
RECORD OF PROCEEDINGS

Minutes of the Special Meeting of the Board of Directors of the Holland Creek Metropolitan Districts April 10, 2017

The Special Meeting of the Board of Directors of the Holland Creek Metropolitan District, Eagle County, Colorado, was held Monday, April 10, 2017, in the two elk conference room, 137 Benchmark Lane, Avon, Eagle County, Colorado.

Attendance

The following Directors were present:

- Tim Baker
- Beth Howard
- Greg Johnson

Also in attendance were:

- Trisha Harris, Esq. White Bear Ankele Tanaka & Waldron (via phone)
- Ken Marchetti, CPA Marchetti & Weaver LLC
- Kathy Lewensten, Recording Secretary
- Mike Connell, RSRMD
- John Volk, Water Quality Control Professionals, LLC
- Bill Kennedy, VRDC
- Fred Rumford, BCRC

Call to Order

The Special 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; [Beth Howard](#) 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 and [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.

Minutes

The Board reviewed the minutes of the January 16, 2017 Regular Meeting. Upon motion duly made and seconded, it was unanimously

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RESOLVED to approve the minutes of the January 16, 2017 Regular Meeting as presented.

Public Input

Mr. Connell informed the Board the Red Sky Ranch Metro District board is scheduled to meet on May 1, 2017 at 4:00 p.m. in the Norman Clubhouse. He stated they will be discussing options for quorums via phone at their meetings, establishing focus groups, and debt management options including potentially implementing a sales tax. He encouraged participation by the HCMD Board.

Water Lease

Director Baker stated under the current water lease the District needs to provide notice of its intent to exercise the option to purchase the water rights to Vail Associates by April 30, 2017. Two draft notices were handed out to the Board by Mr. Marchetti. He explained the draft notices included the purchase price calculation based on the requirements in the water lease agreement providing a copy of the worksheet. While reviewing the data needed for the calculation it was noted that the highest year included water related to a leak so calculations were done using the highest and the second highest. The purchase price calculation using the highest use would be \$74,723 with the second highest being \$59,855. Ms. Harris stated the calculation will be a matter of interpretation of the term “use” in the agreement. It was pointed out there are unaccountable water and leaks every year. After discussion the second highest amount seemed a reasonable interpretation for use in calculating the purchase price. The Board agreed it was comfortable with the purchase price of \$59,855 which is based on the 2011-2012 year. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve a Notice Exercising the Option to Purchase Water Rights as discussed subject to legal counsel review and final approval by Director Baker.

Water/Wastewater

Update:

Mr. Volk reported they continue to perform routine maintenance noting there have been some issues with the dryers and condensation. He requested authorization to spend an additional \$2,300 on parts related to the work on the upper head blocks. The Board authorized the expenditure. He expects to have 78 modules running no later than June. The redundant skid has been delayed until next year.

He reported the Fazio wastewater system was pumped and cleaned last week. He will be inspecting individual wastewater systems and retrofitting the junction boxes as time allows. Director Baker stated Mr. Kallenbach will be

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on site later this year to inspect the systems and to help with long range planning.

Legal

There was no separate legal report.

Financial Statements

The Board reviewed the preliminary February 2017 financial statements. Mr. Marchetti informed the Board the residential assessment rate is dropping from the current 7.96% to an estimated 6.51% which will negatively impact the assessed valuation for RSRMD. In turn, the revenues of HCMD will be impacted. Director Baker stated as part of the budget process this year this will need to be considered along with water/wastewater user fees which may need to be adjusted to help cover the water fund operations shortfall. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the preliminary February 2017 financial statements.

2016 Audit

Mr. Marchetti presented the 2016 Audit performed by McMahan and Associates. He reported the District will receive a “clean opinion”. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the 2016 Audit.

Accounts Payable

The Board reviewed the accounts payable list included in the packet. Mr. Marchetti requested inclusion of the \$59,855 check related to the water rights discussion above. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve and ratify the accounts payable listing as presented including the \$59,855 payment to Vail Associates.

Operations Update

Director Baker stated staff is in the process of assessing the roadways, striping, guardrails and address markers for necessary repairs. Other operations are running smoothly with general clean up being the primary task.

Resignation/Appointment Of Director

Mr. Lovell had resigned from the Board prior to today’s meeting creating two vacancies. Ms. Harris stated a notice of vacancy had been published as required. Mr. Rumford and Mr. Kennedy have been selected to fill the vacancies on the Board. It was explained that both of the appointed seats will be up for election in May 2018, one of the seats will have a four year term in

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that election with the other seat whose term would normally be up in 2020 having a two year term. Upon motion duly made and seconded, it was unanimously

RESOLVED to appoint Mr. Rumford to fill the vacancy with a normal term through May 2018.

Upon a motion duly made and seconded, it was unanimously

RESOLVED to appoint Mr. Kennedy to fill the vacancy, with a normal term through May 2020

The newly appointed members took their oaths of office.

Election of Officers Upon motion duly made and seconded, it was unanimously

RESOLVED to elect the following officers:
President – Director Baker
Vice Pres/Secretary/Treasurer – Director Johnson
Vice Pres/Asst Secretary – Director Rumford
Vice Pres/Asst Secretary – Director Howard
Vice Pres/Asst Secretary – Director Kennedy

Future Meetings The April 17th and May 15th meetings were cancelled. The next regular meeting is scheduled for June 19, 2017 at 9:00 a.m. and in the same location.

Adjournment Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the April 10, 2017 special meeting of the Holland Creek Metropolitan District Board of Directors.

Respectfully submitted,
/s/ Kathy Lewensten
Recording Secretary