RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
INDIAN HILLS WATER DISTRICT
HELD
JULY 17, 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 17th day of July, 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 Kaityln Toman; Special District Management Services, Inc. ("SDMS")
Paul Grant – Headways Consultant LLC

Residents In Attendance:
Erik Askelson
Carl Frank
Ron Matson
Craig Cook
Patricia Stange
William Buchanan

OPERATIONS REPORT

Operator's Report: The Board reviewed the Operator's Report. The ORC provided an update on water operations and noted that a leak remains in Zone 3. The ORC and his team are working to locate curb stops in order to isolate the issue and continue testing the water main.

Status of Zone 3 Leak: The ORC provided an update as stated above. It was also noted that the system continues to lose approximately 18 gallons per minute.

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 - 18.15ft, Zone

2 – 11.5ft, Zone 23.24ft. The Board discussed the Nitrate/NO3 level. It was noted that the level is as follows: 4.2 mg/l.

Status Report/2025 Project Priority List:

Increase Microfiltration: The Board discussed the microfiltration increase. It was noted AQUA was unable to take on the project at this time; however, the Board expressed interest in continuing the relationship with AQUA and requested clarification on their potential timeline. District Manager will contact Mr. Franchetti with AQUA to discuss the project.

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

Compressor Project: The Board discussed the compressor project. Director Cunningham reported receiving three proposals for the replacement of the pumps. He noted that Blackhawk provided a strong recommendation, which Director Rosenberg confirmed. It was also reported that the right pump is making a loud noise. Director Cunningham will request a quote to replace the entire unit.

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

Water reconciliation report: It was noted the operations team is working on compiling a report.

Evaluations on Wells 7 and 8: The Board discussed the evaluations on wells 7 and 8. A pump technician is scheduled to inspect the wells and provide a proposal for next steps. It was noted by Director Waters that the District may also have a report from HRS or Hydro Resources. According to the ORC, the bid from Pump Man will focus on getting the wells operational. The Board directed the ORC to contact Sky Country for additional support.

Generator backup at M&M plant: The Board discussed the generator backup at the M&M plant. The ORC will contact Altitude Electric regarding the project. Director Waters will assist Director Cunningham, and the Board agreed to pursue a gas connection.

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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., concerning the location of the District's Board meeting. The Board meeting was held at the physical location. 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 Waters, upon vote, unanimously carried, the Board approved the Agenda.

Minutes: The Board reviewed the May 15, 2025 Regular Meeting Minutes and June 12, 2025 Special Meeting Minutes.

Following discussion, upon motion duly made by Director Cunningham, and seconded by Director Rosenberg, upon vote, unanimously carried, the Board approved the May 15, 2025 Regular Meeting Minutes and June 12, 2025 Special Meeting Minutes, with a minor change to the operations report and residents in attendance for the May 15, 2025 Minutes.

2025 Special District Association's Annual Conference: The Board discussed authorizing interested Board Members to attend the 2025 Special District Association's Annual Conference in Keystone on September 16, 17 and 18, 2025.

Following discussion, upon motion duly made by Director Waters, and seconded by Director Cunningham, upon vote, unanimously carried, the Board authorized interested Board Members to attend the 2025 Special District Association's Annual Conference in Keystone on September 16, 17 and 18, 2025.

5071 Parmalee Gulch Tap Application: The Board reviewed the 5071 Parmalee Gulch Tap Application.

Following discussion, it was determined that 5071 Parmalee Gulch is not within the District boundaries as noted. 5071 Parmalee Gulch will need to petition to be a part of the Distrct before further review. The Board deferred discussion at this time.

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PUBLIC COMMENT

Mr. Matson inquired about the management contract. It was noted all contracts are renewed on an annual basis, with the District only able to enter into a one-year agreement at a time. Each year, the contracts are reviewed and evaluated to determine whether they should be renewed.

Mr. Matson also inquired about District records. It was noted all Directors have access to District records.

Ms. Matson inquired about her mother's water bill. She noted she is only being charged for the standby fee and not actual usage. The District Manager will ask operators to check meter for this property

FINANCIAL MATTERS

Claims: The Board reviewed the payment of claims.

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: The Board reviewed 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 Rosenberg 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 discussed the status of 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 Audit Extension.

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

LEGAL MATTERS

Memorandum from Lyons Gaddis regarding HB25-1211: The Board discussed the Memorandum from Lyons Gaddis regarding HB25-1211: Tap Fees Imposed by Special Districts. No action was taken at this time.

MANAGEMENT ITEMS

Status of PFAS Settlement: The Board discussed the status of the PFAS settlement. Ms. Garcia stated that per Napoli Shkolnik, the District will receive payments within the next six months. The Board noted the newly installed MIEX is a modular system that can include PFAS filtration. The Board would like to secure other funding options.

Proposals for Replacement of Air Compressor: The Board reviewed the proposals for the replacement of air compressor pumps, submitted by Eaton Sales and Service, Golden Hydraulics, Inc., and Blackhawk Equipment Corp.

Following discussion, upon motion, duly made by Director Cunningham, seconded by Director Waters and, upon vote, unanimously carried, the Board approved the proposals for the replacement of air compressor pumps, submitted by Blackhawk Equipment Corp.

Get It Done Snow & Lawn, LLC Proposal: The Board reviewed the proposal from Get It Done Snow & Lawn, LLC for landscape services.

Following discussion, upon motion, duly made by Director Cunningham, seconded by Director Waters and, upon vote, unanimously carried, the Board approved proposal from Get It Done Snow & Lawn, LLC for landscape services.

Service Agreement for Memcor Maintenance Services between Indian Hills Water District and Mountainview Services, LLC: The Board reviewed the Service Agreement for Memcor Maintenance Services between Indian Hills Water District and Mountainview Services, LLC.

Following discussion, upon motion, duly made by Director Cunningham, seconded by Director Waters and, upon vote, unanimously carried, the Board ratified approval of the Service Agreement for Memcor Maintenance Services between Indian Hills Water District and Mountainview Services, LLC.

Service Agreement for Water Operations Services between Indian Hills Water District and Headways Consultant, LLC: The Board reviewed the Service Agreement for Water Operations Services between Indian Hills Water District and Headways Consultant, LLC.

Following discussion, upon motion, duly made by Director Cunningham, seconded by Director Waters and, upon vote, unanimously carried, the Board ratified approval of the Service Agreement for Water Operations Services between Indian Hills Water District and Headways Consultant, LLC.

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