mode of eligible elector notification for 2018.

Following discussion, the Board determined to post the required transparency notice information on the Special District Association's website and to mail to the homeowners with the utility bills.

EXECUTIVE SESSION

17.198 Executive Session: Following a brief discussion, at approximately 8:29 p.m., pursuant to Section 24-6-402(4)(b), C.R.S., upon motion duly made by Director Henney, seconded by Director Bovee and, upon an affirmative vote of all Directors present, the Board convened in executive session for the purposes of

RECORD OF PROCEEDINGS

receiving legal advice from legal counsel with respect to the DRC Contract for 2018 which he is in the process of finalizing.

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

The executive session lasted approximately 9 minutes and was not recorded because it constituted a privileged attorney-client communication for which no electronic recording is required. At approximately 8:38 p.m. the Board returned to an open public meeting. Once the Board returned to open public meeting, legal counsel advised that during the executive session he had received instructions with respect to provisions that would be inserted into the DRC Contract. He indicated that he would follow those instructions and finalize the draft Contract and forward it to DRC so it can be presented to the Board for approval at the Board's January 2018 meeting.

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.

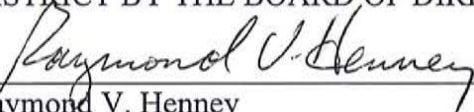
Respectfully submitted,

By: _____

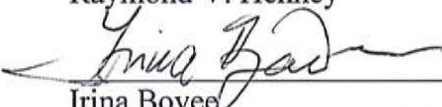
Secretary for the Meeting

RECORD OF PROCEEDINGS

THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 15, 2017 MINUTES OF THE HOLLY HILLS WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:



Raymond V. Henney



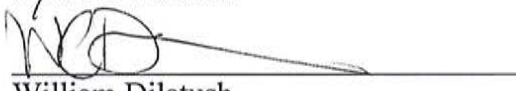
Irina Boyce



David Plaul



Marie E. Sullivan



William Dilatush

RESOLUTION NO. 2017-11-1

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

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HOLLY HILLS WATER
AND SANITATION DISTRICT TO ADOPT THE 2018 BUDGET AND APPROPRIATE
SUMS OF MONEY**

WHEREAS, the Board of Directors of the Holly Hills Water and Sanitation District (“District”) has appointed the District Accountant to prepare and submit a proposed 2018 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2017, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 15, 2017, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“TABOR”) and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law; and

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

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

Section 1. That the estimated expenditures for each fund for the calendar year beginning on the first day of January 2018, and ending on the last day of December 2018 are as follows:

| | |
|---|--------------------|
| General Fund | \$ 397,961 |
| Capital Fund | \$ 95,000 |
| Enterprise Fund | \$ 544,834 |
| Total Expenditures and Transfers | \$1,037,795 |

Section 2. That the estimated revenues for the District's Funds for the calendar year beginning on the first day of January 2018 and ending on the last day of December 2018 are as follows:

| | |
|--|-------------------|
| General Fund | |
| From 2017 year-end fund balance | \$ 239,228 |
| From sources other than general property tax | \$ 12,300 |
| From the general property tax revenue | \$ 146,560 |
| Total General Fund | \$ 398,088 |

| | |
|---------------------------------|------------------|
| Capital Fund | |
| From 2017 year-end fund balance | \$ 0 |
| Transfers from Enterprise Fund | \$ 95,000 |
| Transfers from General Fund | \$ 0 |
| Total Enterprise Fund | \$ 95,000 |

| | |
|--|-------------------|
| Enterprise Fund | |
| From 2017 year-end fund balance | \$ 576,979 |
| From sources other than general property tax | \$ 412,513 |
| Total Enterprise Fund | \$ 989,492 |

| | |
|---|--------------------|
| Total Revenue and Transfers – General, Capital, and Enterprise Funds | \$1,482,580 |
|---|--------------------|

Section 3. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Holly Hills Water and Sanitation District for the 2018 fiscal year.

