

**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
JULY 28, 2026**

A Special 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 at American Legion Post 1, 5400 East Yale Avenue, Denver, CO, 80222 on Tuesday, July 28, 2026 at 7:00 p.m. The address was 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
Christopher Carroll
Liv Haugen
Jim DiPaolo

Also In Attendance Were:

Justin Janca; Public Alliance, LLC
Will Raatz; W2 Engineers, LLC
Eileen Umhaefer; Member of the Public
Judith Moran; Member of the Public
M. Torsell; Member of the Public
James Riley; 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 Kemmeries, seconded by Director DiPaolo and, upon vote unanimously carried, the Agenda was approved, as presented.

**SOUTH HOLLY
STREET
SANITARY
SEWER**

Public Needs Assessment: Mr. Raatz presented an overview of the South Holly Street Sewer Replacement Project. The audience received an overview of the District’s history and operational responsibilities, including its inventory of approximately 230 manholes, 54,000 linear feet of sewer pipe,

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REPLACEMENT PROJECT

and the allocation of approximately 25% of District revenues toward Metro Water Recovery fees.

Mr. Raatz explained the purpose of the project, noting that it is intended to replace deteriorated pipe segments, correct slope deficiencies, replace aging brick manholes, and eliminate existing exterior drop manholes. The presentation included a comparison of exterior and interior drop manhole configurations, highlighting the advantages and disadvantages of each approach. Several project alternatives were evaluated, ranging from taking no action to the complete elimination of drop manholes throughout the District.

Based on the analysis presented, the preferred alternative is the conversion of exterior drop manholes to interior drop manholes. This approach was identified as the most appropriate solution due to capital cost considerations, reduced potential for conflicts with outside infrastructure projects, and alignment with the District's long-term operational needs.

The entire project was presented as a multi-phase effort. Phase I was reviewed in detail, including its scope and anticipated timeline, while Phase II was introduced to provide context regarding future infrastructure needs and long-term planning. Phase I is projected to cost approximately \$530,000 and will be funded through existing District reserves. The depth of the sewer mains and the presence of other underground utility infrastructure were identified as significant contributors to project costs.

Phase II is currently estimated to cost approximately \$2.75 million, with \$750,000 anticipated to come from District reserves and the remaining \$2 million financed through the State Revolving Fund. The District anticipates submitting a loan application by December 2026. Preliminary financing assumptions include a 30-year repayment term at an interest rate of approximately 3.5%, resulting in estimated annual debt service payments of \$108,000.

Discussion then shifted to the District's Capital Improvement Plan, which highlighted future infrastructure projects and potential funding sources, including adjustments to District-assessed Facility and Renovation Fees. Upon completion of the South Holly Street Sewer Replacement Project, the next major capital improvement project is currently anticipated to begin in 2035. The Capital Improvement Plan forecasts approximately \$10.2 million in infrastructure expenditures over the next 35 years, with funding expected to come primarily through incremental increases to Facility and Renovation Fees.

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It was noted that the Capital Improvement Plan is intended to serve as a planning tool and remains subject to change. Ongoing annual inspections and condition assessments will be used to evaluate the performance of District infrastructure, allowing future Boards to adjust project schedules and funding priorities as conditions warrant.

Public Comment:

Q: *Is the Facility and Renovation Fee assessed per house or per bathroom?*

A: The Facility and Renovation Fee is assessed on a per-property basis using the District's Single-Family Residential Equivalent (SFRE) methodology. For single-family homes, the fee is assessed per residence rather than by the number of bathrooms or fixtures within the home. Multi-family properties may be assessed at a higher rate due to the larger service connections and capacity requirements associated with those structures.

Q: *Are there any anticipated environmental impacts?*

A: No significant environmental impacts are anticipated. Because most of the project will occur within existing paved roadways and previously disturbed areas, the project is expected to qualify for a categorical exclusion from further environmental review. As a result, environmental impacts are expected to be minimal.

Q: *What is the age of the failing lining?*

A: The exact age of the failing liner is not immediately available but can be provided upon request. Most of the District's sanitary sewer mains have been lined as part of previous rehabilitation efforts; however, those lining projects were completed over multiple years rather than as a single initiative. As a result, the age of the liner varies throughout the system and depends on the specific pipe segment being evaluated.

Q: *Since the interior drops are easily accessible, will regular inspections be included in future maintenance scopes?*

A: Yes. Upon completion of the project, routine inspection of the interior drop structures will be incorporated into the District's regular maintenance program. The improved accessibility of the interior drops will allow for more efficient inspections, helping the District identify potential issues earlier and better monitor the long-term condition and performance of the system.

Q: *Is the District developing safeguards to minimize the impact on homeowners?*

A: Yes. The District is committed to minimizing impacts to homeowners throughout the project and will follow industry best practices during design and construction. In addition, the District will be diligent during the contractor selection process, evaluating prospective contractors based on

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their qualifications, experience, and ability to successfully complete the work while reducing disruption to residents and surrounding properties.

Q: *Are other Districts experiencing similar issues?*

A: Yes. Many sanitary sewer systems of similar age and construction are experiencing comparable challenges as infrastructure reaches the end of its useful life. However, through prudent financial planning and consistent reinvestment in its infrastructure, Holly Hills Water and Sanitation District is in a stronger financial position than many peer districts to proactively address these needs and implement necessary improvements.

Q: *Does decreased water usage caused by drought impact the functionality of the system?*

A: No. Reduced water usage associated with drought conditions is not expected to negatively impact the functionality of the District's sanitary sewer system. The system was designed with sufficient capacity to accommodate fluctuations in usage, including both reductions during periods of conservation and increases associated with future demands. Based on current conditions, the District does not anticipate any operational concerns resulting from reduced water consumption.

Q: *Who will oversee the project during construction?*

A: The District will engage a qualified construction observation professional to oversee the project during construction. This individual will be responsible for monitoring project progress, verifying compliance with the plans and specifications, coordinating with the contractor and District representatives, and helping ensure that the work is completed in accordance with applicable standards and project requirements. This oversight is intended to support quality control, address issues as they arise, and help ensure a successful project outcome.

ADJOURNMENT

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

Respectfully submitted,

Signed by:
By: Christopher Carroll
Secretary for the Meeting