
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of the Holland Creek Metropolitan Districts January 18, 2016

The Regular Meeting of the Board of Directors of the Holland Creek Metropolitan District, Eagle County, Colorado, was held Monday, January 18, 2016 at 10:15 a.m., in the conference room at 137 Benchmark Rd, Avon, Eagle County, Colorado.

Attendance

The following Directors were present:

- Karen Braden-Butz
- Tim Baker
- Doug Lovell
- William Kennedy

Also in attendance were:

- Bill Ankele, Esq White Bear Ankele Tanaka & Waldron (via phone)
- Ken Marchetti, CPA, Marchetti & Weaver LLC
- Kathy Lewensten, Recording Secretary
- Mike Connell, RSRMD Director
- Fred Hudoff, RSRMD Director
- Beth Richie, RSR property owner
- Don Odell, RSR operations
- Graham Frank, VR VP of Real Estate

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 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; [Karen Braden-Butz](#) is a Financial Analyst for Village Operations of Beaver Creek, a subsidiary of Vail Resorts, Inc, which both have significant business interests within the Districts; [Tim Baker](#) is Sr. Director of Base Area Operations for Vail Resorts Management Company, an indirect operating subsidiary of Vail Resorts, Inc., which both have significant business interests within the Districts and [Doug Lovell](#) is Vice President and C.O.O of Beaver Creek Resorts a subsidiary of Vail Resorts, Inc which has significant business interests within the Districts.

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Minutes The Board reviewed the minutes of the December 10, 2015 Special Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the December 10, 2015 Special Meeting as presented.

Public Input Director Connell reported a list of property owners and addresses has been provided to CenturyLink. They will be assigning reference numbers for smoother service requests to upgrade to fiber optics. He explained full time home owners and Vail Resorts properties will be given priority. Property owners can choose whether to remain on DSL or use the new fiber optics.

Appointment of Director

Mr. Frank was nominated to fill the vacant position on the Board until the next regular election of the District to be held in May 2016. Upon motion duly made and seconded, it was unanimously

RESOLVED to appoint Mr. Frank to fill the vacancy on the Board.

Mr. Frank took his oath of office.

Election of Officers After a brief discussion the election of officers was tabled to a future meeting.

Water Matters **Water Rights:** Water rights matters were discussed in the RSRMD meeting held earlier today. A committee will be meeting later this week to facilitate discussions and negotiations.

Water Report: It was reported two water line leaks were recently repaired. There is still some concern in zone two based on the amount of unaccounted for water which will be monitored. Mr. Odell explained they do what they can to detect leaks with an annual inspection each spring. Director Lovell asked about replacing older meters. Mr. Odell stated each year he has budgeted to replace a few of the older meters. He reported he contacted ERW to discuss the new smart meter technology they are transitioning to. The new technology reads the meters daily and can analyze water use to help detect unusual flows. A rough cost estimate for the software is approximately \$18,000 to \$20,000 which does not include the cost of meter replacement.

Water Plant Upgrade: Mr. Odell reported they are approximately two weeks behind schedule due to a delay in receiving the steel framework for the expansion skid. The expansion of the current skid from 32 to 48 modules is

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anticipated to be complete by the end of April. Work on the redundant skid will begin as soon as practical.

New Business

Mr. Connell asked whether there are any restrictions on the ability of property owners to purchase adjacent lots and combine them, noting the detrimental effect that has on assessed valuation. Director Graham responded the remaining lots being sold have a mandatory build provision of 6 years. He was aware of a waiver of that restriction for one lot. Mr. Marchetti stated he was not aware of any prohibitions that were in place.

Legal

Posting Notice Resolution: Mr. Ankele noted each year the District is asked to approve a posting notice resolution. The location of the 24 hour posting will remain the same. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2016 Resolution Designating the District's 24-hour Posting Location.

Financial Statements

Mr. Marchetti presented the preliminary December 2015 financial statements. Director Baker requested a review of 2016 capital projects at the February meeting. Mr. Marchetti suggested review of potential funding sources such as user fees and/or property taxes for significant repairs in the Water/Wastewater fund be part of those discussions. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the preliminary December 2015 financial statements.

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.

Operations Update

General operations are going smoothly. One of the plow trucks was recently damaged, but is operable until spring at which time it will be repaired.

Meeting Schedule

The next regular meeting is scheduled for Monday, February 15, 2016, at 9:30 a.m. or upon conclusion of the RSRMD meeting in the same location.

Adjournment

Upon motion duly made and seconded, it was unanimously

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RESOLVED to adjourn the January 18, 2016 Regular Meeting of the Holland Creek Metropolitan District Board of Directors.

Respectfully submitted,
/s/ Kathy Lewensten
Recording Secretary