

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, January 14, 2026, at 15707 W. 26th Avenue, Golden, 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:

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; James Silvestro and Crystal Schott, Ireland Stapleton Pryor & Pascoe, PC. (“Ireland Stapleton”); and three members of the public.

Call to Order Director Berg presided as Chair of the meeting, noted that a quorum of the Board was present with all four Directors in attendance and that there is one vacant seat on the Board, verified that notice of the meeting was posted on the District’s website, and noted 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. The Board discussed amending the agenda to allow for a presentation by a representative for Evergreen-CCC LLC regarding the current site plan for the Lookout development and related issues regarding the District’s utility easement and sewer line adjacent to the Coors Pond. Upon a motion duly made by Director Panian, seconded by Director Raths and unanimously carried, the meeting agenda was approved with this modification.

Meeting Minutes The Minutes of the Board of Directors regular meeting held on Wednesday, December 10, 2025, were reviewed by the Board. Upon a Motion duly made by Director Panian, seconded by Director Raths and unanimously carried, the Minutes were approved.

Public Comment None.

Evergreen-CCC
Presentation

Derek Lis presented on behalf of Evergreen-CCC and discussed the developer's request to: (1) relocate the District's existing utility easement by reducing the size of the easement on both sides (from a 30-foot easement down to a 25-foot easement) to accommodate the Lookout development; and (2) enter into an encroachment agreement to permit additional structures/improvements to be constructed within the reduced easement area, including landscaping, exterior stairs, retaining walls, a removable shipping container stage, and bike racks.

The Board discussed Mr. Lis's presentation and asked him for clarification regarding the location of the existing easement and the construction work that the developer has already commenced. Mr. Landry confirmed that he has not received the information that he first requested from the developer on May 1, 2025, and that he cannot evaluate the proposal without this information. Mr. Lis stated that he would provide the District with this information. Several members of the Board confirmed that any change in the easement would first need to be vetted and approved by Mr. Landry.

Several members of the Board asked about the details of the proposed encroachment agreement and confirmed that the District would only consider this request if the developer is willing to agree that any encroaching improvements can be removed by the District at any time and at the developer's sole expense. Mr. Lis explained that the developer's plan is to transfer this portion of the property to the Long's Peak Metropolitan District, but agreed that any encroachment agreement would run with the land and provide this protection for the District. Mr. Silvestro confirmed that any encroachment agreement could be drafted so as to run to the land and to bind any successor owners.

Director Raths and Director Painan asked Mr. Lis about any additional utilities that are proposed for within the new easement area, and Mr. Lis confirmed that the developer is seeking to install an underground electric line to power the stage. Mr. Lis agreed that he will provide electrical drawings for this proposed electric line and engineering drawings sufficient to show the relative depth of the other proposed encroachments.

Director Dick asked Mr. Lis about the possibility of shifting the easement to the west but preserving the 30-foot width, and Mr. Lis confirmed that the developer could consider this.

Several members of the District asked Mr. Lis what the proposed reduced size of the utility easement in this area would mean for other

portions of the utility easement to the north. Mr. Lis stated that this should not be an issue because the existing line would still fit within both the north and south portion of the easement following the proposed reduction of the width of the south portion. Mr. Silvestro asked Mr. Lis to provide a drawing at-scale depicting the existing location of the north easement, the proposed location of the south easement, and the location of the existing utility line. Mr. Lis confirmed that the developer could provide this to the District.

The Board generally agreed that the District would consider any formal proposal from the developer regarding these issues after receiving all of the additional information requested. Several members of the Board anticipate that they expect to revisit this issue at the Board's next regular meeting after receiving this additional information from the developer.

Board Matters

Consider Resolution Designating Location for Posting Open Meeting Law Notices

The Board considered the proposed resolution, which Mr. Silvestro explained is required by statute to provide District residents with notice where regular meetings will be held and where notices for regular and special meetings will be posted. Director Dick asked about the potential ability to change the meeting location through the course of the year. Mr. Silvestro confirmed that this can be changed as needed at the discretion of the Board.

Upon a Motion duly made by Director Panian, seconded by Director Raths and unanimously carried, the Minutes Resolution Designating Location for Posting Open Meeting Law Notices was approved.

Discussion Regarding Nominations/Selection Process for Board Vacancy

The Board generally discussed the interest that the District has received in the vacant Board position. Director Berg introduced his neighbor, Donna Walker, as the only individual that has reached out to the Board regarding the open position. Ms. Walker introduced herself and discussed her background and experience.

