
RECORD OF PROCEEDINGS

Minutes of the Special Meeting of the Board of Directors of the Holland Creek Metropolitan Districts December 10, 2015

The Special Meeting of the Board of Directors of the Holland Creek Metropolitan District, Eagle County, Colorado, was held Thursday, December 10, 2015 at 3:15 p.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
- William Simmons

Also in attendance were:

- Bill Ankele, Esq White Bear Ankele Tanaka & Waldron (via phone)
- Trisha Harris, 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
- Don Odell, RSR operations
- Mike Miner, RSR Director of Golf Operations

Call to Order

The Special Meeting of the Board of Directors of the Holland Creek Metropolitan District was called to order at 3:15 p.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

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

Minutes

The Board reviewed the minutes of the November 9, 2015 Special Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the November 9, 2015 Special Meeting as presented.

Public Input

Director Connell reported Centurylink has substantially completed the fiber optic through the existing conduit. No extra conduit was needed and the project went smoothly with little disruption. They could not find the proper manhole to get a connection to the Norman Clubhouse and the caretaker house. Director Kennedy offered his assistance to help locate the connections. A list of property owners and addresses will be provided to Centurylink. Property owners can choose whether to remain on DSL or use the new fiber optics. Invoices for the cost share expense will be sent once the final costs are known.

Water Matters

Water Rights: Water rights matters were discussed in the RSRMD meeting held earlier today. A committee will be meeting in early January to facilitate discussions and negotiations.

Water Report: Director Hudoff asked if there were any known leaks. None are known at this time.

Water Plant Upgrade: Director Kennedy reported the framework for the skid is being fabricated with an expected delivery mid month. The skids project work will be substantially complete by the end of the month. The controls will need to be done by an outside company it is expected they will be scheduled for January.

2016 Water/WW Rate Sheet: The Board began discussion of the proposed rate worksheet included in the packet. The rate sheet reflected a 3% increase in user fees and a 10% increase in tap fees. Even with the increase in fees the water fund will continue to operate at a deficit. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the increase in fees as presented with an effective date of January 1, 2016.

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Legal

Annual Administrative Resolution: Mr. Ankele reviewed the 2016 Annual Administrative Matters Resolution. The meeting date will remain the third Monday of the month. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2016 Annual Administrative Matters Resolution.

WBA Engagement letter: Mr. Ankele referred to the engagement letter from his office that had been included in the packet. The fees will continue to be based on an hourly rate. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the engagement letter with White Bear Ankele Tanaka and Waldron.

May 2016

Election:

Mr. Ankele presented the May 3, 2016 Election Resolution noting it is a Board of Directors election. Upon motion duly made and seconded, it was unanimously,

RESOLVED to approve the May 3, 2016 Election Resolution.

Financial Statements

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

RESOLVED to accept the preliminary October 2015 financial statements.

2016 Budget

The continued public hearing for the 2016 budget was opened. Mr. Marchetti reviewed the 2016 expenditures and revenues referring to the memo included in the packet. The 2016 RSRMD budget reflects a bond issuance, if done the net bond proceeds will be transferred to HCMD. The HC 2016 budget reflects a portion of the net RSR bond proceeds being used to pay down principal on the 2001 HC bonds and a portion being used for water rights. Mr. Marchetti explained budgeting expenditures does not obligate the District to make the expenditure. After more information is available and further discussions/negotiations take place the budget can be amended to accommodate any revisions.

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The relationship of tap fees to construction and expansion of wastewater systems was discussed. It was noted the two homes attached to the Norman system drain field may be moved to individual drain fields next year after further analysis is done concerning the capacity of the current Norman system drain field. The work done in 2015 was to construct a “replacement” drain field for the “failed” portion of the original drain field. The majority of the costs were pumping fees incurred during replacement of the drain field. Mr. Connell asked for clarification as to when additional tap fees are imposed for revisions or additions to installed systems. Director Baker stated the two homes had paid full tap fees but had been tied into an existing drain field (Norman) instead of being provided with separate drain fields. Mr. Connell stated his understanding is the tap fee covers the initial system, if an expansion is necessary an additional tap fee is due. Mr. Baker said the clubhouse is investigating options for water saving measures and an analysis of current and future capacity needs will be undertaken. Director Kennedy pointed out the State permit requires the District to begin designing an expansion to a system when the capacity reaches 80%; when 90% capacity is reached construction needs to be underway. The Board requested removal of the \$265,000 capital facility fee revenue and the \$50,000 Norman System expenditure in the water and wastewater fund 2016 budget. The public hearing was closed. Upon motion duly made and seconded, it was unanimously

RESOLVED to adopt the Holland Creek Metropolitan District 2016 budget as revised, and

FURTHER RESOLVED to appropriate the sums of money for 2016 for Holland Creek Metropolitan District, and

FURTHER RESOLVED to certify the mill levy at 45.000 mills.

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 Mr. Miner stated operations are running smoothly, plowing is going well. The river intake was cleaned out this fall to prepare it for spring.

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Meeting Schedule The December 21st meeting was cancelled. The next regular meeting is scheduled for Monday, January 18, 2016, at 9:30 a.m. or upon conclusion of the RSRMD meeting in the same location.

Resignation of Director Mr. Simmons resigned from the Board. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the resignation of Mr. Simmons.

Adjournment Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the December 10, 2015 Special Meeting of the Holland Creek Metropolitan District Board of Directors.

Respectfully submitted,
/s/ Kathy Lewensten
Recording Secretary