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# RECORD OF PROCEEDINGS

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## MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT July 24, 2013

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., July 24, 2013 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
- Bob Gary
- Ernie Elsner

Also in Attendance were:

- Clyde Hanks, General Manager, BCMD
- Ken Marchetti, Robertson & Marchetti, PC
- Jim Collins, ESQ, Collins Cockrel & Cole
- Jennie Fancher, BC Admin Assistant, BCMD
- Tim Baker, Beaver Creek Resort Company
- Bill Simmons, Vail Resorts
- Sam Parker, BC Public Safety
- Barry Parker, BCPOA Vice President
- Dave Eickholt, BC Resident
- Rod Miller, BC Resident

### **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 of the Beaver Creek Property Owners

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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 26, 2013, Regular Meeting. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the minutes of the June 26, 2013 Regular Meeting.

### Agenda

Director Power will present the report on the water tank maintenance and Mr. Hanks will present the Board with bid results.

### Future Meetings

The next regular meeting is scheduled for Wednesday, August 28, 2013 at the same time and location.

### Public Input

Director Power presented the Board with information related to maintenance at one of the water tanks in Beaver Creek. The project involves re-lining the interior of the tank. The project is expected to start September 3<sup>rd</sup> and the tank, which has a capacity of 2 million gallons, will be down for two months. This will not affect indoor water usage but will reduce the number of days for irrigating water from 3 days to 2. The Board requested that homeowners be notified as soon as possible.

### General Manager Update

**Fire Station Update:** Mr. Hanks informed the Board the new station will be discussed in Executive Session. There is a new strategy related to dealing with potential lawsuits. The idea of hiring a project manager to oversee construction of a new station was discussed. A project manager helps with construction oversight and is helpful with variances that may occur, as well as sticking to a budget. This helped save money with the construction of the Vail Fire House.

**ERFPD Contract Renewal:** Mr. Hanks reported he and Director Gary met with ERFPD and continue to work on reaching an agreement. The two parties agree to the concept of allocating costs that apply to Beaver Creek. BCMD would like to pay its share of other expenses that apply, not allocate funds toward expenses that do not relate to Beaver Creek. This has been a breakthrough and a summary is in the packet. The financial piece of the agreement should be nailed down by the end of the year. Approving/extending the contract will be on the May ballot if necessary.

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**Guardrail Update:** The stonework is being rebid. The bids were high due to bonding requirements and will go out again under BCRC to avoid bonding. The bids are out and due in next week. One shipment is left for the guardrails. Mr. Miller inquired about delaying installation of the guardrails as no alternate designs were considered. His concern is value engineering and he inquired who on the Board was responsible for demanding the guardrail project move forward. He was also upset that the questions he had asked the Board had taken 19 days to receive and that those answers were only received the night before the Board meeting the next day. Mr. Miller insisted the original vote occurred with no knowledge of other options. Mr. Miller was then shown pictures of different guardrail designs. His response was that there were no associated cost estimates for the different guardrail pictures/designs thus, they were only pictures and thereby, incomplete options. The Board stated their belief that it has done a good job but will note Mr. Miller's objection for the record by recording it in the minutes. The guardrails being replaced are existing guardrails, no additional guardrails are budgeted at this time.

**Prater Road Striping:** At the June meeting a request was made for Mr. Hanks to look into altering the road striping at the Prater Road curve. Restriping this area of the road involves milling off the current stripes and laying out a new geometry. This can be done in September and will cost roughly \$4,500. There was discussion and Director Power noted his preference for delaying the project until next fall when the overlay on Village Road will occur. Mr. Hanks was directed to have the restriping project scheduled for the fall.

**Overlays/Road Work:** Mr. Hanks noted decisions need to be made regarding road work to be completed this fall as contractors need to be booked now. There was discussion about putting overlays off that can be put off and sticking to work that needs to be done. Keeping up the standard Beaver Creek is known for was discussed. Patching and ditch work is a priority. It was decided to postpone Borders Road and Willis Place one more year and combine these with the Village Road overlay. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to accept the bids for patching and ditch work.

BC resident Barry Parker noted his belief that road work should wait until there are no construction projects taking place, adding there had been four road cuts since the Holden Road overlay last year. This is a difficult scenario as there will always be a construction projects going on within the resort.

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**Encroachments:** Mr. Hanks informed the Board about a possible encroachment at 176 Holden Road. The homeowner would like to move the garage, which would bring it within the 18 foot setback. This would become a safety issue as far as parking goes as it would take away current surface parking places for the residence.

Another encroachment issue is related to 42 Wayne Creek Commons, where the homeowner wants to add on to the back of the house, toward the creek. The concern is that no equipment be parked within the setback along the creek.

**Insurance Claim Recovery:** The Board referred to the report included in the packet. Mr. Hanks noted no new claims have been filed.

### Legal

Mr. Collins noted there is nothing to report other than items for Executive Session.

### 2012 Audit

Discussion related to the 2012 audit took place. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the 2012 Audit.

### Financial Statements

Mr. Marchetti noted variances within the 2013 budget are minor and BCMD is on budget for the year. Property tax variances are a matter of timing. Reserves are expected to end the year at just under \$5 million. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to accept the June 2013 preliminary financials as presented.

### Accounts Payable

The Board reviewed the Accounts Payable listing. 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

**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

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station; The Board entered into executive session at 10:13 a.m. and adjourned the executive session at 11:40 a.m.

#### **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 24, 2013

Respectfully submitted,



Jennie Fancher  
Secretary for the meeting