
RECORD OF PROCEEDINGS

Minutes of the Special Meeting of the Board of Directors Holland Creek Metropolitan District October 18, 2021

Attendance

The following Directors were present:

- Mike Trueblood
- Gary Shimanowitz
- Kevin Hopkins
- William Kennedy

Also in attendance were:

- Bill Ankele, Esq White Bear Ankele Tanaka & Waldron PC
- Trish Harris, Esq White Bear Ankele Tanaka & Waldron PC
- Ken Marchetti, CPA Marchetti & Weaver LLC
- Kathy Lewensten, Recording Secretary
- John Volk, WQCP
- Jerry Hensel, VR Operations
- Kobe Kenny, VR Public Safety

Call to Order

The Special Meeting of the Board of Directors of the Holland Creek Metropolitan District was called to order at 3:30 p.m. by Director Trueblood noting a quorum was present. This meeting was held in a teleconferencing format.

Potential Conflicts

The Board noted that it has received certain written disclosures of potential conflicts of interest statements from each of the Directors more than seventy-two hours prior to the meeting, indicating the following conflicts: **Mike Trueblood** is the Senior Director of Village Operations for Beaver Creek Resort; **Gary Shimanowitz** is the Vice President of Mountain Operations at Beaver Creek; **Kevin Hopkins** is Senior Finance Manager for Vail Resorts Development Co., and **William M. Kennedy** is Director of Land Development for Vail Resorts Development Co., these entities are subsidiaries of the Vail Corporation and indirect operating subsidiaries of Vail Resorts, Inc., all of which have significant business interests within the Districts.

Public Input

No public comment was offered

Resignation/Appointment Of Director

Mr. Willis had resigned from the Board prior to today's meeting creating a vacancy. Upon motion duly made and seconded it was unanimously

RESOLVED to appoint Mr. Kenny to fill the vacancy.

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Mr. Kenny took his oath of office.

Election of officers Upon motion duly made and seconded it was unanimously

RESOLVED to appoint the following officers:

VP/Treasurer – Director Hopkins

VP/Asst Secretary – Director Kenny

Minutes The Board reviewed the minutes of the June 21, 2021 Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the June 21, 2021 Special Meeting.

35 Acre Lot Director Trueblood and Mr. Marchetti updated the Board on matters related to the request for water service on the 35-acre parcel. The matter was presented to the RSRPOA at their last meeting and has been reviewed by a water attorney and engineer. It was found the parcel is not currently included in the area served by the existing water rights of the District. The expansion of the water rights area would need to be done through water court and is estimated it would take between 7 months to a year and a half. The RSRPOA will be presenting further questions to the applicant to better understand what development is being planned for the parcel and whether the proposal meets the guidelines and requirement of the POA. No action was needed.

**Water/WW
Operations**

Mr. Volk reported water and waste water operations continue as normal. The upgrades to the radio control system are in progress and should be complete this fall. The water line relocate on Lot 50 is almost complete. Eight residential wastewater systems are scheduled for pumping this fall. The installation of the wastewater system at Lot 15 is substantially complete and is ahead of schedule. The project to update and replace the water meters will be moved out to 2023.

Mr. Ankele left the meeting at 4:00 p.m.

Water Rates: The Board reviewed the 2022 draft water and waste water rates. The notice of a fee change had been posted as required. The 2022 budget reflects a 3% inflationary increase in water and wastewater usage fees effective January 1, 2022. The operating expenses are not covered in full by the usage fees, the general fund transfers approximately \$200,000 annually to cover shortfalls in operations, capital and reserve expenses. Upon motion duly made and seconded, it was unanimously

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RESOLVED to adopt and approve the “Appendix A” Schedule of Fees and Charges as presented effective January 1, 2022.

Supplemental Water Lease Agreement

Director Trueblood reported a one-year extension of the Supplemental Water Lease Agreement has been tentatively approved by VR. There will be no change in the terms. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve a one-year extension of the Supplemental Water Lease Agreement and to authorize Director Trueblood to execute subject to final legal review.

Legal

Annual Administrative Resolution: The Board reviewed the 2022 Annual Administrative Matters Resolution. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2022 Annual Administrative Matters Resolution.