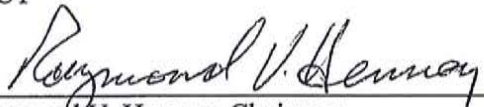
Section 4. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

Section 5. That the following sums are hereby appropriated from the General Fund, Capital Fund and Enterprise Fund revenue for the purposes stated in the budget:


| | |
|----------------------------|--------------------|
| General Fund | \$ 397,961 |
| Capital Fund | \$ 95,000 |
| Enterprise Fund | \$ 544,834 |
| Total Appropriation | \$1,037,795 |

ADOPTED this 15th day of November, 2017.

HOLLY HILLS WATER AND SANITATION
DISTRICT

By: 
Raymond V. Henney, Chairman

Attest:


Irina Bovee, Secretary



Certified Public Accountants and Business Consultants

Accountant's Compilation Report

Board of Directors
Holly Hills Water and Sanitation District
Denver and Arapahoe Counties, Colorado

Management is responsible for the accompanying budget of revenues, expenditures and fund balances of Holly Hills Water and Sanitation District for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, the actual comparative information for the year ending December 31, 2016, and the adopted budget for the year ending December 31, 2017 in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the Budget Message included in the budget submission to the State of Colorado which describes that the budgetary basis of accounting is the modified accrual basis in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Holly Hills Water and Sanitation District.

Barnes Griggs & Associates, PC

Lakewood, Colorado
January 13, 2018

Barnes Griggs & Associates, PC

HOLLY HILLS WATER AND SANITATION DISTRICT

2018 Budget Message

Introduction

The 2018 budget was prepared in accordance with Colorado Budget Law. The budget reflects the projected spending plan for the 2018 fiscal year based on available revenues. This budget provides for the general operation of the District, a business-like enterprise for the collection and transmission of sewage and capital repair and replacement.

The District's combined assessed values from The City and County of Denver and Arapahoe County increased 12.72% to \$ 53,961,665 in 2017. The District's mill levy is 2.716 mills for taxes to be collected in the 2018 fiscal year.

The District provides sewage collection and transmission services to approximately 977 connecting taps in the service area which is located in Arapahoe County and the City and County of Denver. The District's residential and commercial customers are billed for sewage treatment equivalent to indoor water usage. No significant change to the level of service is expected for 2018.

An election was held on May 2, 2000. As a result of this election, the qualified electors of the District approved (1) that the District be authorized to collect, retain and spend all revenues and other funds received from any source, including the existing property tax levy of 2.716 mills annually, without limitations imposed by 29-1-301 or Article X, Section 20 of the Colorado Constitution; and (2) approved the waiver of limitation on the terms of office of the Board of Directors.

Budgetary Basis of Accounting

The District uses funds to budget and report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions. The various funds determine the total District budget. The District's General Fund and Capital Projects Fund are considered governmental funds and are reported using the economic resources focus and the modified accrual basis of accounting. The District's Enterprise Fund is also reported using the current financial resources and the modified accrual basis of accounting. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred or the long-term obligation paid. Property taxes are recognized as revenues in the year for which they are levied, all other revenues are considered to be measurable and available only when collected.

Fund Summaries

The **General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include district administration, legal services, and other expenses related to statutory operations of a local government. The General Fund's primary sources of revenue are property taxes and specific ownership taxes.

The **Enterprise Fund** accounts for the operations that are financed and operated in a manner similar to private business enterprise, where the intent is that costs of providing services to the public on a continuing basis be financed primarily through user charges.

The **Capital Projects Fund** is used to account for revenues and expenditures to complete capital projects such as new improvements and upgrades to existing infrastructure. The primary revenue sources are transfers from the General Fund and the Sanitation Enterprise Fund.

Emergency Reserve

As required by Section 20 of Article X of the Colorado Constitution ("TABOR"), the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year revenue in the General Fund.