The Board discussed the timing and process for formally considering a Board appointment. The Board directed Mr. Silvestro to prepare the necessary documents for the Board to consider the appointment of Ms. Walker at the next regular Board meeting in February.

Discussion Regarding District Manager Position

Director Berg updated the Board regarding the work that he has done to prepare a description of the contract position and his proposal for

disseminating this informal to solicit interest from management companies and any individuals who may be interested. The Board discussed a desire to obtain responses from interested parties so that a candidate might be selected at the next regular Board meeting with a final contract in place for consideration the regular Board meeting in March. The Board also discussed the process that it might use to evaluate interested candidates.

The Board generally decided that Director Berg should work with Mr. Silvestro to solicit any Board member feedback on the current proposal with an aim to finalize and disseminate the solicitation in the second half of January with any interested submissions due in early February.

Financial Report:
Michael Bakarich, CPA

Mr. Bakarich reviewed the District's Financial Reports, including Accounting Memorandum for the month of December 2025. Director Rath asked about the current delinquency rate, and Mr. Bakarich confirmed that it is currently a bit higher than is typical and that there is no obvious reason for this.

Total End of Year 2025 Revenues were \$2,224,155. Expenditures were \$1,501,412 and the Net Positive fund balance was \$722,743. Cash and equivalents are currently \$4,714,623.43. The total fund balance was \$9,223,713.98.

The Board generally discussed the net positive fund balance that occurred in 2025 and recognized that this was largely a result of one-time tap fees as well as 2025 capital projects being completed significantly under budget. The Board discussed what this might mean for rates in 2027 and beyond, and Director Berg discussed his desire for the District to engage a consultant to complete a rate study for the District during the summer of 2026.

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 \$63,808.60.

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

Mr. Landry reviewed the Engineer's Report and provided updates regarding the call log for December 2025 and locates completed through 2025. Mr. Landry presented Director Berg with final contracts for execution for 2026 zone cleaning and video and annual maintenance.

Mr. Landry also updated the Board regarding the data received from Metro Recovery through August 2025 which now includes a full

year's worth of data following the hospital's new connection to the system. The Board reviewed and discussed this data. The Board discussed possible efforts to monitor suspected extra strength users and how this might factor into rate changes more generally. Director Berg discussed the possibility that the District might consider adopting an extra strength surcharge and suggested that this might be analyzed by an outside rate consultant as part of a rate study in 2026.

Mr. Landry updated the Board regarding the status of the bidding process for 2026 capital improvements. Mr. Landry stated that all qualifying bids will be presented for the Board's consideration at its next regular Board meeting in February.

Attorney's Report:
James Silvestro, Esq.

Mr. Silvestro provided an overview of ongoing legal matters, including annual compliance matters, proposed ditch work within an existing easement, preparation of a proposed District Manager contract, discussions with Evergreen-Clear Creek Crossing regarding the utility pond adjacent to the Coors Pond, and the current status of RGA's contract.

New Business Items

Discussion Regarding Colorado Special Districts Property Liability Pool – Safety Grant Funds

Mr. Silvestro updated the Board regarding available grant funding that is set to expire if not used before March 31, 2026. Given the amount at stake (<\$400) and open questions regarding the District's ability to qualify for this grant, the Board decided not to pursue this matter further.

Metro Update

Mr. Berg reported there is no Metro update at this time.

Executive Session

The Board considered a motion to enter executive session for the purpose of receiving legal advice pursuant to Section 24-6-402(4)(f), C.R.S., regarding delinquent customer invoices and potential easement encroachment issues near the Coors Pond. Upon motion made by Director Panian, seconded by Director Raths, and unanimously carried, the Board entered executive session at approximately 9:05 p.m. At this time, all members of the public who had been present at the meeting had previously departed. Mr. Bakarich also left the meeting with the Board's permission. Mr. Silvestro confirmed that Mr. Landry was needed for the Board to receive legal advice such that Mr. Landry could participate in the executive session along with Mr. Silvestro and the Board.

At approximately 9:43 p.m., upon motion made by Director Panian, seconded by Director Raths, and unanimously carried, the Board exited executive session. Mr. Silvestro confirmed for the record that

all discussions during the executive session related to legal advice and that the Board did not take any action during executive session.

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 approximately 9:44 p.m.



Secretary for the Meeting