
RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT July 25, 2012

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., July 25, 2012 in the Conference Room of the District Administrative and Operations Facility, Eagle-Vail, Eagle County, Colorado.

Attendance

In Attendance were Directors:

- Louis Kreig
- Jim Power
- Ernie Elsner
- Mike Balk
- Bob Gary

Also in Attendance were:

- Clyde Hanks, General Manager, BCMD
- Ken Marchetti, Robertson & Marchetti, PC
- James Collins, ESQ, Collins Cockrel & Cole
- Jennie Fancher, BC Admin Assistant, BCMD
- Bill Simmons, Vail Resorts
- Tim Baker, Beaver Creek Resort Company
- Tim Maher, BCPOA President

Call to Order

The Regular Meeting of the Board of Directors of Beaver Creek Metropolitan District was called to order by Mike 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 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

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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 June 27, 2012 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the June 27, 2012 Regular Meeting.

Agenda

Mr. Hanks noted the routine request of a liquor license for the US Pro Cycling Challenge should be added to the agenda. Chairman Balk requested the subject of painting the utility boxes be added to the agenda.

Future Meetings

The next regular meeting is scheduled for Wednesday, August 22, 2012 at the same time and location.

Public Input

Entry Monument: Tim Baker presented the Board with an update on the entry monument. 3.5 bids have been received with Gallegos coming in as the least expensive and most detailed. The cost of the monument is slightly more than originally budgeted and Mr. Baker suggested both BCRC and BCMD budget for \$95,000 to cover the expense. Gallegos suggested a couple of value engineering options to shave some of the total cost of the project, one of which is to not continue the flagstone on the backside of the monument which faces the flagpole and is currently stucco, keeping the design as is would save about \$4,000. This is a cost saving step Mr. Baker agrees with. The other cost saving step would be the removal of some of the boulders included in the design at the base of the monument, something Mr. Baker does not think should be done. Mr. Baker noted the importance of sticking to the design guidelines wherever possible to ensure the project looks its best. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve up to \$95,000 for the entry monument project.

Mr. Baker noted the BCRC Board has approved half of the \$25,600 cost for the sample guardrail project on Village Road near

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the entrance to South Holden Road. The section of guardrail will be 113 feet long with a 10 foot rock section at either end (93 feet of guardrail). The cost estimate to do the remainder of the guardrail is \$367,000. The next recommended section would be the Prater Road intersection if there is an agreement not to redo the road's geometry. Ideally BCRC and BCMD can budget more money in 2013 to continue replacing guardrail within the resort. Mr. Hanks agreed to have an estimate of how many feet of guardrail will need to be replaced by the October budget meeting. The cost could be better after bids are received for the current section being replaced. The subject of berming in lieu of guardrails was mentioned. The landscaping and maintenance costs would be a greater financial impact than installing guardrails. Tim Maher brought up the curve entrance to Bachelor Gulch Road and the possibility of berming or installing a guardrail as many cars slip off the road in this location.

General Manager Update

PUD Amendment: Mr. Hanks updated the Board on the PUD amendment process. The Planning and Zoning department will send a referral letter out to all government agencies including HOAs and Metro Districts stating the issue and whether or not each entity has any input. This is a referral and not a public notice.

The next step in the PUD Amendment process will be the issue of public notice which will be published 15 days prior to the meeting date. If approved by the Planning and Zoning department the PUD amendment then goes to the Eagle County commissioners for final approval. Director Elsner inquired as to whether objectors have to give notice or simply show up at the public hearing. Anyone objecting will do so at the hearing with no prior notice necessary. Mr. Hanks informed Mr. Maher a letter demonstrating BCPOA support for the PUD amendment to the Planning and Zoning department would be helpful. The letter would be included in the packet. Mr. Hanks also noted that a letter in support of the PUD amendment from the Village Walk homeowners would be helpful. It is estimated that the Planning and Zoning process will take place in two months. The notice of the public hearing will be mailed to roughly 900 individual property owners and condo associations.

The step after approval of the PUD amendment will be a Wetlands Survey analysis which will involve an updated survey. A wetlands

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consultant will be hired to create a map noting plant growth which will be submitted to the Army Corps of engineers for approval. If the map is accepted as accurate the process moves forward, if not another 6 months will be added to the process. The wetlands area on the parcel is small, roughly 400 to 500 square feet. The expectation is that the Army Corps of Engineers will accept the map as accurate. The next step in the process will be negotiating an exchange of wetlands for the wetlands section on the BCMD parcel. The cost of the wetlands work is expected to cost \$15,500. \$150,000 is budgeted for fire station work. The cost for an attorney to work on the eminent domain issue will be \$10,000. There are a large number of moving parts involved in the land exchange. An appraiser will also need to be hired. All other possible sites for a new fire station have been considered. The lot across from the Charter was impossible because it is located in a conservation easement.

