
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of the Holland Creek Metropolitan Districts October 19, 2015

The Regular Meeting of the Board of Directors of the Holland Creek Metropolitan District, Eagle County, Colorado, was held Monday, October 19, 2015 at 9:00 a.m., in the two elk conference room at 137 Benchmark Rd, Avon, Eagle County, Colorado.

Attendance

The following Directors were present:

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

The following Director was absent and excused:

- 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
- Mike Miner, RSR Director of Golf Operations
- Don Odell, RSR operations

Call to Order

The Regular Meeting of the Board of Directors of the Holland Creek Metropolitan District was called to order at 9:00 a.m. by Director Baker, 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

RECORD OF PROCEEDINGS

Holland Creek Metropolitan District October 19, 2015 Meeting Minutes

Creek Resorts a subsidiary of Vail Resorts, Inc which has significant business interests within the Districts.

Minutes

The Board reviewed the minutes of the September 21, 2015 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the September 21, 2015 Regular Meeting as presented.

Public Input

Director Hudoff asked about the progress made with Centurylink on installation of fiber optic cable within RSR. Director Connell reported Centurylink was expected to install the fiber optic cable yet this fall, there was some discussion related to whether there was adequate space available in the current conduit and alternatives if there was not. It will be cost shared among those property owners and entities that benefit from the installation with RSRPOA coordinating the work.

Water Matters

Water Rights: Water rights matters were discussed in the RSRMD meeting held earlier today.

Water Report: The monthly water report included in the packet was reviewed. Mr. Odell reported the plant was shut down over the weekend for the first time since spring. He reminded the Board that the unaccounted water percentage will increase over the winter as the meters are not as accurate with low flows.

Water Plant Upgrade: Mr. Odell reported additional parts related to the upgrade of the plant are on order or have been received. It is anticipated the upgrade will be complete this year. It was not possible to work on the upgrade until the plant could be shut down for a few days at a time to allow installation of new valves and other improvements.

Norman Repairs: Mr. Odell reported repairs are substantially complete on the Norman system. Revegetation will be done in the near future. Mr. Connell asked if the other waste water systems had alarms to prevent a similar failure from occurring to them. Mr. Odell explained they have electronic flow monitoring but do not have self shut down capabilities yet. He explained this feature is generally added when the control panels are replaced, noting the state systems panels would not be replaced for several years. The Board discussed whether it would be prudent to replace the control panels early to install the alarm/monitoring systems. The Board asked that estimated costs to replace the control panels now be brought back for consideration.

RECORD OF PROCEEDINGS

Holland Creek Metropolitan District October 19, 2015 Meeting Minutes

Director Baker reported the future capacity needs of the Norman system will be reviewed further. One alternative may be to move the two houses to their own systems. Director Baker noted technology continues to advance and staff will continue to study the matter to see if there are opportunities for newer systems with better efficiency.

Other Matters

Mr. Hudoff asked if the roadway crack sealing was complete for the year. He stated he thought there were several areas that would benefit from further attention. Mr. Baker stated he was considering contacting Alpine Engineering to update a report that was done on the roadways several years ago for long range planning. The Board generally agreed they would like to see adequate preventative maintenance occurring as needed.

Legal

Mr. Ankele stated there was no separate legal report.

Financial Statements

Mr. Marchetti presented the preliminary September 2015 financial statements which included the 2016 budget. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the preliminary September 2015 financial statements.

2016 Budget

The Board discussed the 2016 budget which was presented as part of the September preliminary financial statements. The public hearing for the 2016 budget was opened.

Mr. Marchetti reviewed the 2016 expenditures. No roadway expenditures were yet budgeted for 2016, based upon earlier discussion this will be included for the November meeting. He pointed out the water and wastewater fund remains underfunded. The amounts collected through use fees are not adequate to cover operational expenses. The general fund is budgeted to provide funding to the Water fund to cover the shortfalls. HC will also need to replenish reserves used for the Norman repairs. The Board tabled the discussion to the next meeting.

The public hearing was continued to the November 9, 2015 meeting.

2015 Audit

Mr. Marchetti referred to the 2015 Audit Engagement Letter from McMahan and Associates which had been included in the packet. The fee for the audit

RECORD OF PROCEEDINGS

Holland Creek Metropolitan District October 19, 2015 Meeting Minutes

will remain the same. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2015 Audit Engagement Letter with McMahan and Associates

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.

Meeting Schedule The next regular meeting is scheduled for November 9, 2015 at the same location however the time was changed to 9:30 a.m.

Adjournment Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the September 21, 2015 Regular Meeting of the Holland Creek Metropolitan District Board of Directors.

Respectfully submitted,
/s/Kathy Lewensten
Recording Secretary