

**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
AUGUST 19, 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, August 19, 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
Christopher Carroll
Liv Haugen
Jim DiPaolo

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
Michael Miller; Possible BOT or 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 amended.

Minutes: The Board reviewed the minutes of the June 17, 2026 Regular Meeting, July 15, 2026 Regular Meeting and July 28, 2026 Special Meeting.

Following discussion and review, upon a motion duly made by Director DiPaolo, seconded by Director Thomasson and, upon vote unanimously

RECORD OF PROCEEDINGS

carried, the Board approved the minutes of the June 17, 2026 Regular Meeting, as amended, removing Mr. Bakarich's first name from the first line of Page 6.

Following discussion and review, upon a motion duly made by Director DiPaolo, seconded by Director Thomasson and, upon vote unanimously carried, the Board approved the minutes of the July 15, 2026 Regular Meeting and July 28, 2026 Special Meeting, as presented.

PUBLIC COMMENT

No public comment.

OPERATIONS

Operations Report: Director Thomasson reported on the 5601 E. Bates service line issue. He noted that they are waiting on manhole uncovering to continue maintenance.

Managers' Report: Mr. Janca provided information to homeowners on water infrastructure and homebuying inspections; executed audit extension agreement and began preparing files for transfer.

ENGINEERING

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

2735 Locust St Project: Mr. Raatz reported that the Easement Agreement and Conveyance Agreement have been delivered to the development team for review and execution.

Following discussion and review, upon a motion duly made by Director DiPaolo, seconded by Director Kemmeries and, upon vote unanimously carried, the Board authorized Director Thomasson to sign the Easement Agreement when a fully executed and notarized original or copy is returned by the developer.

Following discussion and review, upon a motion duly made by Director Kemmeries, seconded by Director Haugen and, upon vote unanimously carried, the Board authorized Director Thomasson to accept and sign the Sewer Main Extension Agreement when a fully executed original or copy is returned by the developer.

SRF Loan: Mr. Raatz reported that the State has notified the District that it can apply during the October loan cycle. Following discussion and review, upon a motion duly made by Director Thomasson, seconded by Director Carroll and, upon vote unanimously carried, the Board authorized Mr. Raatz

RECORD OF PROCEEDINGS

to submit the SRF Loan application for Phase II of the Holly Street Sanitary Sewer Replacement project.

Kutak Rock Engagement Letter: Mr. Raatz reported that the State will require an opinion from Bond Counsel and Kutak Rock is offering to provide that opinion for a flat fee of \$15,000, which the Board found reasonable. Mr. Flynn stated that he had worked with Mr. Peltz in the past and that he recommended the Board execute the Kutak Rock Engagement Letter.

Following discussion and review, upon a motion duly made by Director DiPaolo, seconded by Director Carroll and, upon vote unanimously carried, the Board approved the Engagement Letter with Kutak Rock as Bond Counsel.

Bid for the South Holly Street Sanitary Sewer Replacement: Mr. Raatz reviewed the bids noting that SMH West is the low bid, partially due to lack of mobilization expense as equipment is near the site. The firm is also working on the Highline Canal Project. Director DiPaolo noted that this is a young company and questioned their lack of experience and failure to acknowledge Addendum 1. Director Thomasson was complimentary of the firm's work along Yale Avenue. Director Haugen noted that she currently has an active contract with QP Services, a subcontractor on the Project, and will abstain from voting. Director Thomasson requested clarity on the window for bid acceptance, and Mr. Raatz clarified that window is 60 days from receipt of bid. Director Thomasson recommended more vetting before finalizing the award at the next meeting. Director DiPaolo requested clarity on change orders due to weather delays due to the expected El Niño which led to discussion regarding the status of their current project at Yale Avenue. Mr. Raatz noted that the firm is based out of Minnesota, and Director Kemmeries requested clarity on its formation. Mr. Flynn noted that the firm must provide a bond for the work, offering some financial security. Mr. Raatz to perform additional vetting.