ERFPD Contract: Mr. Hanks informed the Board of a draft contract received a couple of weeks ago from ERFPD. The draft noted ERFPD would like to receive \$1.6 million from BCMD, a 60% increase from what it receives currently. Mr. Hanks will ask for additional financial information and set a meeting with ERFPD within the next 2 weeks to discuss a number of issues including: the philosophical question of what BCMD's role is in the ERFPD; is BCMD being priced as a financial district of 1 out of 6 or as a margin? Is BCMD being priced according to what it would cost to run itself? ERFPD is looking at a 10 year contract with CPI escalators. The Vail Fire Department is interested in bidding when the contract is up for renewal. The financial committee will go over the details and report at the next meeting. A mutual aid agreement is currently in place between Vail and ERFPD. If BCMD were to manage its own fire station mutual aid agreements would be in place with Vail and ERFPD as well.

Request to Paint Manholes: Mr. Hanks informed the Board of a request made by a non-resident of Beaver Creek who rides her bike regularly in the resort. She would like the manholes to be painted white to be more visible. Mr. Collins informed the Board that it is not unusual for manhole covers to be the same color as the road and as there is no dangerous condition that the Board has been made aware of there is no need to take action upon this particular request.

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Utility Boxes: The Project Legacy Manual points out roughly 48 utility boxes in the resort. The cost to paint the boxes will be approximately \$100 per box. The majority of boxes will be painted a dark green, with a few being painted brown, dependent on the box's location and surroundings. There will be no faux painting of utility boxes. Mr. Hanks will present the Board with a firm proposal on the number of boxes and cost estimate at the August meeting.

2015 Road Impact: Director Elsner made it clear to the Board he is not comfortable with the analysis of 2015 road impact submitted by Alpine Engineering. The analysis shows a .3% increase in wear and tear on Village Road as a result of extra construction traffic related to preparations for 2015. The coating of the road is a concern to residents. The question was brought up as to whether the road needs to be beautified. The Board directed Mr. Hanks to have the analysis reviewed by CTL Thompson.

Director Power noted the list of requests submitted by the Vail Valley Foundation related to 2015. The installation of a spur road is completely dependent on Vail Resorts and what transpires with the land for the new fire station. In addition the paving of Dally Road is out of BCMD jurisdiction. It was decided to discuss 2015 requests at the August meeting.

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

Liquor License Request: Mr. Hanks informed the Board of a routine request made on behalf of the US Pro Cycling Challenge leg that will end in Beaver Creek on August 23rd. The request is related to liquor licensing extending to the Covered Bridge area. The Board directed Mr. Hanks to send a letter noting BCMD's approval of extending liquor licensing to the Covered Bridge area for the Pro Cycling event.

CDOT Paving: Mr. Hanks informed the Board of CDOT's plan to pave Highway 6 at the intersection of Prater Road on August 1st. As a result the Prater Road entrance will be closed for part of the day.

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ERWSD Water Restrictions: The Board inquired as to whether any further discussion has occurred regarding turning off irrigation. Mr. Hanks informed the Board if rain keeps up everything will be fine, if rain stops then a water emergency situation is 2 to 3 weeks away. It appears highly unlikely that irrigation will need to be turned off.

Legal

Mr. Collins suggested discussing transportation funding in open session as opposed to executive session. A decision on whether to place a 1.25% sales tax on the ballot will need to be made by the August meeting. Use of the money collected can be used toward transportation funding, as well as for other purposes. Discussions have taken place and BCRC proposes that property tax collections be frozen at the current rate and not be increased to 12.2 mills, with an increase based on the CPI moving forward. In addition there would be no BCRC assessment made by BCMD to cover DAR expenses. The current \$2.9 million would be frozen in time with the addition of CPI, subject to annual review. Roughly 20% of \$3 million collected comes from commercial interests. While BCRC sees BC homeowners paying only \$2.5 million, BCPOA notes hotel guests use Dial-A-Ride as well. Director Elsner noted minutes should reflect the issue of property taxes contributing approximately \$500,000 toward the skier bus system.

Financial Statements

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

RESOLVED to accept the June 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.

Executive Session

Upon motion duly made and seconded, it was unanimously

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RESOLVED to enter into executive session citing §24-6-402(4) (a) C.R.S. for the purpose of determining positions subject to negotiations related to the acquisition of property for a new fire station; and §24-6-402(4) (e) to discuss positions related to negotiations with BCRC related to Transportation matters. The Board entered into executive session at 10:10 a.m. and adjourned the executive session at 11:10 a.m.

Further Business

Upon returning from Executive Session the Board took the following action. Upon motion duly made and seconded, it was unanimously

RESOLVED to direct Mr. Hanks to sign a letter drafted by BCMD attorneys to Vail Resorts related to a Term Sheet and Vail Resorts' support for the PUD amendment.

The Board decided to rent a podium and sound equipment for the August meeting.

The encroachment agreement related to lots 5 and 6 on Elk Track Court appear to be on hold.

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 July 25, 2012.

Respectfully submitted,



Jennie Fancher

Secretary for the meeting