RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE APPLEWOOD SANITATION DISTRICT

Held: 6:00 p.m. on Wednesday, October 8, 2025 at 4885 Ward Road, Suite 100, Wheat Ridge, Colorado and remotely via Zoom.

Attendance	The regular meeting of the Board of Directors ("Board") of the Applewood Sanitation District ("District") was called and held as shown above and in accordance with the statutes of the State of Colorado. The following Directors were in attendance: Briana Gerou, President Garret "Cody" Berg, Treasurer Jessica Raths, Secretary Barbara Panian, Assistant Secretary Casey Dick, Director Also present: James Landry, Engineer, RG & Associates, LLC ("RGA"); Michael Bakarich, CPA, Morain Bakarich; and James Silvestro and Crystal Schott from Ireland Stapleton Pryor & Pascoe, PC. ("Ireland Stapleton").
Call to Order	Chairman Gerou noted that a quorum of the Board was present, verified that notice of the meeting was posted on the District's website and that the Directors had confirmed their qualification to serve, and therefore called the meeting to order at approximately 6:05 pm.
Approve Agenda	The meeting agenda was reviewed by the Board. Upon a motion duly made by Director Panian, seconded by Director Raths and unanimously carried, the meeting agenda was approved as presented.
Public Comment	None.
Meeting Minutes	The Minutes of the Board of Directors special meeting held on Wednesday, September 10, 2025, regular meeting held on Wednesday, September 10, 2025, and special meeting held on September 17, 2025 were reviewed by the Board. Upon a Motion duly made by Director Panian, seconded by Director Raths and unanimously carried, the Minutes of all three meetings were approved.
Financial Report: Michael Bakarich, CPA	Mr. Bakarich reviewed the District's Financial Reports, including Accounting Memorandum for the month of September 2025. The

2025 Residential balance as of September 30, 2025 is $37,865.50, with 9% of residential accounts paid in full for the year and 22% of residential accounts delinquent. Late fees for delinquent accounts were assessed October 1, 2025.

Total YTD 2025 Revenues were $1,771,219. Expenditures were $1,264,541 and the Net Positive fund balance was $506,678. Cash and equivalents are at $4,842,254.27, with interest at 4.231%. $135,085.31 has been collected in interest to date. The total fund balance was $9,017,650.38.

Upon a Motion duly made by Director Panian, seconded by Director Raths, and unanimously carried, the Board accepted the Financial Reports, as presented, and approved the Payment of Claims in the amount of $420,303.30.

Attorney's Report:
James Silvestro, Esq.
Crystal Schott, Paralegal

Mr. Silvestro introduced himself and Crystal Schott to the Board. He provided a brief summary of the options that the Board has for the types of legal services that can be provided by Ireland Stapleton. It was discussed that for the time being legal counsel would continue to prepare meeting notices, agendas, draft minutes, and meeting packet materials, unless and until the Board directs otherwise.

Mrs. Schott provided a brief overview of upcoming statutory compliance matters, including notices for rate increases and budget adoption. It was noted that the entire Board would like to be copied on all statutory compliance filings.

Mr. Silvestro also explained to the Board that Ireland Stapleton provides legislative updates and legal advisement services to special district clients, which is prorated among all clients participating. The Board briefly discussed these services and confirmed that the District should opt into such updates and services.

Engineer's Report:
James Landry, P.E.

Mr. Landry reviewed the Engineer's Report and the Annual Engineering Budget Tracking Spreadsheet.

Cyber Security Progress Report

Mr. Landry reviewed the steps that RGA has undertaken to increase internal cybersecurity protections. After a general discussion of the District's cybersecurity needs, it was clarified that the Board would like RGA to obtain cyber security insurance in an amount equal to standard industry coverage and to provide the District with a Certificate of Insurance. RGA was instructed to explore options for cybersecurity coverage and to report back to the Board.

Utility Locate System

Mr. Landry informed the Board that in November 2025 the utility locate system will be changing from Norfield to Exactix system.

2026 CIP Schedule

Mr. Landry provided the Board with a summary of the 2026 Capital Improvement Project Schedule, noting important deadlines. Mr. Landry will send the District's Agreements to legal counsel for legal review prior to use.

Lutheran – SCL Health Sewer Main Damage

Mr. Landry provided a summary and video of damage to the SCL Health sewer main. The video was provided by SCL Health as part of requesting final acceptance of the facilities. SCL Health will repair the damaged sewer main. RGA is requesting an additional 2-year warranty on the repaired section before final acceptance of that section will be approved.

The Board also directed that a clause should be added to the District's form Application for Extension of Sewer Mains for similar circumstances that might be encountered in the future.

Funding Agreement Deposits

RGA updated the Board regarding ongoing revisions to the District's form agreements, and specifically addressed updates proposed by the District's former counsel regarding the District's form Funding Agreement. RGA asked the Board to provide direction on the amount of deposit that should be required in this agreement.

The Board directed RGA to complete a review of projects completed within the past two years to track the average District engineering costs associated with those projects in order to inform a decision regarding deposits moving forward.

The Board determined to continue using the current version of the form (with a required $25,000 deposit) until additional data could be reviewed to determine appropriate deposit amounts depending on the size and complexity of a specific development project. The Board also directed counsel to review the latest draft of the revised form.

2755 Indiana Street

There was a general discussion regarding a new home that was proposed at this location and the need for a Funding Agreement for this project.

Flow and Loading

Mr. Landry provided an on-screen presentation regarding the District current flows and loadings provided by Metro Water Recovery. The District is continuing to monitor year-over-year changes in light of new development.

Old Business Items — None.

New Business Items — Ireland Stapleton Pryor & Pascoe Engagement Letter.

Mr. Silvestro briefly reviewed with the Board the engagement letter for Ireland Stapleton Pryor & Pascoe, P.C. and specifically advised the Board that Ireland Stapleton could not provide the District with legal advice on this proposed engagement.

Following review and discussion, upon a Motion duly made by Director Panian, seconded by Director Raths, and unanimously carried, the Board approved Ireland Stapleton's engagement letter. The engagement letter was presented for signature to the District's President.

2026 Rate Discussion

Director Berg made a presentation to the Board regarding financial issues and potential changes to the District's rate structure, rates, tap fees, capital improvement plans, and reserve policies. The presentation included various forecasts for different revenue and expense scenarios. The Board generally discussed options for potential rate and fee changes.

Set 2026 Rate Hearing and 2026 Budget Hearing

Following a brief discussion, upon a Motion duly made by Director Panian, seconded by Director Raths, and unanimously carried, the Board set the 2026 Rate Hearing and 2026 Budget Hearing for November 12, 2025 at 6:00 at The Club at Rolling Hills, 15707 W. 26th Avenue, Golden CO 80401.

Metro Water Update — None.

Adjourn — There being no further business to come before the Board, upon motion made by Director Panian, seconded by Director Raths, and unanimously carried, the meeting was adjourned at 8:59 p.m.

/s/ Jessica Raths

Secretary for the Meeting