

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL 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 29, 2018**

A Special 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 Thursday, the 29th day of November, 2018, 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
Marie Sullivan
Scott Kemmeries

Also In Attendance Were:

Steve Beck; Special District Management Services, Inc.

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

**ADMINISTRATIVE
MATTERS**

18.127 Agenda: Mr. Beck reviewed the Agenda. A request was made to add as a discussion item filling the vacant director position.

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

18.128 Board Vacancy: The Board discussed the vacancy and initial attempts to fill the position. To date there has been no interest expressed by any individuals contacted. The Board directed Mr. Beck to include a memo notice in the next quarterly billing regarding the vacancy and asking if any of the District customers would be interested in the position.

18.129 Minutes: The Board discussed the minutes of the September 19, 2018. Director Kemmeries noted that the minutes in the packet were not the same as included in the Board packet for the October 17, 2018 meeting. He noted that the previous minutes were correctly presented.

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Following discussion, upon motion duly made by Director Kemmeries, seconded by Director Henney and, upon vote, unanimously carried, the minutes of the September 19, 2018 meeting were approved as presented at the October 17, 2018 meeting.

The Board discussed the minutes of the October 17, 2018.

Following discussion, upon motion duly made by Director Henney, seconded by Director Kemmeries and, upon vote, unanimously carried, the minutes of the October 17, 2018 meeting were approved as presented.

PUBLIC COMMENT

18.130 Public Comment: There were no public comments.

LEGAL MATTERS

18.131 OCCT/Denver Water Update: Attorney Flynn reported that Denver is continuing to address the issue with the state. At this time Denver's recommended changes do not appear to be acceptable with the state. If the state compliance order remains in effect the cost of operation and implementation will be increased for both Denver Water and the Metro Wastewater Reclamation District.

18.132 District By-Laws: The Board discussed a draft set of standard by-laws. Attorney Flynn will revise the draft in accordance with the Board's direction and will present this to the Board for discussion and vote at the January 16, 2019 meeting.

18.132 Consumer Data Privacy Act: No discussion was held.

FINANCIAL MATTERS

18.133 Ratification of Claims: Mr. Beck reviewed with the Board the claims for the period ending October 17, 2018, as follows:

General Fund:	\$ 6,937.36
Capital Projects Fund:	\$ 0.00
Enterprise Fund:	\$ 0.00
Total:	<u>\$ 6,937.36</u>

Mr. Beck noted that to facilitate the conduct of the District's business, the Board members present at the October 17, 2018 meeting directed that checks in payment of the bills presented be signed. It was noted by legal counsel that the bills were for items that were customarily and normally incurred by the District and that all such items have been previously budgeted for expenditure in 2018. It was the expectation of those present that their actions would be ratified at the Board's November 29, 2018 special meeting.

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Following discussion, upon motion duly made by Director Henney, seconded by Director Kemmeries and, upon vote, unanimously carried, the claims paid for the period ending October 17, 2018 were ratified.

18.134 Approval of Claims: Mr. Beck reviewed with the Board the claims for the period ending November 29, 2018, as follows:

General Fund:	\$ 12,217.21
Capital Projects Fund:	\$ 0.00
Enterprise Fund:	\$ 86,648.58
Total:	<u>\$ 98,865.79</u>

Following discussion, upon motion duly made by Director Kemmeries, seconded by Director Henney and, upon vote, unanimously carried, the claims paid for the period ending November 29, 2018 were approved.

18.135 Unaudited Financial Statements: Mr. Beck reviewed the cash position as of November 29, 2018 and the unaudited financial statements of the District as of October 31, 2018.

Following discussion, upon motion duly made by Director Henney, seconded by Director Bovee and, upon vote, unanimously carried, the unaudited financial statements for the period ended October 31, 2018 were approved.

18.136 2018 Audit/Application for Exemption from Audit: Attorney Flynn and Mr. Beck discussed the requirements for an audit exemption with the Board and stated that they believed that the District would meet the requirements for an exemption for the year ended December 31, 2018.

Following discussion, upon motion duly made by Director Henney, seconded by Director Kemmeries and, upon vote, unanimously carried, the Board directed Mr. Beck to apply for the audit exemption pending the District qualifying for an exemption for 2018 and if the District does not qualify, then the engagement letter from Simmons & Wheeler will be deemed approved.

18.137 2019 Budget: The President opened the public hearing to consider the proposed 2019 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2019 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.

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Mr. Beck reviewed the estimated 2018 revenues and expenditures and the proposed 2019 revenues and expenditures.

Following discussion, the Board considered the adoption of the Resolutions to Adopt the 2019 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 Sullivan, seconded by Director Kemmeries 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, 2018. Mr. Beck was authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2019. 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 2019 meeting to go into effect during the second quarter of 2019.

18.138 DLG-70 Mill Levy Certification Form: Attorney Flynn and Mr. Beck discussed the certification process and DLG-70 Form with the Board.

Following discussion, upon motion duly made by Director Kemmeries, seconded by Director Bovee 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

18.139 Grease Trap Inspections and Operations: Mr. Beck discussed the operations reports received from DRC and the new inspection program that DRC is enacting to more closely monitor the manholes that caused the sewage backup in 2016. Attorney Flynn stated that he would draft an amendment to the DRC contract to account for the extra work.

CAPITAL PROJECTS

18.140 2018 Capital Projects: Attorney Flynn and Mr. Beck discussed the status of the CIP contract with the Board and that Mr. Raatz was still working on securing a contractor to complete the project.

EXECUTIVE SESSION

18.141 Executive Session: Not required.

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OTHER BUSINESS

18.142 Other Business – Section 32-1-809, C.R.S.: Attorney discussed with the Board the filing of the Transparency Notice on the SDA website.

Cancellation of the December Meeting: Mr. Henney recommended that the Regular Meeting scheduled for December 19, 2018 be canceled and that the next Regular Meeting of the Board to be held on January 16, 2019.

Following discussion, upon motion duly made by Director Henney, seconded by Director Sullivan and, upon vote, unanimously carried, the Board approved the cancellation of the December 19, 2018 Regular Meeting.

ADJOURNMENT

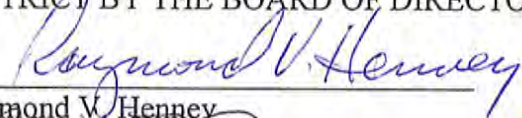
There being no further business to come before the Board at this time, upon motion duly made by Director Henney, seconded by Director Sullivan and, upon vote, unanimously carried, the Board approved the adjournment of the November 29, 2018 Regular Meeting at approximately 8:54 P.M.

Respectfully submitted,

By: 

Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 29, 2018 MINUTES OF THE HOLLY HILLS WATER AND SANITATION DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:


Raymond W. Henney


Irina Bovee


Marie E. Sullivan


Scott K. Kemmeries