MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE INDIAN HILLS WATER DISTRICT HELD MARCH 19, 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 19th day of March, 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.

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ATTENDANCE

Directors In Attendance Were:
Kristin Waters, Treasurer
Tony Pesce, Assistant Secretary
Marc Rosenberg, Assistant Secretary
Kevin Rees, Assistant Secretary

Also In Attendance Were:
Diana Garcia and Kaitlyn Toman (for a portion of the meeting); Special District Management Services, Inc. ("SDMS")
Paul Grant – Headways Consultant LLC

Residents In Attendance:
Jeff Eckert
Weston Eckert
Julia Purrington Paluck
William Buchanan

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ADMINISTRATIVE MATTERS

Call Meeting to Order: The meeting was called to order at 6:32 p.m.

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., 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 Waters upon vote, unanimously carried, the Board approved the Agenda, as amended, and excused the absence of Director Cunningham.

Minutes: The Board reviewed the January 16, 2026 Regular Meeting Minutes.

Following discussion, upon motion, duly made by Director Rees, and seconded by Director Rosenberg, upon vote, unanimously carried, the Board approved the January 16, 2026 Regular Meeting Minutes.

OPERATIONS REPORT

Operator's Report: Mr. Grant presented the Operator's Report. ORC reported finding three leaks. The first leak was located on Inca Road. The homeowner discovered the leak, and a plumber subsequently confirmed the leak and repaired it. It was confirmed by the Operator water usage was metered.

The second leak occurred on Parmalee Road. The homeowner reported seeing water throughout the property after the contractor completed work on property. The property owners hired Mr. Joe Walton to repair the leak on the owner's service line. Per ORC, the leak may have been caused by a tree root hitting the line. This leak was found more quickly using the leak detection equipment recently purchased by Headways. Ms. Garcia will work with Operator to estimate the volume of water lost due to unmetered leak and determine amount to bill the customer.

The third leak was on Matterhorn, where an exterior faucet leak resulted in approximately 1,100 gallons of water usage per day. The homeowner was out of town and did not notice the leak until returning home. It was confirmed by the Operator water usage was metered.

Status of Zone 3 Leak: Mr. Grant provided an update to the Board regarding the ongoing leak in Zone 3. Headways Consultant purchased leak detection equipment to assist in finding the leaks. They are actively looking for additional leaks in Zone 3.

Storage Tank Levels and Nitrate Level: The Board discussed the Storage Tank Levels. It was noted that the tank levels were as follows: Zone 1-3.71ft; Zone 2-8.20ft; Zone 3- 3.70ft. It was noted that the nitrate level is as follows: 3.4 mg/L.

Status Report/2025 Project Priority List:

Increase Microfiltration: The Board discussed the increase in microfiltration. The Board discussed a quote from Ixom for replacement of the units, but determined it was too high. M&M Building estimated at $312,600 and Turkey Creek estimated at $326,700, for a total projected cost of approximately $640,000. Following discussion with Memcor expert Mr. John Lewis, the Board received an alternate proposal to update and refurbish the existing Memcor units for approximately $25,000 total. The Board authorized moving forward with the refurbishment option instead of full replacement.

GIS Project: The project is on hold and will resume after larger projects are finalized.

2/3 Booster - PRV upgrade – The project is on hold and will resume after larger projects are finalized.

Water reconciliation report: Ms. Garcia is working with operations to compile data.

Wells 7 and 8: Ms. Garcia contacted HRS to discuss the status of the well study. The information gathered will assist in submitting design application to CDPHE. Sky Country is working to restore the wells to operational status after Wells 7 and 8 were taken offline due to high nitrate levels.

Generator backup at M&M plant: The Board discussed the generator backup project at the M&M plant. Director Cunningham is overseeing this project. Altitude Electric completed its portion of the work, and Mr. Walton assisted in preparing the site. The project is awaiting delivery of the generators and propane tanks will also need to be installed.

Conservation Phase II: The Board discussed water conservation measures of Phase II and the potential need to implement Phase III conservation. Phase II went into effect March 1, 2026. Ms. Garcia will continue maintaining open communication with ORC to obtain recommendations regarding need to implement Phase III. Operations will continue monitoring the tank levels, particularly now that Mr. Grant has identified three leaks. Director Waters noted that Phase III is reserved for severe water emergencies.

