

# RECORD OF PROCEEDINGS

---

## MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE INDIAN HILLS WATER DISTRICT HELD JANUARY 15, 2026

A Regular Meeting of the Board of Directors (referred to hereafter as the “Board”) of the Indian Hills Water District (referred to hereafter as the “District”) was convened on Thursday, the 15<sup>th</sup> day of January, 2026, at 6:30 p.m. The District Board meeting was held and properly noticed to be held via Zoom. The meeting was open to the public.

### ATTENDANCE

#### Directors In Attendance Were:

Mike Cunningham, President  
Kristin Waters, Treasurer (for a portion of the meeting)  
Marc Rosenberg, Assistant Secretary  
Kevin Rees, Assistant Secretary

#### Also In Attendance Were:

Diana Garcia and Kaitlyn Toman; Special District Management Services, Inc.  
 (“SDMS”)  
Paul Grant – Headways Consultant LLC

#### Residents In Attendance:

Melissa Swanson  
Charles Swanson  
Bill Buchanan  
Rebecca Taylor  
Paul Mooney  
Meg Reed

### ADMINISTRATIVE MATTERS

#### Confirm Quorum and Present Disclosures of Potential Conflicts of Interest:

The Board called the meeting to order, noted a quorum was present and discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with Statute.

Meeting Location/Manner and Posting of Meeting Notice: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S.,

## RECORD OF PROCEEDINGS

---

concerning the location of the District's Board meeting. The Board meeting was held via videoconference. Ms. Garcia reported that notice was duly posted and that no objections to the manner of the meeting or any requests that the manner of the meeting be changed by taxpaying electors within the District boundaries have been received.

**Agenda/Director Absence:** The Board reviewed the Agenda for the District's Regular Meeting.

Following discussion, upon motion, duly made by Director Rosenberg, and seconded by Director Rees, upon vote, unanimously carried, the Board approved the Agenda, as amended, and excused the absence of Director Pesce.

**Minutes:** The Board reviewed the November 20, 2025 Special Meeting Minutes.

Following discussion, upon motion, duly made by Director Rosenberg, and seconded by Director Cunningham, upon vote, unanimously carried, the Board approved the November 20, 2025 Special Meeting Minutes.

### **OPERATIONS REPORT**

**Operator's Report:** Mr. Grant presented the Operator's Report. It was noted that operations is currently unable to use the MIEX system due to a faulty part. A replacement part has been ordered from IXOM and is expected to arrive early next week. In the meantime, the system is operating in bypass mode.

Mr. Grant reported that Xcel announced a potential weather related power outage.

Mr. Grant provided an update regarding the power outage that occurred in December. During that event, Zone 3 lost positive pressure, which required the District to issue a boil water advisory in accordance with state requirements. Operations noted that it was difficult to obtain timely information from Xcel during the outage. Director Rosenberg has since compiled a list of emergency contacts to assist in responding to future emergencies.

During the outage, a leak occurred at a customer property resulting in the loss of approximately 20,000 gallons of water. To maintain supply, three truckloads had to be hauled.

**Status of Zone 3 Leak:** Mr. Grant provided an update to the Board regarding the ongoing leak in Zone 3. Operations have isolated the affected area and will be checking several homes to determine whether the leak may be located on a customer property. To assist with the investigation and repairs, water service

## RECORD OF PROCEEDINGS

---

may be shut off for periods of up to four hours at a time. SDMS will notify affected customers in advance of any service interruptions.

**Storage Tank Levels and Nitrate Level:** The Board discussed the Storage Tank Levels. It was noted that the tank levels were as follows: Zone 1-10.82ft; Zone 2-11.87ft; Zone 3- 7.67ft. It was noted that the nitrate level is as follows: 6.96mg/L.

**Status Report/2025 Project Priority List:**

*Increase Microfiltration:* The Board discussed the microfiltration increase. Earlier in the morning, operations met with four IXOM representatives, along with Director Cunningham and Director Rees. IXOM will prepare an estimate to evaluate options for increasing filtration capacity, replacing the existing filtration system, and adding PFAS filtration. Rather than modify the existing Memcor system to increase capacity, the Board is exploring option to replace the system entirely. The current system is approximately 16-18 years old, requires parts to be replaced, and the software is no longer supported. Operations noted that newer and more effective replacement options are available for Turkey Creek & M&M.

*GIS Project:* The project is ongoing.

