
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of the Holland Creek Metropolitan Districts April 20, 2015

The Regular Meeting of the Board of Directors of the Holland Creek Metropolitan District, Eagle County, Colorado, was held Monday, April 20, 2015 at 8:45 a.m., in the conference room at the VR offices located at 135 Benchmark Rd, Avon, Eagle County, Colorado.

Attendance

The following Directors were present:

- Karen Braden-Butz
- William Kennedy
- William Simmons

The following Directors were absent and excused:

- Doug Lovell
- Tim Baker

Also in attendance were:

- Bill Ankele, Esq White Bear Ankele Tanaka & Waldron (via phone)
- Ken Marchetti, CPA, Marchetti & Weaver LLC
- Kathy Lewensten, Recording Secretary
- Fred Hudoff, RSRMD Director
- Mike Miner, RSR Director of Golf Maintenance
- Don Odell, VR Operations

Call to Order

The Regular Meeting of the Board of Directors of the Holland Creek Metropolitan District was called to order at 8:45 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 Director of Village 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 March 16, 2015 Regular Meeting. A revision was made to public input by Mr. Connell prior to the meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the March 16, 2015 Regular Meeting as revised.

Public Input No public input was offered.

Water Matters **Water Rights:** Director Kennedy reported he had received an email late Friday from representatives of Vail Resorts regarding the water rights and the water lease. He read the email noting the terms included an offer of extension of the lease for 10 years at the current rate with an annual escalation factor of 5%. The purchase option would be revised to include several revisions including a requirement for dedication of the water rights to ERWSD if they agreed to extend service to the District; the purchase price would be based on the fair market value; a portion of the water rights would be from Homestake instead of Eagle Park Reservoir; and a purchase of the water rights could only be made after Holland Creek Metro District debt was repaid in full. The Board began discussion on the items presented. One matter of concern was the adequacy of the water rights upon build out. It was pointed out if the lease were to be extended the water needs would continue to be refined as build out occurs over the next 10 years. Last year an analysis of the water needs of the District at build out was undertaken by Mr. Williamson. At that time, the value of the necessary water rights was estimated at \$1.1 million. There is an option to purchase the water rights under the current water lease. It was pointed out if the District were to purchase the water rights an agreement would be needed related to delivery of the water from the Eagle River to the inlet pond at the water plant. Mr. Marchetti offered to prepare an analysis of purchasing versus leasing once adequate information is available. The Board expressed concern over the inclusion of the requirement for repayment of the HCMD debt. Director Kennedy recommended a committee be appointed to continue discussions. The matter was tabled.

Water Report: Mr. Odell presented the water report information included in the packet. He noted in early April a valve became stuck causing an overflow at one of the tanks, this will create an increase in the unaccounted for water.

Water Plant Upgrade: Mr. Odell reported work continues on the skids project. The estimated completion date is the end of May.

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Legal Mr. Ankele stated there were no additional legal matters for discussion at this time.

Financial Statements Mr. Marchetti presented the preliminary March 2015 financial statements. He initiated discussion on upcoming capital projects and their related timing. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the preliminary March 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.

Construction Update

Mr. Miner reported the roadway sweeping has been completed. Spring run-off has begun and no issues are expected due to the upgrades that were made to the water intake structure and equipment. The Members golf course will open May 1st and the Guest course on May 8th.

Mr. Odell reported Lot 77 has begun the approval process through DRB; Lot 1 appears to be stalled; Lot 35 and Lot 28's wastewater systems will be installed in the coming weeks. Mr. Hudoff thanked Mr. Odell for his quick response to an issue at his home with the wastewater system.

Mr. Odell requested input from the Board regarding an option for replacing the wood street lights. He had obtained a proposal for a steel post street light with a rusted finish. He reviewed comparative costs noting the steel street light is \$3,500 versus \$2750 for a wood street light. The current wood street light poles have an average life of roughly 10 years and require staining every three years. A steel post would have a life of approximately 50 years and would not require staining. He requested approval to buy and install one steel post to see how it weathers and to allow residents to comment. The Board directed Mr. Odell to proceed with purchasing one steel street light as discussed. It was suggested the post be installed along Red Sky Road to allow the most exposure for comment.

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Meeting Schedule The next regular meeting is scheduled for May 18, 2015 at the same time, the meeting location will move back to the conference room at the Red Sky Ranch Sales Center.

Adjournment Upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the April 20, 2015 Regular Meeting of the Holland Creek Metropolitan District Board of Directors.

Respectfully submitted,
/s/ Kathy Lewensten

Kathy Lewensten
Recording Secretary