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# RECORD OF PROCEEDINGS

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## Minutes of the Special Meeting of the Board of Directors of the Holland Creek Metropolitan Districts December 5, 2016

The Regular Meeting of the Board of Directors of the Holland Creek Metropolitan District, Eagle County, Colorado, was held Monday, December 5, 2016 at 9:00 a.m., in the two elk conference room, 137 Benchmark Lane, Avon, Eagle County, Colorado.

### Attendance

#### The following Directors were present:

- Tim Baker
- Doug Lovell
- Greg Johnson

#### The following Director was absent and excused:

- Eric Pottorff
- Graham Frank

#### 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 Miner, RSR Director of Golf Operations
- John Volk, Water Quality Control Professionals, LLC

### 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: [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 District; [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 District; [Eric Pottorff](#) is Sr. Director of Food and Beverage for Beaver Creek Resorts a subsidiary of Vail Resorts, Inc which has significant business interests within the District; [Greg Johnson](#) is Sr. Director of Mountain Operations for Beaver Creek Resorts a subsidiary of Vail Resorts, Inc which has significant business interests within the District; and [Graham Frank](#) is Vice President of Real Estate for Vail Resorts, Inc. which has significant business interests within the District.

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## Holland Creek Metropolitan District December 5, 2016 Meeting Minutes

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**Minutes** The Board reviewed the minutes of the October 17, 2016 Regular Meeting. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the minutes of the October 17, 2016 Regular Meeting as presented.

**Public Input** No public input was offered.

**Water/Wastewater Update:**

Mr. Volk reported no unusual matters related to water. The Norman system flows were monitored this year and have stayed within the parameters. It is anticipated the meter for the system will need to be looked at next year as it does not function properly when there are low flows. He stated work will continue over the winter on the skid project to change over from 30 to 48 modules.

**Legal**

Mr. Ankele stated the priority of the HCMD 2001 Bonds and the Promissory Note has been reviewed as part of the RSRMD preparation for the issuance of new debt for use by HCMD to pay down debt. The documents indicate any available net RSRMD bond funds should be used to pay down the 2001 bonds first. RSRMD may also pay over excess funds towards their capital obligation. There is some flexibility as to how these funds can be utilized, Director Baker stated the boards should work together to do what is in the best interest for the community

**Financial Statements**

Mr. Marchetti presented the preliminary October 2016 financial statements which included the 2017 preliminary budget. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to accept the preliminary October 2016 financial statements.

**2017 Budget**

The Board discussed the 2017 budget which was presented as part of the October preliminary financial statements. The continued public hearing for the 2017 budget was opened.

Mr. Marchetti reviewed the 2017 expenditures and revenues. The 2017 RSRMD budget reflects a bond issuance, if done the net bond proceeds will be transferred to HCMD. The HCMD 2017 budget reflects the net RSR bond proceeds being used to pay down principal on the 2001 HC bonds.

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The Board discussed the water fund and requested a decrease in the water rights purchase expense from \$100,000 to \$50,000 to reflect what can be purchased under the current water lease noting negotiations continue on additional water rights terms. The fees charged in the water/wastewater fund are not adequate to cover operational costs, a transfer of property tax revenue from the general fund currently covers the shortfall. The Board requested review and analysis of the structure of the fees to be part of the 2018 budget process. The public hearing was closed. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adopt the Holland Creek Metropolitan District 2017 budget as revised, and

**FURTHER RESOLVED** to appropriate the sums of money for 2017 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.

**Future Meetings** The next regular meeting is scheduled for Monday, January 16, 2017 at the same time and location.

**Operations Update** Mr. Miner stated they have completed cleaning out the river water intake structure and will be installing some new ice break equipment. He stated staff is prepared for winter operations.

**Adjournment** Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adjourn the December 5, 2016 special meeting of the Holland Creek Metropolitan District Board of Directors.

Respectfully submitted,  
*/s/ Kathy Lewensten*  
Recording Secretary