Following discussion and review, upon a motion duly made by Director Thomasson, seconded by Director Carroll and, upon vote unanimously carried, the Board awarded a contract to SMH West provided with in the next 10 days, the additional investigation to be performed by Mr. Raatz does not uncover information that would disqualify SMH West or cause the engineer to recommend against awarding a contract to SMH West.

Holly Hills Elementary School

Director Kemmeries noted that the Holly Hills Elementary School's street repair is failing, with Director Haugen adding that this is likely due to ineffective compaction of backfill. Mr. Raatz will reach out to the project manager to request repair and will notify Arapahoe County if no response is

RECORD OF PROCEEDINGS

received. Director Haugen noted that water main replacement will also disturb an area close to the failed repair site.

LEGAL MATTERS

Mr. Flynn noted that Denver Water is preparing to raise rates effective January 1, 2027. Denver Water is also considering imposing more severe drought restrictions because the Stage I Drought restriction did not produce a 20% overall savings in water usage. Stage II Drought restrictions are being considered. Director DiPaolo requested that Denver Water's proposed rate increases be considered during the Holly Hills budget discussions.

Bond Counsel Engagement Letter: Approved under Engineering Report.

FINANCIAL MATTERS

Accounts Payable: Mr. Bakarich reviewed the accounts payable list with the Board for the period ending August 19, 2026.

Mr. Bakarich noted that the enclosure did not reflect the additional meeting held on July 28, 2026 and Director pay for that meeting is omitted.

Following discussion, upon a motion duly made by Director DiPaolo, seconded by Director Carroll and, upon vote, unanimously carried, the Board approved the accounts payable, in the amount of \$33,071.75, as presented.

Financial Statements: Mr. Bakarich reviewed with the Board the financial statements for the period ending July 31, 2026.

Mr. Bakarich noted that the provided financials did not show the connection fees collected in 2025 as the rows were inadvertently hidden. He stated that to-date, expenditures are \$366,000, and revenue is \$724,000, generating as positive \$358,000 in funding. He also noted that property taxes have been collected and only one quarterly billing remains outstanding. The cash report notes \$2.2 million is in the ColoTrust account, a positive \$137,000 month-over-month and a positive \$469,000 year-over-year.

Following discussion, upon a motion duly made by Director DiPaolo, seconded by Director Carroll and, upon vote unanimously carried, the Board accepted the financial statements for the period ending July 31, 2026.

Discussion continued regarding the approval procedure and change to First Bank. Director Haugen requested clarification regarding event sequencing, with Director Thomasson noting that the actions taken earlier in the meeting were to ratify the bills she approved earlier in the month. Mr. Bakarich noted that once Xpress Bill Pay is connected to the new account, the old account

RECORD OF PROCEEDINGS

will be closed. He also noted that fresh links and AP instructions will be distributed to all Directors.

OTHER BUSINESS

Public Alliance Resignation Letter: The Board discussed the resignation of Public Alliance, noting that Public Alliance management services will terminate on August 31, 2026.

Following discussion, upon a motion duly made by Director Kemmeries, seconded by Director DiPaolo and, upon vote unanimously carried, the Board accepted the resignation of Public Alliance for Management Services.

Engagement of Morain Bakarich: The Board discussed Management Services with Morain Bakarich to begin September 1, 2026. Mr. Flynn to prepare a contract with Morain Bakarich to be approved by the Board at the next meeting. Director DiPaolo requested a rate comparison, which Director Thomasson confirmed the rates were comparable per the rate sheet distributed to Directors several months prior.

Following discussion, upon a motion duly made by Director Kemmeries, seconded by Director DiPaolo and, upon vote unanimously carried, the Board approved the engagement of Morain Bakarich for Management Services.

Mr. Flynn noted that he will be working remotely for the next three months but there will be no lapse in services during this period.

ADJOURNMENT

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

Respectfully submitted,

By: Michael A. Bakarich
Secretary for the Meeting