

**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
JULY 15, 2026**

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, July 15, 2026 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
Liv Haugen
Jim DiPaolo

Following discussion, upon motion made by Director DiPaolo, seconded by Director Thomasson and, upon vote, unanimously carried, the absence of Director Christopher Carroll was excused.

Also In Attendance Were:

Justin Janca; Public Alliance, LLC
Timothy J. Flynn, Esq.; Ireland Stapleton Pryor & Pascoe, PC
Mike Bakarich; Moraine Bakarich CPAs
Will Raatz; W2 Engineers, LLC
Isamel Gomez; Ramey Environmental Compliance, Inc.
Michael Miller; Member 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 DiPaolo, seconded by Director Kemmeries and, upon vote unanimously carried, the Agenda was approved, as amended.

RECORD OF PROCEEDINGS

Minutes: The Board reviewed the minutes of the June 17, 2026 Regular Meeting. The minutes will be revised and considered for approval at the next regular meeting.

**PUBLIC
COMMENT**

No public comment.

OPERATIONS

Operations Report: Mr. Gomez reported that there was one inquiry, 41 locates and maintenance is at a standstill until manholes are uncovered. He noted that they need exact date for start of additional paving projects. Mr. Gomez reported that the Asphalt Overlay Project started on Yale east of Monaco and more work will be performed in the District. Discussion revolved around recouping expenses from the City of Denver for repair expenses. Mr. Raatz will work with the City and County of Denver on leveling the manholes. It was recommended that for manholes in the project area to be opened to confirm alignment with underground infrastructure and document any shifts that occurred.

Managers' Report: None.

ENGINEERING

Engineer's Report: Mr. Raatz provided the following updates:

2375 S Locust St: Mr. Raatz reported that comments, conveyance, and easement have been provided to the Raptor CE. The District's easement will use the same legal description as Denver's easement.

Capital Improvement Plan: Mr. Raatz reported that the final version will be distributed for Director review in the near future.

SRF Application: Mr. Raatz reported that the Public Needs Assessment has been approved. Phase 1 request for bids is scheduled for publication. The District will need to engage bond counsel for an opinion letter. Because this project will be funded through a loan rather than a bond issuance, it is likely that no arbitrage analysis is required. However, the loan will require continuing disclosures.

**LEGAL
MATTERS**

Letter to Denver Regarding Road Paving Project: Mr. Flynn reported that he has drafted the letter and will consult with Mr. Raatz before distribution.

Legislative Update: Mr. Flynn reported that there has been no significant legislation which specifically impacts water and sanitation districts. He also

RECORD OF PROCEEDINGS

reported that Denver Water may consider implementing Stage II drought restrictions if the Stage I restrictions are not successful in achieving a 20% reduction in overall water consumption.

FINANCIAL MATTERS

Accounts Payable: Mr. Bakarich reviewed the accounts payable list with the Board for the period ending July 15, 2026.

Mr. Bakarich noted that expenditures are normal outside of Ramey Environmental's expense, which increased due to the extra manpower required to assist the paving project. ColoTrust and XpressBill need to recognize the new Chase account before the transactions between the accounts can occur. All Directors are in Chase Bank's system and log-in will require an authenticator app. The payables include a reimbursement of \$300 to Tom for the Legion's rental fee and District donation.

Following discussion, upon a motion duly made by Director DiPaolo, seconded by Director Kemmeries and, with Director Thomasson abstaining, the Board approved the accounts payable, in the amount of \$34,433.46, as presented.

Financial Statements: Mr. Bakarich reviewed with the Board the financial statements for the period ending June 30, 2026.

Mr. Bakarich reported that the revenue and expenditures are both up and the winter water readings have been updated. There is a potential for revenue reduction due to drought restrictions and increasing water rates. Discussion continued regarding methods to increase fixed income. A potential option is increasing the minimum rate as some homeowners pay the minimum rate. Cash on hand has increased \$5,000 month over month and \$500,000 year over year.

Following discussion, upon a motion duly made by Director Kemmeries, seconded by Director DiPaolo and, upon vote unanimously carried, the Board accepted the financial statements for the period ending June 30, 2026.

Metro's Annual Charges: Mr. Bakarich reported that quarterly payments are now \$82,000, up by \$3100 from the previous year's monthly payment. Metro Water Recovery now averages the past the year's usage to set anticipated use. Discussion highlighted the fact that this increase is less than other Districts' Annual Charge increases and how this methodology stabilizes the anticipated costs year over year. Metro to be contacted regarding usage spikes present in the calculation of the Annual Charge.

RECORD OF PROCEEDINGS

2025 Audit: Mr. Bakarich reported that the 2025 audit is currently being prepared for review. The expected delivery date is the last week of July. Mr. Bakarich reviewed the Request for Extension of Time to File 2025 Audit with the Board.

Following discussion, upon a motion duly made by Director DiPaolo, seconded by Director Haugen and, upon vote unanimously carried, the Board approved the Request for Extension of Time to File 2025 Audit.

OTHER BUSINESS

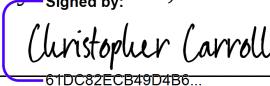
Public Meeting Discussion: Discussion included the lack of need for a Public Relations representative and the distribution of an invite to the community. Mr. Raatz shared the presentation and Directors provided comments and suggestions, including defining the District, explain that manholes are failing, noting that some external manholes will remain, and creation a board that outlines the District's boundaries. Discussion continued around how to manage public comment and outreach efforts to be used to increase awareness and attendance.

ADJOURNMENT

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

Respectfully submitted,

By: _____

Signed by:

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Secretary for the Meeting