
RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT September 28, 2011

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., September 28, 2011 in the Conference Room of the District Administrative and Operations Facility, Eagle-Vail, Eagle County, Colorado.

Attendance

In Attendance were Directors:

- Mike Balk
- Louis Kreig
- James Power
- Ernie Elsner

Directors Absent and Excused:

- Bob Gary

Also in Attendance were:

- Clyde Hanks, General Manager, BCMD
- Eric Jorgenson, Esq, Collins Cockrel & Cole
- Jennie Fancher, BC Admin Assistant, BCMD
- Kathy Lewensten, Recording Secretary, Robertson & Marchetti
- Bill Simmons, Director of Operations, Vail Resorts Village Operations
- Dawn Friedman, BCPOA
- Tim Baker, BCRC Executive Director
- Sam Parker, Director of Public Safety, BC

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 Association; Mr. Michael Balk is a member of the Board of

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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 August 24, 2011 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the August 24, 2011 Regular Meeting.

Agenda

No changes were made to the agenda.

Future Meetings

The budget work session is scheduled for October 5, 2011 at the BCMD administration offices at 40847 Highway 6, Eagle-Vail, at 8:30 a.m. The next regular meeting is scheduled for Wednesday, October 26, 2011 at the same time and location. Director Power noted that he will be absent from both the October 5th budget work session and the regular October Board Meeting.

Public Input

Centennial Station Entry Project: Mr. Tim Baker of the BCRC presented drawings of proposed improvements to the Centennial Station entry in Beaver Creek. Centennial Station is the point of entry into Beaver Creek for a large majority of riders of the Dial-a-Ride bus system, including property owners. The current condition of the Centennial Station entrance is lacking in its appearance and Mr. Baker would like to see a more welcoming entry. The original intent of the location was for operational and fire apparatus access. This need no longer exists as this type of access can be obtained further up the hill. The first phase of improvements to Centennial Station will involve signage, removal of the center island and a widening of the current staircase. A second phase would involve steps up to the snow in winter and a

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landing by the Beaver Creek Club entrance. The variability between summer access and winter access still needs to be worked out. It was noted Centennial Station was a recipient of BCPOA Adam Aaron Funds and that BCPOA may be willing to consider some funding again.

The question arose as to whether the current snowmelt system can handle the additional snowmelt that this improvement would require. The increase would be marginal and while the addition may not be cheap, the capacity is there. The Beaver Creek Club would be charged for the costs associated with running the snowmelt based on the amount of square footage.

Mr. Hanks brought up the fact the project is in the BCMD easement. The three issues at hand regarding the Centennial Station Entrance redesign are: 1) the easement; 2) money to spend; 3) the second phase to be attended to next year. The Board expressed no issue with the encroachment within the easement.

Director Krieg noted that separate projects outside of Project Legacy continue to be brought forward for review and approval. The Centennial Station entrance was not included in Project Legacy as were the trees along Village Road. He suggested a deeper look into the strategic vision of the resort. Mr. Baker responded that Project Legacy may need to be updated however he doesn't want to see that process get in the way of progress. After further discussion a motion was made and seconded to contribute an amount representing one third of the cost of the project not to exceed \$35,000 to the construction of improvements at the entrance for Centennial Station, it was unanimously

RESOLVED to authorize the expenditure of an amount representing one third of the cost of the project not to exceed \$35,000 toward costs for improvements at the entrance to Centennial Station as presented for this phase.

Mr. Baker presented two different sign styles and inquired which of the two sign styles presented was preferable. The Board agreed the route to follow would be the style of Project Legacy. Discussion ensued regarding the new signs in Beaver Creek. While the new signs are attractive (gold lettering on black background) they seem to be harder to read. The font size is the

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same but the color scheme creates the optical illusion of smaller lettering. To change the signs would be a larger project than perceived. The bases will need to be widened, which involves pulling large concrete pillars out of the ground, digging new holes, and welding wider sign frames. The cost would be roughly \$400 to \$500 per sign, or roughly \$2,000 for the signs that need to be replaced. Director Elsner suggested it might be a good idea to take down the signs that list 4 items on them and replace them with 2 signs that list 2 items on them. The black and gold color scheme has been very well received. Director Power requested a sign for the hiking trail at 490 Holden Road.

General Manager Update

Road Overlays and Repairs: Mr. Hanks reported the road repairs and overlays are currently underway. The overlay on Holden Road should be completed next week. It is expected to take two days for paving, one lane will be done on one day, the other on the next. It was noted there will be times when home owners will not be able to exit their driveways. When work is being done in front of a home there will be a window of approximately 3 hours when a home owner will not be able to get in or out of his driveway.

By the end of next week all overlay and patching road work for 2011 should be completed. Additional work already completed this fall includes a crosswalk near the entrance to Highlands Lane, and stucco work to the skier bridge that goes over Highlands Lane, near Highlands Lodge.

