
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors Holland Creek Metropolitan District July 18, 2022

Attendance

The following Directors were present:

- Kevin Hopkins
- William Kennedy
- Koby Kenny
- Lee Hoover

Also in attendance were:

- Bill Ankele, Esq White Bear Ankele Tanaka & Waldron PC
- Trish Harris Esq White Bear Ankele Tanaka & Waldron PC
- Brandee Caswell, Esq Faegre Drinker Biddle & Reath LLP
- Katie Gray, Esq Faegre Drinker Biddle & Reath LLP
- Ken Marchetti, CPA Marchetti & Weaver LLC
- Kathy Lewensten, Recording Secretary
- John Volk, WQCP
- Jerry Hensel, VR Operations

Call to Order

The regular meeting of the Board of Directors of the Holland Creek Metropolitan District was called to order at 1:00 p.m. by Director Hopkins chairman 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: **Lee Hoover** is the Sr. Director of Village Operations for Beaver Creek Resort; **Kevin Hopkins** is Senior Finance Manager for Vail Resorts Development Co., **Koby Kenny** is the Director of Base Area Operations & Public Safety for Beaver Creek 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

Minutes

Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the May 16, 2022 and June 13, 2022 meetings.

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Agenda Mr Ankele requested the addition of an executive session to the agenda to allow Special Counsel an opportunity to update the Board on pending legal matters.

Executive Session Upon motion duly made and seconded, it was unanimously

RESOLVED to enter into executive session citing §24-6-402(4) (b) and (e) for the purpose of receiving legal advice related to specific legal questions and developing positions related to the lawsuit filed by RSRMD against the District. Furthermore, pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., no record or electronic recording will be kept of those portions of the executive session that, in the opinion of the Board's special counsel attorney, constitute privileged attorney-client communication pursuant to §24-6-402(4)(b)and(e). The Board entered into executive session at 2:08 p.m. and adjourned the executive session at 2:48 p.m.

Mr. Ankele, Ms. Harris, Mr. Hensel and Mr. Marchetti exited the meeting at 2:10 p.m.

Upon return to regular session it was announced that all discussions were subject to attorney/client privilege and within the topics authorized by §24-6-402(4)(b)and(e). No motions or other decisions were made or consummated in the executive session.

Mr. Ankele, Ms. Harris, and Mr. Marchetti returned to the meeting at 2:50 p.m.

Upon returning to regular session a motion was made to create and appoint a litigation committee consisting of Directors Hopkins and Kennedy, and to authorize the litigation committee to interact with special litigation counsel for procedural and administrative matters as well as directing them to make decisions as necessary unless: 1) the members of the committee disagree with each other as to any particular matter; 2) either member wishes to bring a matter to the Board; or 3) there is a decision related to a final settlement of the litigation. Upon motion duly made and seconded, it was unanimously

RESOLVED to appoint and authorize a Litigation Committee of Director Hopkins and Director Kennedy as described.

Ms. Caswell and Ms. Gray left the meeting at 2:51 p.m.

Water Service Requests

Director Hopkins stated there were no new updates regarding the requests for consideration of sharing water service for new projects within the Wolcott

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area. Representatives from both HCMD and RSRMD have met with the parties to better understand what the requests consists of. At this time no formal requests have been received by the District.

Water/WW Operations

Mr. Volk stated the District is struggling with corrosion issues. There was a break in the main water line up on Aspen Bluff recently where the pipes separated due to corrosion. The clearwell at the water plant had flooded due to mega lugs failure. Staff continues to plan for and make repairs to the booster pump stations and PRV valves.

He noted ongoing issues with DBP reporting the carbon load has been high this year. As reported at the last meeting, he has reached out to Plummer Engineering to assist with finding options for mitigation.

Staff and Stenson Excavating continue work on the wastewater drain fields and installation of new systems. The new WW systems are dramatically increasing in cost.

Mr. Volk informed the Board that due to staffing challenges he does not expect he will be in a position to continue providing his services in 2023. He offered to train and provide guidance through a transition to a new operator encouraging the Board to choose one in the near future.

WW Tap Fee

The Board continued prior discussions on the wastewater fee and whether the cost of installation for new systems was being adequately covered with the fees. If not, an increase to the WW fees may need to be considered at the fall budget meeting. More information will be obtained regarding anticipated installation costs. The current rates do allow for a true up once the systems are installed. It was suggested the Board consider a change in the description from “WW Tap fee” to “WW System Installation Fee”.

Legal

No separate legal report was necessary.

Financial Statements

Mr. Marchetti presented the June 2022 preliminary financial statements. He mentioned the 2022 forecast will be updated to remove the sale tax revenue from RSRMD. As reported previously, RSRMD has requested HCMD provide an explanation of the long range capital forecasts before they will consider transferring the sales tax revenues.

Accounts Payable

Upon motion duly made and seconded, it was unanimously

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RESOLVED to approve and ratify the Accounts Payable as presented

Future Meetings The next regular meeting is scheduled for Monday, October 17, 2022. at 2:00 p.m. The meeting will be held via zoom.

Adjournment Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the July 18, 2022 meeting of the Holland Creek Metropolitan District Board of Directors.

Respectfully submitted,

Kathy Lewensten
Recording Secretary