Meeting Location: The Board considered the Resolution Designating the Location of Regular Meetings of the BOD. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution Designating the Location of

Extension of Operations and Maintenance Agreement: It was reported the agreement is tentatively approved by VR under the same terms and conditions with Exhibit C based on 2022 budget. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Extension of Operations and Maintenance Agreement and to authorize Director Trueblood to execute subject to final legal review

May 2022 Election

Mr. Ankele briefly reviewed the May 3, 2022 election resolution explaining it is a Board of Directors election. If there are no more candidates then seats available the election will be cancelled. There is a new legislative requirement to distribute the Call for Nominations by various methods, after discussion the

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Board chose posting on the District website as the additional method. Upon motion duly made and seconded, it was unanimously,

RESOLVED to approve the May 3, 2022 Election Resolution.
Regular Meetings of the BOD.

Extension of AmCoBi Independent Contractor

Agreement: The Board reviewed the Extension of American Conservation Billing (AmCoBi) Independent Contractor Agreement. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Extension of American Conservation Billing Independent Contractor Agreement (2022).

Extension of Water Quality Control Professionals LLC Independent Contractor

Agreement: The Board reviewed the Extension of Water Quality Control Professionals LLC (WCQP) Independent Contractor Agreement. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Extension of Water Quality Control Professionals LLC Independent Contractor Agreement (2022).

Mr. Volk left the meeting at 4:15 p.m.

Financial Statements

Mr. Marchetti presented the August 2021 preliminary financial statements which included the 2021 Amended budget and the 2022 budget.

It was noted that publication of Notice stating that the Board would consider adoption of the 2021 Amended budget and the 2022 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District.

2021 Amended Budget

The public hearing for the 2021 Amended Budget was opened, no comment was offered and the public hearing was closed. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the 2021 Amended Budget.

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2022 Budget

The Board discussed the 2022 budget. The public hearing for the 2022 budget was opened. No public comment was offered and the public hearing was closed. Director Trueblood and Mr. Marchetti reported that at the RSRMD meeting earlier today the RSRMD Board delayed the transfer of the 2021 sales tax revenues to HCMD. The RSRMD Board had expressed a need to better understand the reserve funds currently being held in the HCMD general fund and what appropriate reserve levels should be. It was noted sales tax revenue has increased beyond expectations. It is unclear what immediate effect the potential withholding of the sales tax revenue may have. RSRMD did not adopt a 2022 budget, but continued discussion to a special meeting on December 1st. Mr. Marchetti briefly discussed the restrictions related to sales tax expenditures. He pointed out the transfer from the general fund to the water fund noting this has been done for the past few years to help keep water/wastewater use fees at a reasonable level. Upon motion duly made and seconded, it was unanimously

RESOLVED to adopt the Holland Creek Metropolitan District 2022 budget as revised and subject to adjustments to sales tax revenue as necessary based on the final RSRMD adopted 2022 budget, and

FURTHER RESOLVED to appropriate the sums of money for 2022 for Holland Creek Metropolitan District, and

FURTHER RESOLVED to certify the mill levy at 45.000 mills.

2021 Audit

The Board considered the 2021 Audit Engagement Letter from McMahan and Associates which had been included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2021 Audit Engagement Letter with McMahan and Associates.

Accounts Payable

Upon motion duly made and seconded, it was unanimously

RESOLVED to approve and ratify the Accounts Payable as presented.

Operations

Mr. Hensel reported the Snowplow vehicles are in for the annual inspections and routine maintenance. Alpine engineering is working on the 2022 road overlay project on upper Red Sky Ranch Rd. It is expected to be a spring project to be completed by Memorial Day. The sign posts will be replaced this fall to mitigate the deterioration caused by aging.

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Director Trueblood and the Board reviewed capital projects, as discussed earlier the water meter replacement project was moved to 2023, the purchase of a snowplow vehicle was included into the 2022 budget. New line items for Entry gate repairs and leach field maintenance and repair have been added for consideration.

Future Meetings The next regular meeting is scheduled for Monday, February 21, 2022. It was noted that is Presidents Day and a request was made to cancel the regular February meeting and schedule a special meeting for Tuesday, February 22, 2022 at 1:00 p.m. The meeting will be held via zoom.

Adjournment Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the October 18, 2021 special meeting of the Holland Creek Metropolitan District Board of Directors.

Respectfully submitted,
Kathy Lewensten
Recording Secretary