
RECORD OF PROCEEDINGS

**Minutes of the Special Meeting
of the Board of Directors of the
Holland Creek Metropolitan Districts
November 4, 2013**

The Special Meeting of the Board of Directors of the Holland Creek Metropolitan District, Eagle County, Colorado, was held Monday, November 4, 2013, at 9:30 a.m., in the two elk conference room, 137 Benchmark Road, Avon, Eagle County, Colorado.

Attendance

The following Directors were present:

- William Simmons
- Karen Braden-Butz
- Alex Iskenderian

The following Director was absent and excused:

- William Kennedy

Also in attendance were:

- Bill Ankele, White, Bear & Ankele, PC (via phone)
- Ken Marchetti, CPA Robertson & Marchetti, PC
- Kathy Lewensten, RMPC Recording Secretary
- Mike Connell, RSRMD Director
- Fred Hudoff, RSRMD Director
- Mike Miner, RSR Director of Golf Maintenance
- Ramsey Romanin, RSR Caretaker

Call to Order

The Special Meeting of the Board of Directors of the Holland Creek Metropolitan District was called to order at 9:30 a.m. by Director Simmons, 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; [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 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

RECORD OF PROCEEDINGS

Holland Creek Metropolitan District November 4, 2013 Meeting Minutes

business interests within the Districts; and [Alex Iskenderian](#) is Sr. Vice President and C.O.O. of Vail Resorts Development Co., a wholly owned subsidiary of the Vail Corporation d/b/a Vail Resorts Management company which all have significant business interests within the Districts.

Minutes The Board reviewed the minutes of the September 16, 2013 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the September 16, 2013 Regular Meeting as presented.

Resignation It was reported Mr. Gibbs had resigned from the Board prior to today's meeting. The Board tabled appointment of a new Director to the next meeting.

Water Matters Director Simmons stated there was no new information related to the Wolcott development water matters.

Water Plant Director Simmons reported the District has not yet heard from the State regarding approval for the addition of the skid. Normal operations and maintenance are ongoing.

Lot 42 – Tap The Board discussed Lot 42. The capacity of the District's state wastewater system in this area was designed to allow no more than 5 bedrooms per home. Lot 42 had asked DRB for an increase to 7 bedrooms. Their application has now been revised to reflect 5 bedrooms, a library and an office. It is not yet known whether the County will still count the two additional rooms as bedrooms. The number of bedrooms will determine the scope of any changes needed to the individual septic system. Depending on how the rooms are counted there may be substantial costs involved in upgrading or replacing the individual system on the property to meet the required needs. A worksheet reflecting estimated costs related to three potential scenarios for septic improvements was included. The funding for the actual costs related to any improvements or changes that would be needed due to the changes in the home was discussed. After discussion the Board determined the actual costs will need to be covered by the property owner, the same way the original tap fee covers the initial costs of the system.

RECORD OF PROCEEDINGS

Holland Creek Metropolitan District November 4, 2013 Meeting Minutes

It was pointed out the capacity of the state wastewater systems needs to be protected. One option to consider is placing restrictions on the size of homes including the number of bedrooms. The Board discussed the logistics of having restrictions and the best document for inclusion of such a restriction. Director Iskenderian stated no property owner should be allowed to use up more capacity than was originally intended. DRB should have a list of criteria that could be signed off by the District before a project can proceed. The cooperation of DRB in requiring property owners to adhere to any restrictions that are put in place will be necessary. The Board directed Mr. Ankele to review the best way to get such restrictions in place and to bring the matter back for further discussion at the November 18th meeting.

Appendix A Tap & Use Fees

The Board began review of the draft Appendix A which had been included in the packet. The legislature recently changed the process for approving rate increases requiring a public notice prior to adoption of new rates. In compliance with this requirement a public notice had been posted on the website prior to today's meeting. The draft Appendix A presents modest increases in tap fees and use fees. Tap fees were increased to cover the actual costs of installations. An inflationary increase to the user fees will help cover the shortfall in operations funding. Under wastewater tap fees a section was added to address improvements that are necessary to previously installed wastewater systems which become required due to building additions or remodels such as Lot 42 discussed above. The Board proposed the new fees become effective as of January 1, 2014 to allow time for notification to the property owners. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve Appendix A as presented with an effective date of January 1, 2014.

Legal

Mr. Ankele stated there were no additional legal matters.

Financial Statements

Mr. Marchetti presented the preliminary September 30, 2013 financial statements with the 2014 budget. Upon motion duly made and seconded, it was unanimously

RECORD OF PROCEEDINGS

Holland Creek Metropolitan District November 4, 2013 Meeting Minutes

RESOLVED to accept the preliminary September 30, 2013 financial statements.

2014 Budget

The Board began discussion on the 2014 budget which was presented as part of the September preliminary financial statements. The public hearing for the 2014 budget was opened.

The discussions centered on expected operations costs for the general fund and the enterprise fund. The budget plans for slurry seals on Red Sky Ranch Road, Wildflower and Lost Bear in 2014. This budget also includes necessary patching and repair.

The discussion turned to the water plant and expected improvements and maintenance. It was pointed out the enterprise fund does not break even. The increase in fees discussed above will provide some additional revenue. The general fund transfers funds on an annual basis to help cover the shortfall.

The public hearing was continued to the November 18, 2013 meeting.

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.

2013 Audit

Mr. Marchetti referred to the 2013 Audit Engagement Letter from McMahan and Associates which had been included in the packet. The fee for the audit will remain the same. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2013 Audit Engagement Letter with McMahan and Associates

Worker Compensation

Exclusion

The Board directed waiving worker's compensation coverage for 2014. This waiver must be done annually and the Board has historically approved the waiver in the past. By motion duly made and seconded it was unanimously

RECORD OF PROCEEDINGS

Holland Creek Metropolitan District November 4, 2013 Meeting Minutes

RESOLVED to approve waiving worker's compensation coverage for the Directors of the District.

**Meeting
Schedule**

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

Adjournment

Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the November 4, 2013 Special Meeting of the Holland Creek Metropolitan District Board of Directors.

Respectfully submitted,
/s/ Kathy Lewensten

Kathy Lewensten
Recording Secretary