Water Production, Availability, and Implications for the District: The Board discussed the water production, availability, and potential implications for the District. The Board will continue to monitor conditions. The importance of maintaining adequate system pressure was emphasized. If water hauling becomes necessary, then the District will consider implementing Phase III restrictions. Well #5 continues to be a significant producer. Wells 7 and 8 will be supplemental for production.

Additional Water Storage for the District: The Board discussed additional water storage for the District. Director Cunningham recommended pursuing this as a future project once the District is producing sufficient water. The proposed improvement would increase storage in Zone 2. The District will need to evaluate whether there is adequate space for an additional storage tank or whether installation of a larger replacement tank would be more feasible.

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PUBLIC COMMENT

Public comment was received from several attendees.

Mr. Jeff Eckert discussed assisting his son with the tap application for 5411 Parmalee Gulch scheduled to be reviewed this evening. He informed the Board that he was in attendance to answer any additional questions related to the application review.

William Buchanan asked whether there is a way to estimate how many gallons are being lost due to ongoing leak. Director Waters responded that the District will need to review the data after tanks recover from recent leaks found.

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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 Waters, seconded by Director Pesce 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.

Unauthorized Connection Fee: The Board discussed adding a $500.00 unauthorized connection fee to the Indian Hills Water District Schedule of Water Rates, Fees, and Charges.

Following discussion, upon motion, duly made by Director Waters, seconded by Director Rosenberg and, upon vote, unanimously carried, the Board approved adding a $500.00 unauthorized connection fee to the Indian Hills Water District Schedule of Water Rates, Fees, and Charges subject to final legal review and guidance regarding implementation of a $5,000 fee instead.

LEGAL MATTERS

Resolution to Adopt Proposed Revisions to the Rules and Regulations: The Board reviewed the Resolution to Adopt Proposed Revisions to the Rules and Regulations Regarding Unauthorized Connections and Associated Fee.

Following discussion, upon motion, duly made by Director Waters, seconded by Director Rosenberg and, upon vote, unanimously carried, the Board adopted the Resolution to Adopt Proposed Revisions to the Rules and Regulations Regarding Unauthorized Connections and Associated Fee, subject to final legal review and guidance regarding implementation of a $5,000 fee instead.

MANAGEMENT ITEMS

Status of PFAS 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. The Board authorized operations to monitor to ensure no water is used until the property is brought into compliance.

Policies and Considerations Related to Short Term Rentals Within the District: The Board discussed the policies and considerations related to short-term rentals within District boundaries. Director Pesce noted that the County is enacting more rules. Director Rosenberg noted that the property owners must also obtain fire permits and often times owners are not doing so. The Board directed Ms. Garcia to check if there is a way to monitor rental properties for water usage and alert owners when high usage is noticed.

Potential Need for Moratoriums on Tap Applications: The Board discussed the potential need for moratoriums on tap applications and requested for Jefferson County Commissioner to enact temporary moratorium on building and well permits due to the District's concerns over water availability and drought conditions.

Director Waters noted that about five years ago, the District consulted county health officials, building permitting, and a water attorney about whether new homes in the

District should use tap connections or private wells. At the time, the group agreed that tap connections are less harmful to the overall water system than drilling new wells. They also noted that if the District denies a tap, property owners can claim hardship and likely receive approval to drill a well anyway.

As a result, the District has generally supported granting taps. Denying taps not only lead to more well, which strain the shared groundwater system but also means losing tap fees and ongoing revenue. Additionally, wells are often approved through variances, and homeowners may overuse water, not realizing that local groundwater sources are interconnected and limited.

The Board was in full agreement that a moratorium on tap applications is not beneficial to the District and will continue to review tap applications on a case-by-case basis.

Tap Application for Property Located at 5411 Parmalee Gulch: The Board reviewed the tap application for property located at 5411 Parmalee Gulch and asked Mr. Eckert additional questions regarding floodplain consideration and specifications for the home construction. Director Waters noted that after reviewing the property and existing water main line along Parmalee Gulch, the connection distance to the main would be approximately 30 to 50 feet.

Following discussion, upon motion, duly made by Director Pesce, seconded by Director Rosenberg and, upon vote, unanimously carried, the Board approved the tap application for property located at 5411 Parmalee Gulch.

OTHER MATTERS None.

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