

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE INDIAN HILLS WATER DISTRICT HELD NOVEMBER 20, 2025

A Special 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 20<sup>th</sup> day of November, 2025, at 6:30 p.m. The District Board meeting was held and properly noticed to be held in person at Grace Hills Community Church, 23338 Isoleta Rd., Indian Hills, 80454. The meeting was open to the public.

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#### 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; Special District Management Services, Inc. (“SDMS”)  
Paul Grant – Headways Consultant LLC

##### Residents In Attendance:

Sally Oxner  
Sandy Paterson  
Mike Paterson  
Beth Matson  
Meg Reed  
Bill Buchanan  
Cathleen Hunter

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#### OPERATIONS REPORT

Operator’s Report: Mr. Grant presented the Operator’s Report. It was noted that Sky Country cleaned the Gallery Well last week to improve the flow rate. Since the cleaning, the Gallery Well breaker has been tripping. The ORC has contacted Sky Country to determine whether they can resolve the issue. Operations staff are resetting the well daily until the problem is corrected. Director Waters noted that the issue could be related to low water levels. The Board directed Ms. Garcia to notify customers to use water conservatively.

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The ORC also reported that the fire at Seminole may have caused the water break at Santa Clara. The Santa Clara leak was repaired quickly and with minimal downtime.

**Status of Zone 3 Leak:** The ORC provided an update to the Board. It was noted that the ORC and his team continue to search for leaks; however, no major leaks have been identified. The operations staff are continuing to isolate sections and monitor. One suspected leak was investigated and determined not to be an issue.

**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 - 4.6ft; Zone 2 - 10.93ft; Zone 3 - 7.23ft. The Board discussed the Nitrate/NO<sub>3</sub> level. It was noted that the level is as follows: 4.8mg/L. Levels have decreased significantly due to new MIEX system.

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

*Increase Microfiltration:* The Board discussed the microfiltration increase and is awaiting AQUA to take on the project.

*GIS Project:* There were no new updates provided at this time.

*Compressor Project:* The Board discussed the compressor project. Director Cunningham provided an update and explained the importance of the compressors. Joe Walton is to assist with moving new equipment and old equipment out week of December 1st. The installation is anticipated to be fully completed by the end of December.

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

*Water reconciliation report:* Operations provided the information to Ms. Garcia. Ms. Garcia is compiling the data for the report.

*Evaluations on Wells 7 and 8:* The Board discussed the evaluations on Wells 7 and 8. It was noted that the ORC is waiting for a second proposal. The ORC explained this is a cost estimate to return the Wells to operational status.

*Generator backup at M&M plant:* The Board discussed the generator backup at the M&M plant. Ms. Garcia will follow up with Altitude Electric.

**Conservation Phase:** Ms. Garcia discussed with the Board the Conservation Phase. It was noted that the regular rate was effective October 1, 2025.

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### **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 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 Special Meeting.

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

**Minutes:** The Board reviewed the September 18, 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 September 18, 2025 Regular Meeting Minutes, as amended.

**Resolution No. 2025-11-01: Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices:**  
The Board reviewed Resolution No. 2025-11-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

The Board determined to meet on January 15, March 19, July 16, September 17, 2026 at 6:30 p.m. via Zoom Meeting and May 21 and November 19, 2026 in person and via Zoom.

Following discussion, upon motion, duly made by Director Waters, seconded by Director Rosenberg and, upon vote unanimously carried, the Board adopted Resolution No. 2025-11-01; Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

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**Section 32-1-809, C.R.S. Reporting Requirements (Transparency Notice):** Ms. Garcia discussed with the Board §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2026. The Board directed staff to post the Transparency Notice on the Special District Association's website and the District website.

### PUBLIC COMMENT

Ms. Oxner noted she experiences difficulty hearing meetings held via Zoom. It was explained to Ms. Oxner that all Directors and Consultants join meetings remotely and audio quality may be affected by individual internet connections and personal audio equipment.

Ms. Hunter asked questions regarding water rates and how they are structured. Director Waters explained that the base rate is tied to fixed maintenance costs and covers operations maintenance, while water usage covers the variable expenses.

Mr. Buchanan asked about water hauling and how much has been paid in the past year. Director Waters explained that water hauling is used only in emergency situations. It was noted that in January 2025 water had to be hauled due to the system being down during the nitrate removal replacement.

Mr. Paterson noted that the current rate structure does not encourage customers to conserve water.

Ms. Reed asked whether customers have different base rate fees and whether customers who use the same amount over the course of the year could pay less i.e. \$20 vs \$50. Director Pesce and Director Waters explained how the Board determined the \$50 base rate and the water usage charges.

### 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 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:** Director Waters, as the Board Treasurer 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 Cunningham, seconded by Director Waters and, upon vote, unanimously carried, the Board approved the Cash Balance Status Reports, Fund Class Report, Cash Flow Statement and

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Accounts Receivable Aging Report/Customer Past Due. It was noted that only \$75,000.00 should be kept in the checking account at all times.