HOLLY HILLS WATER AND SANITATION DISTRICT
Assessed Value, Property Tax and Mill Levy Information

| | 2016 Actual | 2017 Adopted Budget | 2018 Adopted Budget |
|---------------------------------------|------------------------|--------------------------------|--------------------------------|
| Assessed Valuation | | | |
| Denver County | \$ 25,396,070 | \$ 25,389,850 | \$ 29,293,020 |
| Arapahoe County | 22,430,910 | 22,480,716 | 24,668,645 |
| Mill Levy | | | |
| General Fund | | | |
| Denver County | 2.716 | 2.716 | 2.716 |
| Arapahoe County | 2.716 | 2.716 | 2.716 |
| Temporary Mill Levy Reduction | - | - | - |
| Refunds and Abatements | - | - | - |
| Total Mill Levy | 2.716 | 2.716 | 2.716 |
| Property Taxes | | | |
| Denver County | \$ 68,976 | \$ 68,959 | \$ 79,560 |
| Arapahoe County | 60,922 | 61,058 | 67,000 |
| Temporary Mill Levy Reduction | - | - | - |
| Refunds and Abatements | - | - | - |
| Actual/Budgeted Property Taxes | \$ 129,898 | \$ 130,017 | \$ 146,560 |

HOLLY HILLS WATER AND SANITATION DISTRICT

**GENERAL FUND
2018 Adopted Budget
with 2016 Actual, 2017 Adopted Budget, and 2017 Estimated**

| | 2016 YTD Actual | 2017 Adopted Budget | 2017 Estimated | 2018 Adopted Budget |
|---|--------------------|------------------------|-------------------|------------------------|
| BEGINNING FUND BALANCE | \$ 215,210 | \$ 185,273 | \$ 210,809 | \$ 239,228 |
| REVENUE | | | | |
| Property Tax-Arapahoe | 60,900 | 61,058 | 64,746 | 67,000 |
| Property Tax-Denver | 68,383 | 68,959 | 68,959 | 79,560 |
| Specific Ownership-Arapahoe | 4,670 | 4,700 | 4,700 | 4,700 |
| Specific Ownership-Denver | 4,353 | 5,000 | 5,000 | 4,700 |
| Interest Income | - | - | 2,413 | 2,400 |
| Miscellaneous Income | 556 | - | 195 | 500 |
| Total Revenue | 138,863 | 139,717 | 146,013 | 158,860 |
| | 354,072 | 324,990 | 356,822 | 398,088 |
| EXPENDITURES | | | | |
| Accounting | 13,991 | 15,900 | 15,900 | 16,000 |
| Management | 19,409 | 20,500 | 38,739 | 21,000 |
| Audit | 607 | 4,000 | 4,000 | 4,000 |
| Director's Fees | 5,200 | 6,000 | 6,000 | 6,000 |
| SDA Dues | 778 | 800 | 715 | 800 |
| Election Expense | 682 | 1,200 | - | 1,200 |
| Insurance and Bonds | 2,112 | 2,500 | 2,055 | 2,200 |
| Legal | 18,753 | 24,000 | 34,673 | 25,000 |
| Statutory Compliance | 185 | - | - | 200 |
| Miscellaneous | 3,382 | 4,000 | 4,104 | 4,100 |
| Locates | 506 | - | 779 | 900 |
| Payroll Taxes | 405 | 459 | 459 | 460 |
| Printing/Publication | 78 | 150 | 150 | 150 |
| Treasurer's Fees | 1,623 | 2,521 | 2,521 | 2,500 |
| Security | - | - | - | 1,000 |
| Contingency | - | 238,768 | - | 307,685 |
| Emergency Reserve | - | 4,192 | - | 4,766 |
| Total Expenditures | 67,711 | 324,990 | 110,094 | 397,961 |
| TRANSFERS AND OTHER USES | | | | |
| Transfer to Capital Projects | 75,552 | - | 7,500 | - |
| Total Expenditures Requiring Appropriation | 143,263 | 324,990 | 117,594 | 397,961 |
| ENDING FUND BALANCE | \$ 210,809 | \$ - | \$ 239,228 | \$ 127 |

