

**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
OCTOBER 22, 2025**

A Regular Meeting of the Board of Directors of the Holly Hills Water and Sanitation District and the Board of Directors of its Water Activity Enterprise (referred to hereafter as “Board”) was convened by Zoom video conference and telephone conference call on Wednesday, October 22, 2025 at 7:00 p.m. The Zoom meeting and call-in information were listed in the meeting notice posted by the District and the public was able to attend the meeting by Zoom or telephone call if they so desired.

ATTENDANCE

Directors in Attendance Were:

Thomas Thomasson
Scott Kemmeries

Also In Attendance Were:

Justin Janca; Public Alliance, LLC
Timothy J. Flynn, Esq.; Ireland Stapleton Pryor & Pascoe, PC
Mike Bakarich; Moraine Bakarich CPAs
Ismael Gomez; Ramey Environmental Compliance, Inc.
Will Raatz; W2 Engineers, LLC
Chris Carroll, Ray Goettling, Liv Haugen and Rahul Sinha, Board Candidates; and Eric McKight a and Jim DiPaolo members of the public.

**ADMINISTRATIVE
MATTERS**

Agenda: Director Thomasson, noting that a quorum of the Board was present, called the meeting to order and reviewed the Agenda with the Board.

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

Minutes: The Board reviewed the minutes of the September 17, 2025 Regular Meeting.

Following discussion and review, upon a motion duly made by Director Kemmeries, seconded by Director Thomasson and, upon vote unanimously carried, the Board approved the minutes of the September 17, 2025 Regular Meeting, as amended.

RECORD OF PROCEEDINGS

Acknowledge Resignation of Linda Rhea: Directors Thomasson and Kemmeries noted the resignation of Director Rhea and thanked her for her commitment to serving the Holly Hills Water and Sanitation District.

Applications for Board Vacancies: Director Thomasson noted that the Board desires to move slowly with director appointments, with two appointments during this meeting and a potential third appointment in 2026. Mr. Sinha questioned the cadence of appointments. Director Thomasson noted that Ms. Rhea's resignation complicated the process. Director Kemmeries noted hesitancy in sudden changes to the voting body. Attorney Flynn recommended moving slowly. Mr. Sinha asked in what capacity Mr. Flynn serves the Board. Attorney Flynn responded that he is acting General Counsel for the District.

Following discussion and review, upon a motion duly made by Director Kemmeries, seconded by Director Thomasson and, upon vote unanimously carried, the Board appointed Chris Carroll and Liv Haugen to the Board of Directors.

Following discussion and review, upon a motion duly made by Director Kemmeries, seconded by Director Thomasson and, upon vote unanimously carried, the Board appointed Chris Carroll to Ms. Rhea's seat and Liv Haugen to one of the vacant seats on the Board. It was noted that the term of office for each of these seats expires in May of 2029, but both Chris Carroll and Liv Haugen will need to run for the unexpired portion of the term of office to which they were appointed in May of 2027.

**PUBLIC
COMMENT**

Mr. Sinha thanked the Board for consideration and congratulated the newly appointed directors.

OPERATIONS

Operations Report: Mr. Gomez presented his report. Mr. Gomez noted that maintenance will resume the first week of November.

Manager's Report: Mr. Janca presented the manager's report noting the notices needed to certify delinquent accounts were not distributed. He noted that the next steps are to send a delinquent notice and notice of lien to the accounts with the intent of moving the account owner to action. Director Thomasson asked why the letters were not sent. Mr. Janca noted that he was overseeing the project and failed to see it to completion. He also noted that insurance renewals were ongoing, to which Mr. Bakarich and Attorney Flynn contributed clarification that worker's compensation and a sanitation warranty are part of the process.

RECORD OF PROCEEDINGS

ENGINEERING

Engineering Report: Mr. Raatz presented the engineering report. He outlined the bidding process and the three proposals received. After reviewing the matrix, Mr. Raatz recommended the District engage Element Engineering. Director Thomasson requested information on the matrix. Mr. Raatz responded that the matrix was used for scoring the various bids and all else being the same, the estimated quote from Element was the most competitive and contributed to their scoring the highest. The Board discussed SRF funding and Mr. Raatz noted that an engineer must be engaged before next steps.

Following discussion and review, upon a motion duly made by Director Thomasson, seconded by Director Kemmeries and, upon vote unanimously carried, the Board determined to engage Element Engineering for design services and directed Attorney Flynn to draft an agreement for distribution.

LEGAL MATTERS

10.5 Statutory Revenue Limitation: Attorney Flynn discussed the new 10.5% statutory revenue limitation, which applies to the District, and which can be complied with by limiting the increase in revenues from the District's property tax mill levy to 5.25% in 2026 and in 2027. Mr. Bakarich noted that the District's assessed valuation has dropped so the limit is not a current concern.

FINANCIAL MATTERS

Accounts Payable: Mr. Bakarich reviewed the accounts payable list with the Board for the period ending October 22, 2025. He noted that the large influx on revenue was the tap fee associated with the Holly Hills Elementary School project. The fee was received by the District and half of the amount was remitted to Metro Water Recovery.

Following discussion, upon motion duly made by Director Thomasson, seconded by Director Kemmeries and, upon vote unanimously carried, the Board approved the accounts payable, in the amount of \$153,319.82, as presented.

Financial Statements: Mr. Bakarich reviewed with the Board the financial statements for the period ending September 30, 2025.

Following discussion, upon a motion duly made by Director Kemmeries, seconded by Director Thomasson and, upon vote unanimously carried, the Board accepted the schedule of cash position for the period ending September 30, 2025.

2026 Draft Budget: Mr. Bakarich presented the draft budget to the Board. He noted that the budgeted locate expense will be increased to \$40,000 and