*Compressor Project:* The Board discussed the compressor project. It was reported that the new compressors have been installed and operating well. The installation process went smoothly, and Altitude Electric completed the electrical connection in one day instead of the two days originally quoted, which was reflected in the final price. The old compressors were sold and removed from the shop for \$500. It was noted that the first oil change for the new compressors is scheduled to occur within the next one to two weeks.

*2/3 Booster - PRV upgrade* – The part is in stock and awaiting installation.

*Water reconciliation report:* Ms. Garcia will review the report with operations.

*Evaluations on Wells 7 and 8:* The Board discussed the evaluations on Wells 7 and 8. It was noted that they are still waiting for the second estimate.

*Generator backup at M&M plant:* The Board discussed the generator backup at the M&M plant. Director Cunningham and Mr. Grant discussed the proposed locations and intended uses for the generators. Altitude Electric is preparing an estimate of approximately \$28,000 for each generator to be installed at the M&M plant and Building #5. Mr. Grant will check propane levels.

## RECORD OF PROCEEDINGS

---

### **PUBLIC COMMENT**

Public comment was received from several attendees.

Ms. Reed asked a question regarding the generators, Director Cunningham responded that the generators are already included in the 2026 budget and the District is working to expedite the project.

Ms. Mooney asked about drought conditions. Mr. Grant responded that the District is currently bringing in water from the wells and plans to open wells 7 and 8. He noted that hauling water is only used in emergency situations.

Mr. Swanson asked about District communication and what measures are being taken to prevent water loss.

Ms. Taylor asked about communication related to boil water advisory and recommended that the District utilize email notifications. Director Waters stated that the District will work to improve communication with customers.

Ms. Swanson commented on the recent power outage and requested more communication regarding advisories. She asked that a plan be presented at the next Board meeting to improve communication. Mr. Grant discussed the potential use of a sign as an additional communication tool.

### **FINANCIAL MATTERS**

**Accounts Payable:** Ms. Garcia reviewed with the Board the accounts payable.

Following discussion, upon motion, duly made by Director Waters, and seconded by Director Rosenberg, upon vote, unanimously carried, the Board approved and/or ratified approval of the payment of claims.

**Cash Balance Status Reports, Fund Class Report, Cash Flow Statement and Accounts Receivable Aging Report/Customer Past Due:** Ms. Toman reviewed with the Board the Cash Balance Status Reports, Fund Class Report, Cash Flow Statement and Accounts Receivable Aging Report/Customer Past Due.

Following discussion, upon motion, duly made by Director Rosenberg, seconded by Director Cunningham and, upon vote, unanimously carried, the Board approved the Cash Balance Status Reports, Fund Class Report, Cash Flow Statement and Accounts Receivable Aging Report/Customer Past Due.

**2027 Budget Preparation:** The Board deferred discussion until the July 2026 meeting.

## RECORD OF PROCEEDINGS

---

**Adjustment of Financial Statement Preparation Frequency:** The Board discussed the adjustment of financial statement preparation frequency from monthly to every two months to align with meeting schedule.

Following discussion, upon motion, duly made by Director Waters, seconded by Director Cunningham and, upon vote, unanimously carried, the Board approved keeping the financial statement preparation to every month.

**2025 Audit:** The Board discussed the preparation timeline of the 2025 Audit.

---

### **LEGAL MATTERS**

None.

---

### **MANAGEMENT ITEMS**

**Status of PEAS Settlement:** There were no new updates at this time.

**Unauthorized Tap Connection at 4354 Picutis Road:** The Board discussed the unauthorized tap connection at 4354 Picutis Road.

**Rules and Regulations to Deter Future Unauthorized Connections:** The Board discussed options for updating the Rules and Regulations to deter future unauthorized connections. The discussion included adding more general fine authority within the Rules and Regulations, with District counsel assisting in drafting the appropriate language.

---

**OTHER MATTERS** **Water vending:** Director Waters reported that she contacted two companies and visited two stores to inquire about water vending options. She will work on obtaining estimates and evaluating whether the service is cost effective for the District. The current water vending machine generates approximately \$1,200 per year. While it provides convenience for customers, it also requires ongoing maintenance and staff time, which may make it costly for the District to maintain.

---

### **ADJOURNMENT**

There being no further business to come before the Board at this time, the meeting was adjourned without objection.

Respectfully submitted,

By: *Diana Garcia*  
Secretary for the Meeting