

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE INDIAN HILLS WATER DISTRICT HELD SEPTEMBER 18, 2025

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 18th day of September, 2025, 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
Tony Pesce, Assistant Secretary
Marc Rosenberg, Assistant Secretary
Kevin Rees, Assistant Secretary

Also In Attendance Were:

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

Residents In Attendance:

Brenner Heintz
Patricia Stange
Carl Frank
Ron Matson
Meg Reed
Lisa Coen
Kari Cann
Kat Hunter

OPERATIONS REPORT

Operator’s Report: Mr. Grant presented the Operator’s Report. The ORC reported that the gallery well received its semiannual cleaning, water storage levels are at 80% or higher, and progress continues on cleaning and organizing the shop.

Status of Zone 3 Leak: The ORC provided an update to the Board. It was noted that the ORC and his team are still searching for leaks. The ORC reported they found a large leak on Picutis Road. The District Manager and ORC contacted the

RECORD OF PROCEEDINGS

customer and sent a letter for the customer to repair. The Board requested to have the water shut off if there is no immediate response from the customer. The District Manager stated immediate follow up would occur.

Storage Tank Levels and Nitrate Level: The Board discussed the Storage Tank Levels. It was noted that the tank levels were as follows: Zone 1-19.07ft, Zone 2- 10.17ft, Zone 3-19.58ft. The Board discussed the Nitrate/NO3 level. It was noted that the level is as follows: 4-4.5mg/L

Status Report/2025 Project Priority List:

Increase Microfiltration: The Board discussed the microfiltration increase. It was noted AQUA is to take on the project in the Fall.

GIS Project: It was noted that this project is ongoing.

Compressor Project: The Board discussed the compressor project. Blackhawk submitted the proposal for two compressors and installation.

2/3 Booster - PRV upgrade - There was no update provided at this time.

Water reconciliation report: It was noted the ORC is working on compiling information.

Evaluations on Wells 7 and 8: The Board discussed the evaluations on wells 7 and 8. It was noted that the ORC is getting a proposals from Sky County and Pump Man.

Generator backup at M&M plant: The Board discussed the generator backup at the M&M plant. Director Cunningham will work on this project following the compressor installation.

Phase II Conservation: The Board discussed the Phase II Conservation. It was noted that if the tanks continue to stay full, the Board will evaluate the conservation phase for October.

ADMINISTRATIVE MATTERS

Confirm Ouorum 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

RECORD OF PROCEEDINGS

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: The Board reviewed the Agenda for the District's Regular Meeting.

Following discussion, upon motion, duly made by Director Cunningham, and seconded by Director Rosenberg, upon vote, unanimously carried, the Board approved the Agenda, as amended.

Minutes: The Board reviewed the July 17, 2025 Regular Meeting Minutes.

Following discussion, upon motion, duly made by Director Cunningham, and seconded by Director Pesce, upon vote, unanimously carried, the Board approved the July 17, 2025 Regular Meeting Minutes.

Unauthorized Tap Connection at 4354 Picutis Road: The Board discussed the unauthorized tap connection at 4354 Picutis Road. It was noted that the connecting property at 4334 Picutis Road has a confirmed tap. A letter was sent to the owner to inform them of the unauthorized tap. The Board will continue its review to determine why the customer understood the connection to be permissible without prior Board approval.

PUBLIC COMMENT

Mr. Matson expressed his concerns about the 1-2 booster and stated that the propane tanks require 15 feet clearing, he is happy about the fire mitigation completed by the District.. Mr. Matson noted his concerns about property taxes, and a potential fee increase.

Ms. Hunter expressed her concerns about the base rate. She noted that it appears inequitable for a resident in a small home with minimal water usage to still be assessed a \$50.00 charge.

FINANCIAL MATTERS

Claims: Ms. Garcia reviewed with the Board the payment of claims.

RECORD OF PROCEEDINGS

Following discussion, upon motion, duly made by Director Waters, and seconded by Director Cunningham, 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 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.

2024 Audit: The Board reviewed the 2024 Audit.

Following discussion, upon motion, duly made by Director Cunningham, seconded by Director Waters and, upon vote, unanimously carried, the Board approved the filing of the 2024 Audit and authorized the execution of the Representations Letter.

2026 Preliminary Budget: The Board discussed the 2026 Preliminary Budget and 2026 projects for operations. No action was taken at this time.

2026 Rates and Fees: The Board discussed the 2026 Rates and Fees to be increased effective January 1, 2026. Ms. Garcia presented a rate increase of 4% to continue goal of water revenue covering operation expenses. The Board directed that if water-service revenue is sufficient to cover expenses, no rate increase will be needed for 2026.

Tap Fee Structure and Imposed Fees: The Board discussed the tap fee structure and associated fees. Director Waters noted that if the water district does not provide a tap, it may create a hardship for the customer, and in such cases, the State may permit the customer to drill a well. It was emphasized that issuing a tap is less detrimental than allowing a well. It was also noted for the record that tap approvals are handled on a case by case basis.

LEGAL MATTERS

None.

MANAGEMENT ITEMS

Status of PFAS Settlement: The Board discussed the status of the PFAS settlements. It was estimated that the District would receive about \$500,000, which would be used to pay for PFAS removal.

RECORD OF PROCEEDINGS

Proposal from Blackhawk Equipment Corp. for Replacement of Air Compressor Pumps or Units: The Board reviewed the Proposal from Blackhawk Equipment Corp. for replacement of air compressor pumps/units. It was noted that the cost of each pump is \$8,364.29 (two units are needed), with installation totaling \$7,679.00, bringing the total cost to \$24,407.58. The Board agreed that the initial proposal, reviewed and approved at the July 17, 2025 meeting, remains sufficient and no additional motion is required.

Service Agreement between Indian Hills Water District and Tree Guys, LLC: The Board reviewed the Service Agreement between Indian Hills Water District and Tree Guys, LLC.

Following discussion, upon motion, duly made by Director Rosenberg, seconded by Director Rees and, upon vote, unanimously carried, the Board ratified approval of the Service Agreement between Indian Hills Water District and Tree Guys, LLC.

Water Lease Agreement Between Indian Hills Water District and Mt. Vernon Canyon Club: The Board discussed the Water Lease Agreement between Indian Hills Water District and Mt. Vernon Canyon Club for the lease of 2 to 4 acre feet of Soda Lakes water. The District is concerned about selling rights and the impact regarding the augmentation plan and possible repercussions. There is not enough money for the risk. The Board did not approve the Water Lease Agreement.

OTHER MATTERS **Format for Future Meetings:** The Board discussed the format for future meetings. The Board agreed to hold the November 20, 2025 meeting in person only. The 2026 Board meetings will be discussed during that meeting.

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