
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of the Holland Creek Metropolitan Districts January 21, 2013

The Regular Meeting of the Board of Directors of the Holland Creek Metropolitan District, Eagle County, Colorado, was held Monday, January 21, 2013, at 8:20 a.m., in the two elk conference room at the VRDC office, 137 Benchmark Rd, Avon, Eagle County, Colorado.

Attendance

The following Directors were present:

- William Kennedy
- William Simmons
- Karen Braden-Butz

The following Director was absent and excused:

- Kevin Hopkins
- Michael Gibbs

Also in attendance were:

- Bill Ankele, White, Bear and Ankele, PC (via phone)
- Kathy Lewensten, RMPC Recording Secretary
- Mike Connell, RSRMD Director
- Mike Miner, RSR Director of Golf Maintenance
- Ramsey Romanin, RSR Caretaker
- Don Odell, VRDC Operations

Call to Order

The Regular Meeting of the Board of Directors of the Holland Creek Metropolitan District was called to order at 8:20 a.m. by Director Kennedy, 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: [William M. Kennedy](#) is Director of Land Development for Vail Resorts Development Co., a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., all of which have significant business interests within the Districts; [Michael Gibbs](#) is the Club Director of Red Sky Golf Club, an indirect operating subsidiary of Vail Resorts, Inc, which both have significant business interests within the Districts; [William Simmons](#) is Director of Village Operations for Vail Resorts Management Company, an indirect operating subsidiary of Vail Resorts, Inc., which both have significant business interests

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within the Districts, [Karen Braden-Butz](#) is a Project Accountant for Vail Resorts Development Company a subsidiary of Vail Resorts, Inc, which both have significant business interests within the Districts; [Kevin Hopkins](#) is a Senior Financial Analyst for Specialty Sports Ventures a subsidiary of the Vail Corporation and an indirect operating subsidiary of Vail Resorts, Inc., all of which have significant business interests within the Districts .

Minutes

The Board reviewed the minutes of the December 17, 2012 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the December 17, 2012 Regular Meeting as presented.

Meeting Schedule

The next regular meeting is scheduled for Monday, February 18, 2013 at the same time and location.

Public Input

No public comment was offered.

Hermes Wolcott Development

Director Kennedy updated the Board on water matters related to the Hermes development. Their 1041 permit is going through review at Eagle County. Since the development is within ERWSD boundaries they are the entity responsible for water/sewer services. The 1041 permit was presented with the intent of having a stand-alone system. ERWSD has looked at the option of connecting with the HC/RSR system as a convenience, both while their development and water plant are under construction and for redundancy after their plant comes on line. No proposal or formal request has been received by the District regarding the matter.

Water Plant Operations

Mr. Odell reported winter maintenance work continues on the water plant. The District remains in compliance with all samples taken and reported to the CO Dept of Health.

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Director Hudoff expressed concern over the percentage of unaccountable water. Mr. Odell explained unaccountable water normally increases over the winter season. The older meters are not as accurate at low volumes. He noted the older meters at the clubhouses will be replaced in the near future. The other older meters at homes are replaced as necessary. He will continue to monitor for any unusual spikes in water usage.

Mr. Odell stated the three used skids have been delivered. The intent is to expand the capacity of the current skid this summer for redundancy. The expansion to two skids is planned for 2014 to expand the capacity of the plant. This will leave one skid for spare parts.

Water Matters

Bellyache Metro District: Director Kennedy and Mr. Odell reported Bellyache Metro District has begun hauling water as discussed at the last meeting. A letter agreement had been drafted prior to the sale of the water to them and prior to today's meeting. A copy of the letter agreement has been included in the packet.

The District has received clear written definition from the State of Colorado releasing the District from responsibility for testing once the water is loaded for transport. It was reported they anticipate hauling approximately 15,000 gallons of water on Mondays and Fridays through the end of April. The benefit to the District is the sale of the water will alleviate most of the need for flushing through the winter months. They will be charged the retail rates to cover the District costs.

Director Kennedy provided a brief review of Bellyache Metro District water matters. He noted the Bellyache Metro District board has been aware of pending water issues for some time. He stated several years ago Bellyache had the opportunity to elect to connect with the HC/RSR system at their expense. The voters of the District chose not to.

The letter agreement allows the District to discontinue providing water with 10 days notice or immediately if an emergency condition exists. Bellyache Metro District expects the snowfall and spring runoff will recharge their wells for summer usage which would mean an end to hauling this spring. If they require water long term a new agreement will need to be drafted.

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Mr. Ankele requested the Board ratify the Letter Agreement. He pointed out the original term was through January 31, 2013 to allow the Board time to discuss the matter at this meeting. The Board more fully discussed the rates and length of time expected. Mr. Ankele stated the Letter Agreement could be extended until April 30, 2013 at which time the Board can re-evaluate whether the District wishes to continue providing water if it is needed. Upon motion duly made and seconded, it was unanimously

RESOLVED to ratify the Letter Agreement Regarding Temporary Bulk Water Supply between Holland Creek Metro District and Bellyache Metro District as discussed.

Legal

Mr. Ankele referred to the Letter Agreement Concerning 2013 Capital Funding Contribution from RSRPOA that had been included in the packet. This letter agreement states the intention of RSRPOA to fund \$75,000 in water fund capital improvements in 2013. Mr. Hudoff and Mr. Connell stated the letter satisfactorily covered the understanding. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Letter Agreement Concerning 2013 Capital Funding Contribution

Financial Statements

The preliminary December 31, 2012 financial statements were presented in the board packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the preliminary December 31, 2012 financial statements as presented

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.

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Adjournment

There being no further business to come before the Board at this time, upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the January 21, 2013 Regular Meeting of the Holland Creek Metropolitan District Board of Directors.

Respectfully submitted,
/s/ Kathy Lewensten

Kathy Lewensten
Recording Secretary