
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of the Holland Creek Metropolitan Districts June 17, 2013

The Regular Meeting of the Board of Directors of the Holland Creek Metropolitan District, Eagle County, Colorado, was held Monday, June 17, 2013, at 10:15 a.m., in the RSR Sales Center conference room, 0376 Red Sky Road, Wolcott, Eagle County, Colorado.

Attendance

The following Directors were present:

- William Simmons
- Karen Braden-Butz
- Kyle Griffith

The following Director was absent and excused:

- Michael Gibbs
- William Kennedy

Also in attendance were:

- Bill Ankele, White, Bear & Ankele, PC
- Ken Marchetti, CPA Robertson & Marchetti, PC
- Kathy Lewensten, RMPC Recording Secretary
- Mike Connell, RSRMD Director
- Fred Hudoff, RSRMD Director
- Don Odell, VRDC Operations
- Mike Miner, RSR Director of Golf Maintenance

Call to Order

The Regular Meeting of the Board of Directors of the Holland Creek Metropolitan District was called to order at 10:15 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; [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

RECORD OF PROCEEDINGS

Holland Creek Metropolitan District June 17, 2013 Meeting Minutes

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 business interests within the Districts; and [Kyle Griffith](#) is a Senior Project Manager for Vail Resorts Development Company and indirect operating subsidiary of Vail Resorts, Inc., which both have significant business interests within the Districts.

Minutes

The Board reviewed the minutes of the May 20, 2013 Regular Meeting and the May 30, 2013 Continued Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the May 20, 2013 Regular Meeting and the May 30, 2013 Continued Meeting as presented.

Meeting Schedule

The next regular meeting is scheduled for Monday, July 15, 2013 at the same time and location.

Tap Fee Rates

The Board tabled discussion of the draft water and wastewater tap fee rate sheet that had been included in the packet.

Water Plant Operations

Mr. Odell reported water usage has increased as expected due to irrigation. The submittal for the skids capital project has been provided to the State. The approval process generally takes 180 days. The State generally provides comments during the review. In the meantime work continues on the skids project as much as possible. The leak detection service is scheduled to come next week. Six meters have been replaced with new meters. Six more meters have been ordered and will be installed in the coming weeks.

Legal

Mr. Ankele had provided an overview and summary of RSR and HCMD agreements and obligations in the RSR meeting earlier today. The Board agreed the information presented at the earlier meeting was adequate.

RECORD OF PROCEEDINGS

Holland Creek Metropolitan District June 17, 2013 Meeting Minutes

Mr. Ankele asked about the Bellyache Water agreement. Mr. Odell stated they have not asked for any water in the last few weeks noting the agreement terminated at the end of May. No request has been made for an extension or a new agreement.

Mr. Ankele reported on a case in Florida related to tax exempt bonds. He explained the IRS had issued a T.A.M. challenging the tax exempt status of bonds that were issued by a developer. There are some similarities to the HCMD bonds. There are no immediate impacts to the District. He will continue to monitor the matter and report to the Board as needed.

Financial Statements

The preliminary May 31, 2013 financial statements were presented in the board packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the preliminary May 31, 2013 financial statements as presented

Accounts Payable

The Board reviewed the accounts payable list included in the packet. A request was made to add year to date amounts for the vendors. Upon motion duly made and seconded, it was unanimously

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

Operations

Operations matters were reported as routine. Mr. Odell reported DRB is reviewing two houses and he expects them to move forward yet this year.

Water Matters

Mr. Marchetti reported Ms. Linn Brooks from ERW had contacted him regarding the Wolcott water matters. He suggested a working committee be appointed to meet with Ms. Brooks to represent the District's interests during discussions and negotiations with ERW. The Board appointed Director Simmons and Mr. Connell to the committee. Mr. Marchetti will contact Ms. Brooks to coordinate a meeting. Upon motion duly made and seconded, it was unanimously

RECORD OF PROCEEDINGS

Holland Creek Metropolitan District June 17, 2013 Meeting Minutes

RESOLVED to appoint Director Simmons, Mr. Connell, and Mr. Marchetti to the working committee for water matters related to the Wolcott development.

The Board discussed several alternatives available for water service to the Hermes property including having the District provide water at an extraterritorial rate, or alternately allowing ERW to tie into the current system and operate it or by RSR including into ERW and selling them the water assets. If inclusion were chosen it would seem logical there would be economies of scale as the costs would be spread over more users. No rates or fees have been presented by ERW for consideration those will likely be part of the discussions held in the working committee meeting. One matter that will need further review is what the effect would be on the mill levy if inclusion were considered.

Adjournment

Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the June 17, 2013 Regular Meeting of the Holland Creek Metropolitan District Board of Directors.

Respectfully submitted,
/s/ Kathy Lewensten

Kathy Lewensten
Recording Secretary