HOLLY HILLS WATER AND SANITATION DISTRICT

CAPITAL FUND

2018 Adopted Budget

with 2016 Actual, 2017 Adopted Budget, and 2017 Estimated

| | 2016 Actual | 2017 Adopted Budget | 2017 Estimated | 2018 Adopted Budget |
|---|----------------|------------------------|-------------------|------------------------|
| BEGINNING FUND BALANCE | \$ - | \$ - | \$ - | \$ - |
| REVENUE | | | | |
| Transfer from Enterprise Fund | - | 95,000 | 90,329 | 95,000 |
| Transfer from General Fund | 75,552 | - | 7,500 | - |
| Total Revenue | 75,552 | 95,000 | 97,829 | 95,000 |
| Total Funds Available | 75,552 | 95,000 | 97,829 | 95,000 |
| EXPENDITURES | | | | |
| Engineering Services | 3,161 | 5,000 | 5,829 | 5,000 |
| Major Repairs | 72,391 | 90,000 | 92,000 | 90,000 |
| Total Expenditures | 75,552 | 95,000 | 97,829 | 95,000 |
| Total Expenditures Requiring Appropriation | 75,552 | 95,000 | 97,829 | 95,000 |
| ENDING FUND BALANCE | \$ - | \$ - | \$ - | \$ - |

HOLLY HILLS WATER AND SANITATION DISTRICT

ENTERPRISE FUND 2018 Adopted Budget with 2016 Actual, 2017 Adopted Budget, and 2017 Estimated

| | 2016 Actual | 2017 Adopted Budget | 2017 Estimated | 2018 Adopted Budget |
|---|-------------------|------------------------|-------------------|------------------------|
| BEGINNING FUND BALANCE | \$ 534,650 | \$ 784,271 | \$ 770,170 | \$ 576,979 |
| REVENUE | | | | |
| Sewer Service Fees | 336,273 | 335,000 | 335,000 | 339,211 |
| Commercial Sewer Fees | 50,975 | 68,000 | 68,000 | 66,502 |
| Interest Income-ColoTrust | 2,746 | 2,100 | 2,812 | 2,800 |
| Interest Income-Other | 2,885 | 4,000 | 2,061 | 2,000 |
| Other Income (C&C Denver) | 1,819 | 1,500 | 1,925 | 2,000 |
| Total Revenue | 394,698 | 410,600 | 409,798 | 412,513 |
| Total Funds Available | 929,348 | 1,194,871 | 1,179,968 | 989,492 |
| EXPENDITURES | | | | |
| Miscellaneous Expense | 5 | 350 | 350 | 350 |
| Treasurer's Fees | 535 | 500 | 500 | 500 |
| Engineering | 1,430 | 5,000 | 5,000 | 5,000 |
| Billing Service | 11,839 | 12,000 | 12,000 | 12,000 |
| Maintenance/Cleaning | 38,744 | 40,000 | 40,000 | 40,000 |
| Restoration | - | - | 118,439 | - |
| Sewage Treatment (Metro) | 84,571 | 336,371 | 336,371 | 341,984 |
| Depreciation Expense | 22,054 | - | - | - |
| Reserve | - | 50,000 | - | 50,000 |
| Total Expenditures | 159,177 | 444,221 | 512,660 | 449,834 |
| TRANSFERS AND OTHER USES | | | | |
| Transfer to Capital Projects | - | 95,000 | 90,329 | 95,000 |
| Total Expenditures Requiring Appropriation | 159,177 | 539,221 | 602,989 | 544,834 |
| ENDING FUND BALANCE | \$ 770,170 | \$ 655,650 | \$ 576,979 | \$ 444,658 |

CERTIFICATION OF BUDGET

TO: Division of Local Government
Department of Local Affairs
1313 Sherman Street, Room 520
Denver, Colorado 80203

I, Irina Bovee, hereby certify that I am the duly appointed Secretary of the Holly Hills Water and Sanitation District, and that the attached is a true and correct copy of the budget for the budget year 2018, duly adopted at a meeting of the Board of Directors of the Holly Hills Water and Sanitation District held on November 15, 2017.

By: 

Irina Bovee, Secretary

RESOLUTION NO. 2017-11-2

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

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HOLLY HILLS
WATER AND SANITATION DISTRICT TO SET MILL LEVIES**

WHEREAS, the Board of Directors of the Holly Hills Water and Sanitation District (“District”) has adopted the 2018 annual budget in accordance with the Local Government Budget Law on November 15, 2017; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenues is \$146,560; and

WHEREAS, the 2017 valuation for assessment for the Holly Hills Water and Sanitation District as certified by the County Assessor of the City and County of Denver is \$29,293,020; and

WHEREAS, the 2017 valuation for assessment for the Holly Hills Water and Sanitation District as certified by the County Assessor for the County of Arapahoe is \$24,668,645; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget.

