
RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT August 20, 2008

The Special Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., August 20, 2008 in the Conference Room of the District Administrative and Operations Facility, Eagle-Vail, Eagle County, Colorado.

Attendance

In Attendance were Directors:

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

Also in Attendance were:

- Clyde Hanks, General Manager
- Ken Marchetti, CPA, Robertson & Marchetti, PC
- Kathy Lewensten, Recording Secretary
- Heather Nolan, Administrative Assistant
- Bill Simmons, BC Operations
- Tony O'Rourke, BCRC
- Jim Funk, BC Public Safety

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. Director Balk 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 and a director of the Vilar Center for the Arts; Mr. Robert Gary is a member of the Board of Directors for Beaver Creek Property Owners Association and the Vilar Center for the Arts Committee;

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and Dr. Louis Kreig is a member of the Board of Directors for 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 July 23, 2008 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the July 23, 2008 Regular Meeting as presented.

Future Meetings

The Board reviewed the 2008 meeting dates schedule included in the packet. The next meeting will be Wednesday, September 24, 2008 at the same time and location.

Agenda

Mr. Hanks requested time to update the Board on a matter concerning the intersection of Prater Road and Village Road.

Public Input

No public comment was offered.

General Manager Update

Encroachment: Mr. Hanks reported Mr. Fraser had provided a copy of revised plans for his property as discussed at last months meeting. The revised plans reflect the redesigned driveway. Mr. Fraser is scheduled to appear before DRB today to see if the change is acceptable, if approved he will return to ask for an encroachment from the District.

Avondale Sidewalk: Mr. Hanks reported the invitation to bid for the Avondale Sidewalk project had been published. Bids will be accepted until September 3, 2008. The work will be scheduled for this fall. Once the bids are received Mr. Hanks will contact the Post Montane and The Charter to see if they are interested in cost sharing any portion of the project. BCRC has already expressed willingness to provide cost share funds for the project.

TOA Transit Agreement Audit: Mr. Hanks noted McMahan & Associates, LLC has been retained to audit the TOA records

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related to the transit services provided to the District. He explained the District had received a final invoice from the TOA for services provided through April 2008 of approximately \$110,000. This invoice will be held until the conclusion of the audit.

Highlands Lane: Mr. Hanks stated the Highlands Lane POA has requested repairs to a manhole in the road. He explained that the manhole is in a District roadway and the repairs are normal maintenance so the work has been scheduled for September.

Village Road Sidewalk: Mr. Hanks reported the colored concrete sidewalk along Village Road is exhibiting signs of flaking and spalling. The sidewalk is still under warranty since it is less than one year old. The District has notified and filed a claim with Ewing Construction, the general contractor for the project, for repairs to the affected portions of the sidewalk. Mr. Hanks reported Ewing is discussing the matter with the sub-contractor and material supplier to determine who will be responsible for the repairs. An epoxy type coating has been tested on a small section of the sidewalk to see if this will adequately address the problems. The estimated cost for the repairs is not known at this time however the repairs should be done at no additional cost to the District.

Snowmelt: Mr. Hanks reported he has begun researching options for upgrades to the current snowmelt system. He explained the current system is 10 years old and noted there are efficiencies that could be recognized by installing upgrades using the newer technologies that are available. It was estimated the District may recognize a 40% to 46% savings in fuel usage. He referred to the memo included in the packet from Tech One. The Board asked if other alternatives for energy sources, such as geo thermal, have been researched. The Board noted the upgrades would not be done in time for this season but should be looked at during the 2009 budget review as a potential project for next spring. The Board directed Mr. Hanks to continue reviewing options and upgrades for discussion during the upcoming 2009 budget review session.

BC Chapel request: As reported at a prior meeting snowmelt system equipment is already in place around the Beaver Creek Chapel. It is not know if the system is functional as it has not been

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turned on. After a review of the related snowmelt cost share agreement Mr. Hanks has found the cost share portion for the Chapel was set at zero. It is anticipated if the system is functional and was operated it would increase overall operating costs by approximately 3% to 5%. The Board tabled the matter until further analysis can be completed.

Prater Road and Village Road Intersection: Mr. Hanks reported that as part of the Resortscape project the intersection of Prater and Village Road will be improved. Director Balk requested consideration of any future roadway improvements at this intersection so they could be completed prior to installation of any resortscape improvements. He explained it would not make sense to make the resortscape improvements only to have them removed or replaced if roadway improvements were done later. The Board discussed the current traffic flow at the intersection noting concerns and line of sight issues. The Board then discussed potential improvements that may alleviate the concerns. One concern is the line of sight for vehicles coming down Village Road that wish to make a left hand turn onto Prater Road. It was suggested a median strip or a different turn radius may be beneficial. The Board asked Mr. Funk to review the history of incidents in the area. Mr. Funk stated he was aware of a few traffic incidents over the last few years and stated he will review the incident reports. The Board agreed improvements at this site would be worthwhile to look at and directed Mr. Hanks to prepare a feasibility study for consideration at the September meeting.

**Beaver Creek
Beautification
"Resortscape"**

Director Elsner reported the Resortscape committee had met with Design Workshop to continue moving forward with the master plan. Once the master plan is finished the cost estimates per phase/project for the improvements will be available. Depending on the nature of the phase/project the cost share portions will be allocated accordingly. It is anticipated the project will be done in phases over the next five to ten years. Mr. O'Rourke noted BCRC has budgeted \$600,000 for the coming year for related projects. The committee will continue to meet with Design Workshop for completion of the master plan. It is anticipated the master plan will be complete by October.

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Bond Refunding

Mr. Marchetti reported he has been monitoring the market for a potential refunding of the Districts 1998 bonds. He has had preliminary discussions with Piper Jaffray regarding the matter. The earliest the refunding could occur is December 1st. He will continue to research the matter.

Financial Statements

The Board reviewed the July 2008 preliminary financial statement included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the July 2008 preliminary financials as presented.

Accounts Payable

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

RESOLVED to approve 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)(f) C.R.S. for the purpose of discussing personnel matters. The Board entered into executive session at 9:25 a.m. and returned at 10:10 a.m.

Upon returning from executive session the Board authorized the District to open a \$10,000 petty cash checking account. The authorized signers for the account will be the Directors of the Board and Mr. Hanks. It was noted Mr. Hanks is not authorized to sign any check made out to him personally. Upon motion duly made and seconded it was unanimously

RESOLVED to authorize opening a \$10,000 petty cash checking account at First Bank, with authorized signers being the Directors of the Board and Mr. Hanks.

The Board wished to implement an operations crew supplemental bonus program effective September 1, 2008. The supplemental bonus will be calculated using \$.75 per hour times the total monthly hours worked. The payment will be made monthly in

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arrears from the petty cash account. Mr. Hanks and Director Elsner are authorized to approve the supplemental bonus payments. Upon motion duly made and seconded, it was unanimously

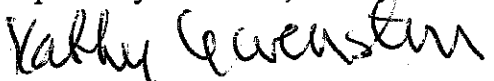
RESOLVED to implement an operations crew supplemental monthly bonus of \$.75 per hour worked.

Adjournment

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

RESOLVED to adjourn the Special Meeting of the Beaver Creek Metropolitan District Board of Directors held on August 20, 2008.

Respectfully submitted,


Kathy Lewensten
Secretary for the meeting