
RECORD OF PROCEEDINGS

**Minutes of the Regular Meeting
of the Board of Directors
Holland Creek Metropolitan District
October 17, 2022**

Attendance

The following Directors were present:

- Kevin Hopkins
- Koby Kenny
- Lee Hoover

Also in attendance were:

- Bill Ankele, 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
- Ron Zapletal, RSR property owner

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., and **Koby Kenny** is the Director of Base Area Operations & Public Safety for Beaver Creek, 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 July 18, 2022 meetings.

**Water Service
Requests**

Mr. Ankele reported Mr. George had reached out requesting an additional meeting related to consideration of sharing water service for their project

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within the Wolcott area. Representatives from both HCMD and RSRMD had met with him previously. At this time no formal request has been received. Due to unexpected changes to the BOD of HCMD Mr Ankele was directed to respond to Mr. George explaining that there would be a delay in scheduling the meeting as requested.

Water/WW Operations

Mr. Volk reported installation progress on three new septic systems. Staff will be making repairs to the Tract AA dose field. He again mentioned the cost of the septic system installations has increased substantially noting it used to cost approximately \$50K per system, that has now increased to be closer to \$100K.

For the water system, he reported that higher than normal levels of TTHM continue. The carbon in the GAC system has been changed out again to help with mitigation. JVA Engineering has been engaged to provide the engineering for Water Tank #2 improvements to assist with mitigation. The estimated cost for the tank improvements is \$115K to \$120K.

Mr. Volk has agreed to continue providing water and wastewater operations services for 2023. He reported the vendor that was contacted regarding wastewater services indicated they were too busy at this time but agreed to touch base again in the spring.

Supplemental Water Lease Agreement

Directors Hopkins and Hoover 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 execution subject to final legal review.

Water Rates:

The Board reviewed the 2023 draft water and waste water rates. The notice of a fee change had been posted as required. The water and wastewater fund operating expenses are not covered in full by the usage fees, the general fund transfers approximately \$200,000 annually to fund shortfalls in operations, capital and reserve expenses. The Board discussed 2023 budgeted expenses, inflation expectations for the coming year and other similar utility providers fee structures. After discussion it was determined a 10% inflationary increase in water and wastewater usage fees would be effective January 1, 2023. Discussion of Wastewater installation fees then followed. The Wastewater

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installation fee will be increased as presented. Once a wastewater system installation is complete a reconciliation to actual costs will be performed, with any shortfalls charged to the property owner, or any excess returned. Upon motion duly made and seconded, it was unanimously

RESOLVED to adopt and approve the “Appendix A” Schedule of Fees and Charges including revisions as discussed effective January 1, 2023.

Legal

Annual Administrative Resolution: The Board reviewed the 2023 Annual Administrative Matters Resolution. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2023 Annual Administrative Matters Resolution.

Extension of Operations and Maintenance Agreement: Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Extension of Operations and Maintenance Agreement (2023).

FAMLI: It was reported there is a new family leave program (FAMLI) which passed in last November's election requiring employers to withhold payroll taxes related to the new program. Local Governments are allowed to “Opt-out” of the requirement. The District does not have any employee's so is not subject to this requirement at this time, this was presented as an informational matter only.

May 2023 Election

Mr. Ankele briefly reviewed the May 2, 2023 election resolution explaining it is a Board of Directors election. If there are no more candidates then seats available the election will be cancelled. Upon motion duly made and seconded, it was unanimously,

RESOLVED to approve the May 2, 2023 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

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RESOLVED to approve the Extension of American Conservation Billing Independent Contractor Agreement (2023).

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 (2023).

Financial Statements

Mr. Marchetti presented the September 2022 preliminary financial statements which included the 2022 Amended budget and the 2023 budget.

It was noted that publication of Notice stating that the Board would consider adoption of the 2022 Amended budget and the 2023 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District.

2022 Amended Budget

The public hearing for the 2022 Amended Budget was opened, no comment was offered and the public hearing was closed. The 2022 Water fund expenses will be amended to include the Water Tank #2 project and to increase the budget for installation of wastewater systems as discussed. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the 2022 Amended Budget as revised.

2023 Budget

The Board discussed the 2023 budget. The public hearing for the 2023 budget was opened. No public comment was offered and the public hearing was closed. Mr. Marchetti presented a brief update on changes to the residential and commercial assessed value rates as passed during last legislative session. He reported RSRMD delayed the transfer of the 2022 property tax revenues to HCMD. 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. The water/wastewater user fees will be updated to reflect the fees adopted earlier in the meeting. In the general fund the roadway overlays were reviewed, and a request to include replacement of both

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snowplows was made. Upon motion duly made and seconded, it was unanimously

RESOLVED to adopt the Holland Creek Metropolitan District 2023 budget as discussed, and

FURTHER RESOLVED to appropriate the sums of money for 2023 for Holland Creek Metropolitan District, and

FURTHER RESOLVED to certify the mill levy at 45.000 mills.

2022 Audit The Board considered the 2022 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 2022 Audit Engagement Letter with McMahan and Associates.

Brandee Caswell joined the meeting at 3:25 p.m.

Accounts Payable Upon motion duly made and seconded, it was unanimously

RESOLVED to approve and ratify the Accounts Payable as presented

Resignation/Appointment Of Director

Director Hopkins informed the BOD that he expects to step down at the end of October. No replacement appointee's have been identified for the current vacancies.

Election of Officers This matter was tabled.

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 3:32 p.m. and adjourned the executive session at 3:47 p.m.

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Mr. Ankele, Mr. Volk, Mr. Hensel and Mr. Marchetti exited the meeting at 3:35 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.

Future Meetings The next regular meeting is scheduled for Monday, February 20, 2023. 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 October 17, 2022 meeting of the Holland Creek Metropolitan District Board of Directors.

Respectfully submitted,

Kathy Lewensten
Recording Secretary