

RECORD OF PROCEEDINGS
MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
BANCROFT-CLOVER WATER AND SANITATION DISTRICT

HELD: Monday, July 20, 2026, at 6:00 p.m.
Headquarters Office Building, Board Room
900 South Wadsworth Blvd.
Lakewood, Colorado 80226

ATTENDANCE:

A regular meeting of the Board of Directors of Bancroft-Clover Water and Sanitation District, Jefferson County, Colorado was called and held in person and by teleconference and in accordance with the applicable statutes of the State of Colorado, with the following directors present and acting:

The following directors were present:
Sean Wells – President
Jim Ris - Treasurer
Julie Jakicic – Assistant Secretary
Delbert Smith – Assistant Secretary (via teleconference)
Michelle Norris - Assistant Secretary

Also present: Tim Lowe, General Manager; Bethany Pas-Flythe, District Accountant, Gilberto Najera, Field Manager, Nicole Peykov, District Counsel, Wade Wheatlake, District Engineer.

CALL TO ORDER:

President Wells noted that a quorum was present for the purpose of conducting a meeting of the Board of Directors of the Bancroft-Clover Water and Sanitation District and called the meeting to order at 6:00 p.m.

APPROVAL OF AGENDA:

Following discussion, and upon motion duly made, seconded, and unanimously approved, the Board approved the agenda as presented.

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DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST:

It was noted that general disclosure statements had been filed on behalf of the members of the Board of Directors with the Office of the Colorado Secretary of State at least 72 hours in advance of the meeting in accordance with statute. Ms. Peykov noted that there were no new verbal disclosures of conflict of interest made by the Directors present at the meeting prior to action being taken.

COMMENTS FROM CUSTOMERS, CONSULTANTS, MANAGERS & BOARD MEMBERS:

President Wells issued an invitation for comments from customers, consultants, managers. Mr. Lowe discussed customer feedback on the drought restrictions and charges.

APPROVAL OF PREVIOUS MINUTES:

Mr. Lowe presented the minutes of June 15, 2026, a regular board meeting. Upon motion duly made, seconded, and unanimously approved, the Board approved the minutes as presented.

FINANCIAL STATEMENTS:

Ms. Pas-Flythe presented to the Board the financial statements for the period ending June 30, 2026. After discussion, the Board accepted the financial statements as presented.

FINANCIAL CASH FLOW SUMMARY:

Mr. Lowe presented to the Board the monthly cash flow summary and payables through June 30, 2026. Discussion followed and the Board requested the maturity date on item 8 of the investment be corrected. Following discussion, and upon motion duly made and seconded, the Board accepted the cash flow summary and payables as amended.

FIELD MANAGER REPORT:

Mr. Najera presented his monthly report on field activities for May and June 2026. Mr. Najera reported on two water main repairs performed in June. One of the mains was damaged due to the main being incorrectly located on District maps. The maps have now been corrected. He also noted that field staff have now replaced 900 water meters for the year.

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GENERAL MANAGER'S REPORT:

Mr. Lowe presented the general manager's report for June 2026. He reported that fence quotes for the administration building were still coming in and would be ready for review at the next meeting. Mr. Lowe also discussed Denver Water's upcoming financial plan and cost of service study. Denver Water staff will be presenting the financial plan on Wednesday, July 22 and additional details will be available after that presentation.

Mr. Lowe reported that in August he would be meeting with Denver Water's Emergency Management team and West Metro Fire to discuss wildfire preparedness. In addition, he would be attending a meeting between the City of Lakewood and local water & sewer districts to discuss ways to improve communication and operations.

Mr. Lowe went on to discuss recent treasury rate volatility. The volatility has caused rates on treasury notes to rise for short periods of time, widening the spread between 2–3-year notes and short-term liquid trust yields. Mr. Lowe requested the Board's permission to invest portions of the short-term portfolio into treasury notes when the yield spread is favorable. Investments in short-term funds into treasuries are not to exceed \$2.0 million without prior Board approval.

ENGINEERING REPORT:

Mr. Wheatlake presented the monthly engineering report. He reported that the draft pipe condition report was distributed to the sub-committee and would be going to the full Board after review. After updating the Board on the status of ongoing projects, the Board requested that some of the lengthy project updates be truncated in future reports.

LEGAL REPORT:

Ms. Peykov presented her monthly legal report and reviewed the 2026 Legislative session memorandum. Ms. Peykov reported that there were no bills passed that directly affected water and sanitation districts.

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METRO WATER RECOVERY REPORT:

Mr. Smith gave his report of Metro Water Recovery business. Mr. Smith said that the election of officers was taking place on July 21, 2026, and that he was a candidate for vice chairman. He also reported that yields at the Metrogrow farm were low due to the drought and it was uneconomical to harvest substantial acreage due to the low yields. Mr. Smith will distribute a recent cybersecurity briefing at the next meeting.

ACTION ITEMS:

Drought Surcharge Reconciliation – Mr. Lowe reviewed a memo on reconciling drought charges. With the declaration of a Stage 1 drought, Denver Water and Bancroft Clover adopted drought pricing. It is the BCWSD's Board's objective to pass the drought pricing through to District customers and not fund it through use of reserves or by absorbing the charges into operating expenses.

Reconciling the drought charge expense and drought charge revenue on a monthly basis is challenging due to the timing of Denver Water's and Bancroft Clovers billing cycles, differences in rate design and non-revenue water. Discussion followed regarding each of these factors and options for reconciling the charges. After the discussion the Board requested a monthly summary of the drought revenue and expenses be kept and the charges reconciled at the end of the irrigation season. No further action was taken by the Board.

NEW BUSINESS

Mr. Lowe reported that he had received responses to additional questions from the renovation sub-committee and responses from owners' representative references. Mr. Lowe will work with the sub-committee to bring forward a recommendation at the next Board meeting.

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OLD BUSINESS

None

ADJOURNMENT:

On motion duly made, seconded, and unanimously carried, at 7:30 p.m. President Wells adjourned the meeting.

The foregoing minutes constitute a true and correct copy of the minutes of the above-referenced meeting and were approved by the Board of Directors of the Bancroft-Clover Water and Sanitation District.

/S/ Julie Jakicic
Secretary of the District