Director Balk inquired about expenses this year for Village Road. Mr. Hanks responded that roughly \$200,000 will be spent, patching costing between \$110,000 and \$120,000 and ditch work being \$70,000 to \$75,000. Director Balk inquired how the figures compare with the budget. Mr. Hanks replied that the 2011 budget number for road work is \$530,000 and the bids came in at \$513,000.

A discussion ensued regarding a schedule of overlays. The next overlays to be considered will be Willis Place and Beaver Creek Drive. The exact schedule will be discussed at the 2012 budget meeting on Oct. 5. The next complete overlay of Village Road is slated for 2014, and is estimated to cost more than \$600,000. Road composition was discussed. The asphalt used to build Village

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Road used material from the Nottingham pit, which has shown issues in various roads throughout the county. Village Road has displayed a bad bottom layer every time it has been exposed. Strawberry Park Road was built later, better materials were used so it is not having the same issues. A deep trench done on South Holden Road also shows no road base problems there.

ISO Rating: Mr. Hanks reported he is working with Charlie Moore at the ERFPD to obtain information regarding building heights for the ISO consultant. The expectation is the ISO rating may change for Beaver Creek if it is rated separately from the rest of ERFPD. The change in ISO rating is expected to be significant which would benefit commercial properties in Beaver Creek. There is no cost to be separately rated.

Fire Station: Mr. Hanks reported that in August there was a discussion with Mr. Lovell (BCRC) and Mr. Alex Iskenderian (Sr. Vice President & COO Vail Resorts Development Company) regarding BCMD desires to build a new fire station. Mr. Iskenderian stated that VR would like to see a new firehouse built for the Beaver Creek community, as much as BCMD, and could offer BCMD a portion of land carved out from the 85 acres it currently owns up by the water tank. To make this possible BCMD would need to take some actions to rezone property.

At another meeting (1 Sept) with BCMD representatives, Mr. Lovell read from a letter written by Mr. Garnsey to Elk Track home owners in 1999 which mentions VR intentions to build a food service facility in Eagle-Vail -- rather than near maintenance facility at water tank. This letter did not acknowledge (on VR's part) any restriction to usage of any part of Village Road. It appears no guarantees regarding future traffic were made in this letter.

If the Elk Track home owners were to object to the fire station location up by the water tank, it may be due to more anticipated traffic on this part of Village Road.

VR recognizes a new location for the fire station is a BCMD project, and is open to any ideas the BCMD has to finding a new location for the firehouse. The alternative to a new location for this facility is to rebuild a new fire station in the current location.

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This would require going to the voters for a bond issue and relocation of fire services.

Pond Dredging: Mr. Hanks conveyed to Dave Lopez of the BC Golf Course that BCMD is willing to pay 50% of the costs for pond dredging up to \$17,000. Mr. Lopez made it clear they were hoping for a larger financial commitment leaving doubt about the project. Mr. Hanks is waiting for a response.

Equipment Sales: Mr. Hanks reported that two vehicles have recently been sold through an online auction service, Public Surplus, which deals strictly with the sale of equipment owned by public/governmental agencies. Both vehicles were sold for more than anticipated.

Skiway Contribution

Agreement:

Mr. Hanks referred to the Joint Resolution concerning Extension of the Skiway Contribution Agreement that had been included in the packet. The skiways that go to lodging and homes in Beaver Creek are groomed and patrolled. The costs are split 50/50 between BCMD and BCRC. The resolution is for a one year extension of the existing agreement. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Joint Resolution Concerning Extension of the Skiway Contribution Agreement through September 30, 2012 which is hereby attached to become part of the minutes.

Legal

UERWA: Mr. Jorgenson reported UERWA is updating the authority's establishing agreement. They are looking at revisions regarding the termination clause and possible dissolution which involves determining a method for distribution of assets to its current members. No action is needed at this time. Mr. Power proposed that additional discussion of the District's position be conducted in executive session.

Financial Statements

The Board reviewed the August 2011 preliminary financial statement included in the packet. Upon motion duly made and seconded, it was unanimously

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RESOLVED to accept the August 2011 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.

Transportation Matters

The transportation mill levy will be a part of budget discussions at next week's budget work session. The 2012 transportation mill levy has been budgeted to provide the same amount of property taxes as 2011. In return BCRC has committed to no common assessment for 2012. Ms. Friedman inquired as to how taxpayers will be notified of the mill levy increase suggesting a letter or email be provided to home owners. A public hearing on the 2012 budget will be held at the October meeting at which the public is welcome to attend. The Board tabled the matter for discussion at the Budget Work Session.

Mr. Baker stated that he is meeting with the Town of Avon later this morning regarding transportation between Avon and BC. BCRC would like to maintain control of the system to maintain a high standard of guest service.

Executive Session Upon motion duly made and seconded, it was unanimously

RESOLVED to enter into executive session citing §24-6-402(4) (a) and (e) C.R.S. for the purpose of determining positions subject to negotiations related to the acquisition of property for a new fire station and UERWA matters. The Board entered into executive session at 9:50 a.m. and adjourned the executive session at 11:24 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 September 28, 2011.

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Respectfully submitted,

Jennie Fancher
Secretary for the meeting