
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of the Holland Creek Metropolitan District October 21, 2019

The Regular Meeting of the Board of Directors of the Holland Creek Metropolitan District, Eagle County, Colorado, was held Monday, October 21, 2019, in the two elk conference room, 137 Benchmark Rd, Avon, Eagle County, Colorado.

Attendance

The following Directors were present:

- Mike Trueblood
- Bill Kennedy
- Greg Willis
- Gary Shimanowitz
- Kevin Hopkins

Also in attendance were:

- Trish Harris, Esq White Bear Ankele Tanaka & Waldron PC (via phone)
- Ken Marchetti, CPA Marchetti & Weaver LLC
- Kathy Lewensten, Recording Secretary
- Dee Wisor, Esq. Butler Snow
- Covey Morris, Vail Resorts (via phone)

Call to Order

The Regular Meeting of the Board of Directors of the Holland Creek Metropolitan District was called to order at 2:00 p.m. by Director Trueblood noting a quorum was present.

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; **Greg Willis** is the Director of Ski and Snowboard Schools for Beaver Creek; **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.

Executive Session

A motion was made by Director Trueblood to enter into executive session with the Board of Directors and Mr. Wisor in attendance. Mr. Marchetti and Ms. Lewensten left the meeting. Upon motion duly made and seconded, it was unanimously

RECORD OF PROCEEDINGS

Holland Creek Metropolitan District October 21, 2019 Meeting Minutes

RESOLVED to enter into executive session citing §24-6-402(4)(b) & (e) C.R.S. for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategies for negotiations and instructing negotiators and to receive the advice of counsel. 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 attorney, constitute privileged attorney-client communication pursuant to §24-6-402(4)(b). The Board entered into executive session at 2:05 p.m. and adjourned the executive session at 2:25 p.m.

The regular session of the meeting was resumed at 2:25 p.m. at which time Mr. Wisor reported the Board will be engaging Clifton Larsen Allen's services to review matters related to the draft 2018 audit report and accounting for the allowance for doubtful accounts related to the District's account receivable from Red Sky Ranch Metro District (RSRMD).

Minutes

The Board reviewed the minutes of the September 26, 2019 Special Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the September 26, 2019 Special Meeting as presented.

Public Input

No public input was offered.

Financial Statements

Mr. Marchetti handed out revised September 2019 preliminary financial statements which included a revised 2020 budget column. He explained RSRMD is anticipating higher sales tax revenues and is considering lowering the service mill levy in 2020 to keep revenues neutral. Sales tax revenues are increasing due to new State legislation which was based on the Federal Supreme Court decision known as "Wayfair". More goods, in particular those delivered within an entity's boundaries, are now subject to sales tax. The Board briefly discussed RSRMD's contractual obligations under the IGA.

Mr. Wisor left the meeting at 2:55 p.m.

2020 Budget

Mr. Marchetti reviewed the 2020 budget expenses as presented. The public hearing for the 2020 budget was opened, no comment was offered and the public hearing was closed. Consideration of the 2020 Budget was tabled to a special meeting scheduled for Monday, November 25, 2019.

RECORD OF PROCEEDINGS

Holland Creek Metropolitan District October 21, 2019 Meeting Minutes

Accounts Payable The Board reviewed the accounts payable list included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve and ratify the accounts payable listing as presented.

2019 Audit The Board tabled engagement of an auditor for the 2019 Audit to a future meeting.

Water/Wastewater Update:

Director Trueblood reported water operations are running well. The material for the repairs to the Norman waste water system piping has been ordered and it is anticipated the work will be done this fall. The update to the water plant controls has been moved into 2020.

2020 Water/WW Rates:

The Board considered an inflationary increase to the water and waste water rates as presented in the Board Packet. The public notice of a fee change had been posted as required. The 2020 budget reflected a 3% inflationary increase in water and wastewater fees effective January 1, 2020. Marchetti & Weaver will notify AmCoBi and a memo will be provided to the property owners in the billings. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve a 3% increase in water and waste water rates and fees with an effective date of January 1, 2020.

Supplemental Water Lease Agreement

Director Trueblood reported a one-year extension of the Supplemental Water Lease Agreement had been finalized and is fully executed. The terms and conditions will remain the same as the prior agreement. The new agreement is effective through October 2020. The agreement allows VR to charge the District for excess water consumed on an actual usage basis. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve and ratify the Supplemental Water Lease Agreement effective through October 2020.

Mr. Marchetti left the meeting at 3:30 p.m.

Legal

Annual Administrative Resolution: The Board reviewed the 2020 Annual Administrative Matters Resolution. Upon motion duly made and seconded, it was unanimously

RECORD OF PROCEEDINGS

Holland Creek Metropolitan District October 21, 2019 Meeting Minutes

RESOLVED to approve the 2020 Annual Administrative Matters Resolution as revised.

May 2020

Election:

Ms. Harris presented the May 5, 2020 Election Resolution noting it is a Board of Directors election. She explained the terms of office in this election will be for three years to accommodate the change to odd year elections. 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 5, 2020 Election Resolution.

Extension of Operations and Maintenance Agreement:

The Board reviewed the Extension of Operations and Maintenance Agreement (2020). Services are provided by VR staff based on the budget attached as Exhibit "C" to the extension. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Extension of the Operations and Maintenance Agreement (2020).

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 (2020).

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 (2020).

RECORD OF PROCEEDINGS

Holland Creek Metropolitan District October 21, 2019 Meeting Minutes

Operations It was reported that Mr. Hensel is working with Alpine Engineering on potential roadway projects and timing. A few water key valves may be lowered yet this fall as time and weather permit. Street lights and address marker repair and maintenance are in process. As part of the 2020 budget discussion the need for snowplow replacement and timing were discussed, more information will be requested from staff.

Future Meetings A special meeting was scheduled for Monday, November 25, 2019 at 2:00 p.m. in the same location. A special meeting may be necessary prior to then depending on the availability of the 2018 audit.

Adjournment Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the October 21, 2019 regular meeting of the Holland Creek Metropolitan District Board of Directors.

Respectfully submitted,
Kathy Lewensten
Recording Secretary