**2025 Audit:** The Board discussed the statutory requirements for a 2025 Audit.

Following discussion, upon motion, duly made by Director Waters, seconded by Director Cunningham and, upon vote unanimously carried, the Board approved the engagement of Tatton & Co. to perform the 2025 Audit, for an amount not to exceed \$7,500.00.

**Public Hearing on Amendment to 2025 Budget:** The President opened the public hearing to consider an amendment to the 2025 Budget.

It was noted that publication of a Notice stating that the Board would consider amendment of the 2025 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing.

No public comments were received, and the public hearing was closed.

Following discussion, it was determined that a 2025 Budget Amendment was not needed.

**Public Hearing on 2026 Budget:** The President opened the public hearing to consider the proposed 2026 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2026 Budget and the date, time and place of the public hearing was published pursuant to statute. No written objections were received prior to the public hearing.

No public comments were received, and the public hearing was closed.

The Board reviewed the estimated year-end 2025 revenues and expenditures and the proposed 2026 estimated revenues and expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2025-11-02 to Adopt the 2026 Budget and Appropriate Sums of Money and Resolution No. 2025-11-03 to Set Mill Levies (for the General Fund at 16.071 mills, for a total of 16.071 mills). Upon motion, duly made by Director Waters, seconded by Director Pesce and, upon vote unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before January 30, 2026. Ms. Garcia was

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authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Arapahoe County and the Division of Local Government not later than January 30, 2026. Ms. Garcia was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2026.

**DLG-70 Mill Levy Certification Form:** The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Following discussion, upon motion, duly made by Director Waters, seconded by Director Pesce and, upon vote unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

**Renewal of the District's insurance and Special District Association (SDA) membership for 2026:** The Board discussed authorizing the renewal of the District's insurance and Special District Association (SDA) membership for 2026.

Following discussion, upon motion, duly made by Director Waters, seconded by Director Pesce and, and, upon vote unanimously carried, the Board authorized the renewal of the District's insurance and Special District Association (SDA) membership for 2026.

**2027 Budget Preparation:** The Board deferred discussion at this time.

**Adjustment of Financial Statement Preparation Frequency:** The Board deferred discussion at this time.

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### **LEGAL MATTERS**

#### **MANAGEMENT ITEMS**

**Status of PFAS Settlement:** The Board discussed the status of the PFAS settlements. It was noted that the estimated cost for PFAS removal equipment under \$300,000.00. The District has started receiving funds from the settlements.

**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 the options for updating rules and regulations to deter future unauthorized connections. The Board is awaiting advice from Counsel.

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### **Change Order #1 between Indian Hills Water District and Altitude Electric.**

**LLC:** The Board reviewed Change Order #1 between Indian Hills Water District and Altitude Electric, LLC for 2026 electrical services.

Following discussion, upon motion, duly made by Director Waters, seconded by Director Cunningham and, and, upon vote unanimously carried, the Board ratified approval of Change Order #1 between Indian Hills Water District and Altitude Electric, LLC for 2026 electrical services.

### **Service Agreement between Indian Hills Water District and Blackhawk**

**Equipment Company:** The Board reviewed the Service Agreement between Indian Hills Water District and Blackhawk Equipment Company for compressor installation services and equipment supply.

Following discussion, upon motion, duly made by Director Waters, seconded by Director Cunningham and, and, upon vote unanimously carried, the Board ratified approval of the Service Agreement between Indian Hills Water District and Blackhawk Equipment Company for compressor installation services and equipment supply.

### **Service Agreement between Indian Hills Water District and Green Seen**

**Property Maintenance:** The Board reviewed the Service Agreement between Indian Hills Water District and Green Seen Property Maintenance for 2025/2026 snow removal services.

Following discussion, upon motion, duly made by Director Waters, seconded by Director Cunningham and, and, upon vote unanimously carried, the Board ratified approval of the Service Agreement between Indian Hills Water District and Green Seen Property Maintenance for 2025/2026 snow removal services.

### **Service Agreement between Indian Hills Water District and J.S. Walton**

**Company:** The Board reviewed the Service Agreement between Indian Hills Water District and J.S. Walton Company for 2026 excavation services.

Following discussion, upon motion, duly made by Director Waters, seconded by Director Cunningham and, and, upon vote unanimously carried, the Board approved the Service Agreement between Indian Hills Water District and J.S. Walton Company for 2026 excavation services.

### **Change Order #1 between Indian Hills Water District and Headways**

**Consultant LLC:** The Board reviewed Change Order #1 between Indian Hills Water District and Headways Consultant LLC for 2026 water operation services.

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Following discussion, upon motion, duly made by Director Waters, seconded by Director Cunningham and, and, upon vote unanimously carried, the Board ratified approval of Change Order #1 between Indian Hills Water District and Headways Consultant LLC8 for 2026 water operation services.

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### **OTHER MATTERS**

None.

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### **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