
RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT August 27, 2014

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., August 27, 2014 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
- Stephen Friedman
- Jim Fraser
- Pam Elsner

Also in Attendance were:

- Clyde Hanks, General Manager, BCMD
- Ken Marchetti, Robertson & Marchetti, PC
- Jennie Fancher, BC Admin Assistant, BCMD
- Tim Baker, BCRC
- Liz Jones, BCRC
- Jeff Luker, BCRC
- Barry Parker, BCPOA

Call to Order

The Regular Meeting of the Board of Directors of Beaver Creek Metropolitan District was called to order by Lou Kreig, 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: Dr. Louis Kreig is a member of the Board of Directors for Beaver Creek Property Owners Association; Mr. James Power is a Director of the Beaver Creek Property Owners Association; Mr. James Fraser is a Director of the Beaver Creek Property Owners Association; Mr. Stephen Friedman is a member of the Board of Directors for the Vail Valley Foundation and the Eagle River Water and Sanitation District. Ms. Pamela Elsner is a member of the Board of Directors for Vilar Guild Executive Board; and. the

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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 July 23, 2014, Regular Meeting. Director Elsner noted Director Friedman's request at the last meeting for auto accident reports. There are no specific auto accident reports as they are included in the general BCPS monthly reports. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the July 23, 2014 Regular Meeting.

Agenda

Chairman Kreig added discussion of the 2014 summer legal update received from Collins, Cockrel and Cole, as well as information he has accumulated from FIERO, a groups dedicated to fire station construction and equipment. A personnel issue was added to the agenda. Mr. Hanks noted he will be adding informational items to the General Manager's Report section of the agenda.

Future Meetings

The next regular meeting is scheduled for Wednesday, September 24, 2014 at the same time and location. Director Friedman noted he will not be in attendance at the September meeting. Director Elsner noted she will not be at the meeting in person but will call in.

Public Input

Jeff Luker thanked the Board for their efforts toward the settlement with Vail Resorts.

General Manager Update

Fire Station: Mr. Hanks informed the Board design for the road to the fire station site is complete. The next step is applying to the County for a grading permit and drafting an agreement with VR for tapping into the utilities. Water service to the site will involve the installation of a small pump, enabling access to the water supply currently servicing the warehouse. There are two types of water associated with the fire station: raw water for fire suppression and potable water. The question that needs answering is whether the existing raw water line, used for snowmaking, will work in the winter months. At the moment whether it freezes is an unknown. Director Power noted the gate at the top of Elk Track Road used to be closed and now is open. Director Friedman inquired as to whether an agreement with the Water Authority is necessary. Mr. Hanks responded discussions are taking place and whether or not a written agreement is needed remains to be seen.

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Fire Station Site Sale: Mr. Hanks informed the Board an email will go out later in the day to roughly 60 interested parties. There are currently five to ten active interested parties in purchasing the site. The asking price is \$10 million. Director Friedman noted the information sounded the same as at the July meeting, inquiring about the process and setting parameters for responding to offers. The committee of Chairman Kreig and Director Power will take first look at offers as they come in, a full price offer will require a special meeting of the Board.

New Fire Station: The Architect search is underway. 27 architects are in receipt of the RFP and eight firms have completed a site visit. Selection is a two stage process with initial responses due from interested architects by September 5th. Two or three of these architects will be chosen at which point firmer design and pricing will be requested. Director Fraser asked that emails be clearly marked if they are confidential. Mr. Hanks noted the construction of the new fire station is a public process to which Director Friedman added the process is public to a point, contract negotiations will be confidential, held in Executive Session.

Insurance Claim Recovery: The Board referred to the report included in the packet. Director Friedman inquired as to whether there are any outstanding claims. Mr. Hanks informed the Board of an incident with a cement pumper truck that occurred yesterday, expecting a claim to be filed soon.

Transportation Agreements

The Transportation Agreements were presented to the Board, noting the effective date of the contracts is November 1, 2014. Mr. Hanks noted the bus service is managed by VR and the Village to Village service is cost shared between Beaver Creek, Bachelor Gulch and Arrowhead Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Dial-A-Ride Transportation Agreement and,

FURTHER RESOLVED to approve the Parking Lot Bus Transportation Agreement and,

FURTHER RESOLVED to approve the Village to Village Transportation Agreement.

TABOR Notices

Mr. Marchetti informed the Board that pro and con statements for the November ballot issue for the Vilar Center Mill Levy are due to the Designated Election Official (DEO), Kathy Lewensten, by September 19. Any registered voter in Beaver Creek can write and submit a statement.

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Beaver Creek Water Rights

Director Power referred to the information in the packet on Beaver Creek's water rights. The information was furnished in an effort to familiarize the Board with Beaver Creek's water rights. Director Friedman noted water rights do not guarantee water will be available. Of interest is how restrictions are divvied out. The paper rights are excellent but you cannot drink water rights.

Legal Update

Chairman Kreig referred to information received from Collins, Cockrel and Cole in a summer legal update. The update included information on guarding against employee fraud, holding adequate insurance against employee fraud, and conducting background checks on employees. Other information related to securing sensitive documents and tagging valuable equipment. Mr. Hanks noted there is an inventory of major equipment and a security camera is installed.

FIERO

Chairman Kreig informed the Board of a group called Fire Industry Equipment Research Organization (FIERO), adding he just missed the last annual meeting and ordered the transcript. There is valuable information about building fire stations from this year's meeting. Chairman Kreig will extract information prior to meeting with architects for the new station. Mr. Marchetti noted any architect, consultant, or contract hired needs to be aware up front that there is a no change order policy. An owner's representative will be hired to oversee the process. Mr. Luker inquired as to whether Beaver Creek will have a ladder truck. The new station will be built to hold a ladder truck but there are no current plans to purchase one. Director Fraser inquired whether there would be a legal implication if we did not have one. Mr. Hanks informed the Board the agreement with ERFPD requires them to have a ladder truck.

Statements

Mr. Marchetti referred to the packet, adding the preliminary notices are in for property valuations. Property values are down for the 36 month period. This drop is noted in the 2015 column for budget discussion, with the forecast column down \$80,000. Director Friedman inquired what the high water mark has been in the past for revenue. Mr. Marchetti noted the peak was \$400 million and currently BC properties are valued at under \$310 million. Assessed values will continue to be monitored. The makeup of BC properties is roughly 80% residential and 20% commercial. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the July 2014 preliminary financials as presented.

Accounts Payable

The Board reviewed the Accounts Payable listing. Upon motion duly made and seconded, it was unanimously

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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 sale of property where the current fire station is located; and §24-6-402(4)(e) to discuss an MOU with the VVF related to the 2015 World Championships. The Board entered into executive session at 9:42 a.m. and adjourned the executive session at 10:14 a.m.

General Manager
Position

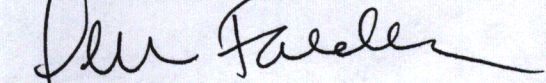
The Board recognized Mr. Hanks intent to retire by the end of 2014 and appointed Directors Friedman and Elsner to chair the search committee for his replacement.

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 August 27, 2014

Respectfully submitted,



Jennie Fancher

Secretary for the meeting