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# RECORD OF PROCEEDINGS

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## Minutes of the Regular Meeting of the Board of Directors of the Holland Creek Metropolitan Districts August 17, 2015

The Regular Meeting of the Board of Directors of the Holland Creek Metropolitan District, Eagle County, Colorado, was held Monday, August 17, 2015 at 8:30 a.m., in the conference room at the Red Sky Ranch Sales Center, 376 Red Sky Road, Wolcott, 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
- 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 8:30 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 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 June 15, 2015 Regular Meeting. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the minutes of the June 15, 2015 Regular Meeting as presented.

**Public Input** Mr. Connell reported Centurylink is waiting for their “Decision Support Team” in Denver to approve the RSR high speed internet connection project. The Team may require an internet speed of 100 mpbt instead of the original proposal for 40 mpbt which may increase the cost however no further details are known at this time. He is hopeful this work will still be done this year.

Mr. Connell reported a homeowner had requested the gatehouse attendant greet entering guests and use a clipboard to note license plate numbers and names. It was reported the current gate has the capability to record license plates without asking. Directors Baker and Lovell explained it is preferable to keep the gate procedures consistent with other gatehouses VR staffs throughout the valley.

Mr. Connell asked if the chip seal for Wildflower road had been scheduled. Mr. Odell explained the larger entities in the County cancelled their road chip seals this year causing the price of chips to rise considerably so he was hesitant to move forward. The Board directed Mr. Odell to request an estimate for the chip seal for review at the next meeting.

Mr. Connell asked if there were any plans to extend the shoulders of the roadways for additional parking during events. He noted currently cars park along the roadways which is causing the driving lane to be reduced in size. Mr. Miner reported parking matters are being looked at including extending the roadway shoulders or several other alternatives such as reconfiguration of the parking lots or whether there are lots that may be utilized.

**Water Matters** **Water Rights:** Mr. Connell asked about water rights to see whether any new information was available. Director Baker stated he was hoping to get the committee together in the near future but would prefer a date that Director Kennedy could attend which has created a challenge. Mr. Connell reminded the Board the water lease is in its final years so these discussions need to be prioritized appropriately.

**Water Report:** Mr. Odell reported the water plant is on line approximately 22 hours per day to meet the needs of the district. At times it has been at capacity running 24/7. This year has been challenging due to river flows and the

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clarity of the river water. The wet weather has caused more variety in the water which has resulted in higher labor demands. The addition of a second person has helped with production needs.

**Water Plant Upgrade:** Mr. Odell reported the upgrades to the plant will resume later this year.

**Norman Repairs:** Director Baker started the discussion concerning repairs that have been needed on the Norman wastewater system. Mr. Odell explained the steps being taken. As reported at the last meeting the member clubhouse waste water control panel and main pump failed. This failure caused the system to pump the wastewater to one side of the drain field. The oversaturation caused a failure in one half of the drain field decreasing the capacity of the field by half. While repairs are being performed it has been necessary for the District to pump the wastewater tanks regularly to reduce the flow to the portion of the drain field that remains in order to stay in compliance with the permit. The State of Colorado approved an emergency permit for a replacement drain field for the failed portion. This replacement drain field is approximately 50% constructed. Mr. Odell stated he has scheduled a complete pumping of the tank, including solids, in the near future. He and Director Baker expect the additional pumping that has been required will no longer be needed after today.

Mr. Odell explained he is working with other professional staff to review the situation as the current permit will not be adequate for future flows. He noted technology has changed so there is a possibility a different type of system will be considered. They are looking at the possibility of a surface discharge system which may be better suited for handling the capacities that are expected for this area of the District. As more information and cost estimates are known they will be provided. Mr. Marchetti noted this will need to be considered as part of the 2016 budget discussions.

Mr. Connell stated this incident brings up the question as to how future wastewater system replacement costs will be funded. Mr. Marchetti responded there is also a question as to how to replace the reserve funds being used to repair the Norman system.

### Legal

Mr. Ankele stated there was no separate legal report.

### Financial Statements

Mr. Marchetti presented the preliminary July 2015 financial statements. Upon motion duly made and seconded, it was unanimously

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**RESOLVED** to accept the preliminary July 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. Odell reported Lot 1 is under construction Lot 77 is expected to break ground.

**Meeting Schedule** The next regular meeting is scheduled for September 21, 2015 at the same time and location.

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

**RESOLVED** to adjourn the August 17, 2015 Regular Meeting of the Holland Creek Metropolitan District Board of Directors.

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