

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, March 11, 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, President & Treasurer
Jessica Raths, Secretary
Barbara Panian, Assistant Secretary
Casey Dick, Director
Donna Walker, Director

Also present: James Landry, Engineer, RG & Associates, LLC (“RGA”); Michael Bakarich, CPA, Morain Bakarich; James Silvestro, Ireland Stapleton Pryor & Pascoe, PC. (“Ireland Stapleton”); and Briana Gerou, District Manager, Rooted Flow Management & Consulting.

Call to Order Director Berg presided as Chair of the meeting, noted that a quorum of the Board was present with all five Directors, verified that notice of the meeting was posted on the District’s website, and noted that the Directors had confirmed their qualifications to serve, and therefore called the meeting to order at approximately 6:06 pm.

Approve Agenda The meeting agenda was reviewed by the Board. There were no changes to the proposed agenda. Motion made to approve the agenda by Director Raths, seconded by Director Panian, and unanimously carried; the agenda was approved.

Meeting Minutes The Minutes of the Board of Directors regular meeting held on Wednesday, February 11, 2026, were reviewed by the Board. Upon a Motion duly made by Director Panian, seconded by Director Walker and unanimously carried, the Minutes were approved.

Public Comment Session for Public Comment was opened at 6:10pm. No public comments. Session closed at 6:10pm.

Board Matters Discuss 2026 Rates, Residential Communication and General Update

Director Berg discussed the District's recent rate increases with the Board and the importance of determining the appropriate level of cash reserves for the District. Director Berg confirmed the intention of continuing to raise rates each year while also spending cash balances.

Director Walker commented that rate increases should strive to align with inflation for future years, as indicated in the District's annual newsletter. The Board discussed the general goal of seeking to bring cash balances in line with approximately 60 days of operating expenses plus 50% of capital expenses, or roughly \$500,000.

Director Berg recommended that the District hire a contractor to perform an independent rate study analysis.

Director Dick recommended the District create a long term asset management plan so that the Board can better predict the District's CIP expenses. Mr. Landry discussed the ongoing work that he has undertaken to discuss these issues with neighboring districts with similar aged systems. Mr. Landry also discussed the potential for cost savings in connection with future CIP work as new technologies such as Dynaliner continue to emerge.

Discussion of District Manager Roles and Responsibilities

Mr. Silvestro confirmed that Director Raths has signed and notarized the District Manager contract and that Ms. Gerou has indicated that she will sign it before a notary in the next few days. The contract is dated effective as of February 12, 2026.

Ms. Gerou reviewed her District Manager Report with the Board of Directors covering several topics:

1. Communication – Ms. Gerou will involve all Board members for any topics outside of regular Board meetings
2. Bill Approval – Ms. Gerou and Director Berg will provide preliminary approval bills for the District before the full check register is presented to the Board for approval at its regular monthly meeting
3. Board Packets – Several updates were requested for board packets going forward. These will be sent by Mondays at 5pm prior to each regular Board Meeting.
4. Priorities for 2026 – Long Range Asset Management plan, exploration and identification of potential GIS tools
5. Customer Service plan – Ms. Gerou to discuss this with Mr. Bakarich and Mr. Landry.
6. Non-Residential Customer Newsletter – draft reviewed and edited by Board members.

Ms. Gerou will schedule a study session to discuss work related to the potential preparation of an Asset Management plan. This meeting will include Mr. Landry, Mr. Bakarich, Ms. Gerou, Director Berg, Director Walker, and Director Dick.

Ms. Gerou will also coordinate a site visit for various Board members of the Clear Creek Crossing development.

Financial Report:
Michael Bakarich, CPA

Mr. Bakarich reviewed the District's Financial Reports, including Accounting Memorandum for the month of February 2026.

Director Raths asked Mr. Bakarich about customers who are enrolled in autopay and e-billing but still receive a paper bill. Mr. Bakarich confirmed that a customer should not receive a paper bill if they are enrolled in e-billing but that they would still receive a paper bill if they are only enrolled in autopay. Ms. Gerou and Mr. Bakarich indicated that they will review these processes relative to paper bills and autopay notifications.

Total monthly revenues were \$175,144. Monthly expenditures were \$137,402 and the Net Positive fund balance was \$37,742.

Several outstanding customer invoices were paid this month as a result of ongoing collection efforts by legal counsel.

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 \$171,811.97.

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

Mr. Landry reviewed the Engineer's Report for February 2026.

Director Raths inquired about a couple of items in Mr. Landry's invoice including pool reviews and the beautification project.

Mr. Landry indicated that the past month contained a lot of engineering work for the District including scheduled maintenance tasks. RG & Associates took advantage of the mild weather to complete some annual maintenance work and inspections ahead of schedule.

Director Panian asked Mr. Landry several questions about District work being done on Gardenia Drive.

The Board discussed Bid Item #3 on Bid Schedule B related to a proposal to line the District line between MH #240 and #241, and directed Mr. Landry to remove this item from the CIP scope of work.

Attorney's Report:
James Silvestro, Esq.

Mr. Silvestro provided an overview of ongoing legal matters, including the Director appointment of Donna Walker, the District Manager contract, invoices that were recently paid, encroachment issues with respect to several District easements, a recently completed open records request, and ongoing work to monitor proposed legislation.

Old Business

Resolution Regarding Statement Incentive Credit for Paperless and Autopay

Mr. Silvestro presented the Board with a resolution for an account credit. After discussion by the Board, the Board decided to postpone consideration of this issue to be revisited in connection with the District's annual hearing for 2027 rate setting.

Metro Update

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

Executive Session

At approximately 8:22pm, Director Painan made a motion to enter executive session pursuant to Section 24-72-402(4)(b), C.R.S., for the purpose of obtaining legal advice related to utility easement encroachment issues and delinquent customer invoices. Director Rath seconded the Motion, which was then unanimously approved by the Board. Mr. Silvestro confirmed that Ms. Gerou, Mr. Landry, and Mr. Bakarich were necessary for the executive session and the legal advice to be provided to the Board.

At approximately 8:51pm, Director Panian made a motion for the Board to exit executive session. Director Rath seconded the motion, which was unanimously approved by the Board. Mr. Silvestro confirmed for the record that the only matters discussed during the executive session related to his provision of legal advice to the Board and that the Board did not undertake any votes or any other actions during the Executive Session.

Adjourn

There being no further business to come before the Board, upon motion made by Director Panian, seconded by Director Rath, and unanimously carried, the meeting was adjourned at approximately 8:52 p.m.

Junica Raltis
Secretary for the Meeting
