
RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT February 22, 2012

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., February 22, 2012 in the Conference Room of the District Administrative and Operations Facility, Eagle-Vail, Eagle County, Colorado.

Attendance

In Attendance were Directors:

- Jim Power
- Louis Kreig
- Mike Balk

Absent and excused were Directors:

- Bob Gary
- Ernie Elsner

Also in Attendance were:

- Clyde Hanks, General Manager, BCMD
- Jim Collins, Esq, District Counsel
- Ken Marchetti, CPA, Robertson & Marchetti, PC
- Jennie Fancher, BC Admin Assistant, BCMD
- Bill Simmons, Director of Operations, Vail Resorts Village Operations
- Samuel Parker, Director of Beaver Creek Public Safety
- Tim Baker, BCRC Executive Director
- Jim Kaylor, BCPOA, BCRC

Call to Order

The Regular Meeting of the Board of Directors of Beaver Creek Metropolitan District was called to order by Director Balk, Chairman of the Board, noting that a quorum was present. It was confirmed that prior to the meeting each of the Directors had been notified of the meeting and that written notice was duly posted at the Eagle County Clerk and Recorder's Office and at three public places within the District.

Conflicts

The Board noted that it had received certain disclosures of potential conflict of interest statements more than seventy-two hours prior to the meeting for each of the following Directors, indicating the following conflicts: Mr. Ernest Elsner is a member of the Board of Directors for Beaver Creek Property Owners

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Association; Mr. Michael Balk is a member of the Board of Directors for Beaver Creek Property Owners Association; Mr. Robert Gary is a member of the Board of Directors for Beaver Creek Property Owners Association, Vail Valley Foundation Board and the Vilar Center for the Arts Committee; Dr. Louis Kreig is a member of the Board of Directors for Beaver Creek Property Owners Association; and Mr. James Power is a Director of the Beaver Creek Property Owners Association. The Board noted for the record that these disclosures are restated at this time with the intent of fully complying with laws pertaining to potential conflicts.

Minutes

The Board reviewed the minutes of the January 25, 2012 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the January 25, 2012 Regular Meeting.

Agenda

Changes were made to the agenda. Director Balk brought up Dial A Ride; Mr. Hanks requested addition of an administrative issue related to the water line easement in the BCMD administrative facility parking lot; Director Power requested UERWA matters be added to the agenda.

Future Meetings

The next regular meeting is scheduled for Wednesday, March 28, 2012 at the same time and location.

Public Input

Mr. Jim Kaylor, a representative of both BCRC and BCPOA boards, thanked the Board for plowing the sidewalk by Creekside. Mr. Kaylor informed the Board of a snow and gravel mound located near the intersection of Red Spruce and Scott Hill Road. Mr. Hanks suggested moving the mound to the snow storage area utilized nearby. Director Balk discussed a pile of downed timber in the same vicinity and thought it should be examined come spring to insure it is not a fire hazard.

Mr. Kaylor inquired about ice on the roads. Mr. Hanks informed the Board that low snow levels and a lack of insulation typically provided by snow means water is released from the ground, flows during the day and ices up when the sun goes down. The night crew consistently sands the roads after sunset.

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General Manager Update

Fire Station: Mr. Hanks met with Alex Iskenderian to discuss the land purchase. Mr. Hanks discussed Mr. Iskenderian's reluctance to sell the land to the District before the County process. After an explanation Mr. Iskenderian is more comfortable with the process. Mr. Collins is scheduled to meet with Orla Bannan, the attorney for Vail Resorts, regarding the matter. He mentioned the possibility of Friendly Condemnation Three issues require work: the indemnification of Vail Resorts; review of the design of the connector road; and the prospective sale of the current fire station site.

Director Balk noted that in casual discussions Mr. Frampton had suggested two ways to approach a potential land sale: selling it as one parcel to a developer or subdividing it into four lots and selling them individually. Mr. Collins pointed out that there is no legal obligation requiring the District to put any land sale out to bid. The Board directed Director Balk to contact Mr. Frampton for further discussion concerning the matter.