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

Section 1. That for the purpose of meeting all general fund expenses of the District during the 2018 Budget year, there is hereby levied a tax in the City and County of Denver of 2.716 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$79,560 in revenue, and there is hereby levied a tax in Arapahoe County of 2.716 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$67,000 in revenue, for a total revenue from property taxes of \$146,560.

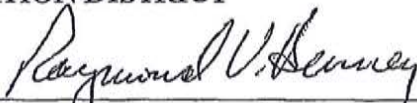
Section 2. That the District has no outstanding general obligation bonds and, accordingly shall not certify a mill levy for the purpose of meeting debt service requirements during the 2018 budget year.

Section 3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of the City and County of

Denver and Arapahoe County, Colorado, the mill levies for the District as set forth in the District's Certification of Tax Levies (attached hereto as Exhibit A and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 15th day of November, 2017.

HOLLY HILLS WATER AND
SANITATION DISTRICT

By: 
Raymond V. Henney, Chairman

Attest:


Irina Bovee, Secretary

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Arapahoe County, Colorado.

On behalf of the Holly Hills Water and Sanitation District,
 (taxing entity)^A
the Board of Directors,
 (governing body)^B
of the Holly Hills Water and Sanitation District,
 (local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 24,668,645
assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 24,668,645
 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/15/2017 for budget/fiscal year 2018
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

| PURPOSE (see end notes for definitions and examples) | LEVY² | REVENUE² |
|--|-------------------------|----------------------------|
| 1. General Operating Expenses ^H | <u>2.716</u> mills | \$ <u>67,000</u> |
| 2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I | < > mills | \$ < > |
| SUBTOTAL FOR GENERAL OPERATING: | 2.716 mills | \$ 67,000 |
| 3. General Obligation Bonds and Interest ^J | _____ mills | \$ _____ |
| 4. Contractual Obligations ^K | _____ mills | \$ _____ |
| 5. Capital Expenditures ^L | _____ mills | \$ _____ |
| 6. Refunds/Abatements ^M | _____ mills | \$ _____ |
| 7. Other ^N (specify): _____ | _____ mills | \$ _____ |
| | _____ mills | \$ _____ |
| TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7] | 2.716 mills | \$ 67,000 |

Contact person: (print) AJ Beckman Daytime phone: (303) 987-0835
 Signed: Eric S. Barnes Title: Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

4. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of _____ City and County of Denver _____, Colorado.

On behalf of the _____ Holly Hills Water and Sanitation District _____,
 (taxing entity)^A
 the _____ Board of Directors _____,
 (governing body)^B
 of the _____ Holly Hills Water and Sanitation District _____,
 (local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ _____ 29,293,020 assessed valuation of: _____ (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ _____ 29,293,020 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: _____ 12/15/2017 _____ for budget/fiscal year _____ 2018 _____
 (no later than Dec. 15) (mm/dd/yyyy) (yyyy)

| PURPOSE (see end notes for definitions and examples) | LEVY ² | REVENUE ² |
|--|--------------------------|-----------------------------|
| 1. General Operating Expenses ^H | 2.716 mills | \$ 79,560 |
| 2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I | < > mills | \$ < > |
| SUBTOTAL FOR GENERAL OPERATING: | 2.716 mills | \$ 79,560 |
| 3. General Obligation Bonds and Interest ^J | _____ mills | \$ _____ |
| 4. Contractual Obligations ^K | _____ mills | \$ _____ |
| 5. Capital Expenditures ^L | _____ mills | \$ _____ |
| 6. Refunds/Abatements ^M | _____ mills | \$ _____ |
| 7. Other ^N (specify): _____ | _____ mills | \$ _____ |
| | _____ mills | \$ _____ |
| TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7] | 2.716 mills | \$ 79,560 |

Contact person: _____ Daytime phone: _____ (303) 987-0835
 (print) AJ Beckman
 Signed: _____ Title: _____ Accountant
 Eric S. Barnes

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

4. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.