Discussion ensued regarding hiring a land planner to help review the site. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve spending up to a maximum of \$5,000 for review of the current fire station site by a land planner to provide an overview of options for the best use of the land.

Dial A Ride: Director Balk wished to discuss Dial A Ride negotiations. Mr. Hanks replied that since Director Elsner was out of town and Ross Bowker, BCRC's representative, was also unavailable the negotiating group will not meet until March.

Encroachment: Mr. Hanks brought to the Board's attention a unique encroachment that will surface in the future. An architect met with Mr. Hanks regarding building a house on a lot at the top of Elk Track Court. It is a legitimate lot but is privy to unique circumstances because of the location of the home next door and a problem in that the lot is not wide enough for a driveway. The home next door, as it exists, would not have been approved today

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and impinges on this lot. Concessions will be necessary and Mr. Hanks asked for one or more directors to examine the issue when it arises. Director Power volunteered.

Red Phone: The cost and participation of the Red Phone service has been examined. There are alternatives that could be cheaper. Eagle County is updating its emergency service which Arrowhead will be testing this spring. The current Red Phone service is paid through September 30, at which point a new service will most likely be implemented.

Project Legacy: The front entrance monument project is moving forward. Both BCMD and BCRC have up to \$60,000 committed to the project. The goal is to have the new entrance sign completed by the 4th of July. Discussion ensued regarding funding for signage on side roads and a guardrail on Village Road at the intersection of South Holden Road, to be funded jointly by BCMD and BCRC. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve spending up to a maximum of \$30,000 toward signage for side roads and a sample guardrail on Village Road.

Suzanne Hoffman-LeBlanc Letter: The Board discussed Ms. Hoffman-LeBlanc's letter concerning her suggestion the District begin charging entities that hold special events within the resort for road wear and tear. After discussion, the Board stated the general policy is to provide roads for use by constituents and to not charge individuals for use. The District does not single out incremental costs and does not plan to do so for future special events. The Board approved sending a reply letter (drafted by Mr. Hanks) to Ms. Hoffman-LeBlanc stating the District's position.

Insurance Claims: The Board referred to the report included in the packet. All costs associated with incidents to-date have been recovered.

Administration: Mr. Hanks informed the Board of an administrative issue related to the water easements and infrastructure at the BCMD administration facility. Mr. Hanks asked the Board for approval of transferring the water

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infrastructure and fire hydrants to Upper Eagle River Water Authority. UERWA will then be responsible for maintenance of the infrastructure. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve transfer of the water infrastructure for the BCMD administration facility over to Upper Eagle River Water Authority.

UERWA Contract: Director Power informed the Board independent counsel has been hired to review the new UERWA agreement. A cooperative agreement has been made between the Front Range and the Western Slope relating to future water issues.

Legal

No legal issues were presented.

Financial Statements

The Board reviewed the January 2012 preliminary financial statement included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the January 2012 preliminary financials as presented.

Accounts Payable

The Board reviewed the Accounts Payable listing that had been included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve and ratify the accounts payable list as presented.

Other Business

Director Krieg noted that Ms. Hoffman-LeBlanc brought up her safety concerns associated with the Prater Road intersection. Director Kreig asked if there were any data to support or refute this claim. There is no data from BC Safety or BCMD to support the intersection as dangerous, although the curve could be improved. As discussed in prior meetings the District has begun to look at modifications in the area as a potential future project Director Power noted perhaps the Prater Road intersection could use a larger stop sign, as used in Vail at the Frontage Road/E. Meadow Drive intersection.

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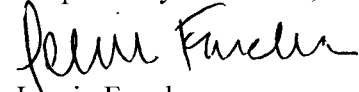
In response to her inquiry regarding High Mountain Taxi, they have communicated with their drivers about property owner complaints. The company has agreements with private properties regarding private land use for staging.

Adjournment

There being no further business to come before the Board, by motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Regular Meeting of the Beaver Creek Metropolitan District Board of Directors held on February 22, 2012.

Respectfully submitted,



Jennie Fancher

Secretary for the meeting