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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 October 27, 2010

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., October 27, 2010 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
- Ernie Elsner (via phone)
- Robert Gary (via phone)

The following Director was Absent and Excused:

- James Power

Also in Attendance were:

- Clyde Hanks, General Manager
- James Collins, Esq, Collins Cockrel & Cole
- Ken Marchetti, CPA Robertson & Marchetti, PC
- Jennie Fancher, BC Admin Assistant,
- Kathy Lewensten, Recording Secretary
- Ludwig Kurz, BCRC
- Sam Parker, BC Public Safety
- Bill Simmons, Director of Operations
- Marcie Balk, BC Property Owner
- Dawn Friedman, BCPOA
- Tim Baker, Executive Director BCRC
- Chris Lubbers, BC Transportation

### 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,

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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; 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 September 21, 2010 Regular Meeting. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the minutes of the September 21, 2010 Regular Meeting.

### Agenda

Mr. Hanks requested time to update the Board on matters related to the snowmelt system and the sale of a vehicle.

### Future Meetings

The Board reviewed the 2010 meeting schedule included in the packet. The next meeting was scheduled for Tuesday, November 16, 2010 at the same time and location.

### Public Input

**Variance Request:** Mr. Hanks stated Ms. Balk was in attendance to request permission for a variance to place aspen trees along the curve on Borders Road. He displayed site plans for review by the Board explaining the trees would be located within the line of sight for the roadway. Ms. Balk explained there would be seven aspen trees spaced fairly far apart over 120 feet noting they should not have a significant impact to the line of sight. She stated the neighbors were okay with the proposed trees explaining it would improve the landscaping of the area. Director Gary asked if the District would have liability risk for any landscaping placed in a line of sight. Mr. Collins responded the District may have a liability risk since it would be an identified hazard. Director Balk recused himself from the matter. He then stated his opinion that it

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appears underestimation of the curve radius and traffic speeds are more of an issue in the area than the line of sight. Director Gary and Director Kreig expressed concern with the liability issue of placing trees within the line of sight. A motion was made to approve the variance but died due to lack of a second.

**BCRC:** Director Balk introduced and welcomed Mr. Baker, the new executive director of BCRC to the Board.

## General Manager Update

**Fall Road Patching and Overlay:** Mr. Hanks referred to the CTL memo included in the packet regarding their comments on the Village Road patching performed this fall. Director Elsnor had requested inclusion of the information for the record. Mr. Hanks reported the patching work has been performed. He noted while doing the full depth patching the subgrade had been found to be dry but the lower layers of removed asphalt were found friable in various depths as expected. He stated the patching on Village Road is being documented as requested by Mr. Miller.

**Holden Road:** Mr. Hanks reported work on Holden Road has begun. He stated the repairs along the downhill driveways is done. He explained a sub drain has been placed along a section of the uphill side to help dewater the roadway next spring. He stated a portion of the sub drain will be delayed until next spring due to the recent discovery of several utility lines near the transformer which will require hand digging.

**Prater Road Project:** Mr. Hanks had provided copies of the proposals received from four engineering firms for the Prater Road project. He stated Marcin, Borne, and Intermountain Engineering proposal costs ranged between \$13,000 to \$23,000. CTL proposed to partner with SGM for a cost of \$30,000. Although the scope of work was similar each firm's proposal was unique with some being more detailed than others. All of the firms appeared qualified to perform the work. Mr. Hanks suggested as a next step doing a face to face interview with two firms. He recommended Marcin and Intermountain Engineering noting they are both local and had provided examples of local projects. After a brief discussion the Board agreed with the recommendation. The Board asked Mr. Baker if BCRC would be open to paying for half of the cost of the engineering for the project. Mr. Baker stated he would need to ask

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the BCRC board at their next meeting if they would be open to splitting the design costs.

**Fire Station:** Mr. Hanks reported he has begun discussions with VR regarding the potential of a fire station up by the maintenance center. He had met with Mr. Lovell from Beaver Creek, a representative from Vail Resorts, and Mr. Palmer of Alpine Engineering regarding the designs for an alternative route up to the maintenance center. The alternate route would be located near the existing fire station. Part of the alternate route would be on forest land so it would be necessary to request approval from the forest service. It could be included in a request being made to the Forest Service for improvements being considered for the 2015 world cup.

It was reported ERFPD had laid off two of the Deputy Chiefs who had performed the fire prevention inspections in Beaver Creek in the past. The Board expressed concern that no reduction in the number or frequency of inspections occur due to the lay off. They requested Chief Moore be contacted to confirm fire inspections will be done on the same schedule as they have been in the past with no reduction.

Director Kreig mentioned at the SDA conference he had spoken with the Fire Chief from Pueblo who had offered to review and provide recommendations regarding fire service needs in Beaver Creek. Mr. Hanks and Director Kreig will follow up.

**Insurance Claims:** The Board referred to the report included in the packet. There are no claims currently outstanding.

**Snowmelt System:** Mr. Hanks reported the snowmelt heat exchanger needs repair. AMS is waiting for parts so it can be rebuilt. It is expected the heat exchanger will be back in service by the time ski season begins. In the meantime the areas around the covered bridge and the bus turnaround will be taken care of by hand.

**Sale of used Vehicle:** Mr Hanks reported the sale of a used Ford F350 Pick up to Mr. Marchetti. He stated the value of the vehicle had been established by looking up the Kelly blue book value and requesting a trade in amount from the dealership selling the

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District the new Ford F350. The fair market value had been set at \$10,000.

**Skiway Agreement** Mr. Hanks reported the Skiway Contribution Agreement needed to be renewed for the coming ski season. This agreement is between the District and BCRC for reimbursement of one half of skiway related costs. Due to the change in personnel at BCRC he was recommending adoption of a resolution extending the current agreement for a year with the understanding a long term agreement would be negotiated prior to its expiration next year. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adopt the Resolution Concerning Extension of the Skiway Contribution Agreement which is hereby attached to become part of the minutes.

**Transportation Agreements**

**Village to Village:** Mr. Hanks presented the draft agreement covering the Village to Village Transportation Service for the coming year. He explained there were several technical revisions that would need to be made to the draft. Director Elsner asked about the basis used to calculate the use percentages. Mr. Simmons explained they were based on a survey done several years ago on the origination point for riders. It was suggested perhaps the cost be divided equally at 25% for each entity. Mr. Simmons offered to conduct a new survey over this season for use in determining the percentages for next year. It was suggested the criteria used be changed to where the rider is staying as opposed to where the rider was picked up. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Village to Village Transportation Agreement subject to the revisions discussed and final review by Mr. Hanks.

**Dial A Ride:** It was reported Bachelor Gulch Metro District had requested proposals to run their DAR service for this season. They had awarded the contract for their DAR service to High Mountain Taxi for cost savings of approximately \$400,000. Mr. Simmons explained the draft agreement with BC includes similar cost savings. The cost savings can be attributed to adjusting routes and times for the service in addition to a reduction in maintenance

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costs. He explained the maintenance of the vehicles will be performed by the VR maintenance shop instead of contracting with the Town of Avon which resulted in significant cost savings. The Board briefly discussed the DAR term sheet that had been provided to BCRC for comment regarding the separation of the DAR and Parking Lot services and the related funding. It was reported BCRC will be considering the term sheet at their November meeting. Mr. Hanks noted there were some technical corrections that would be needed in the draft agreement such as the inclusion of the Holden Rd route on page 3 and 4. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Dial a Ride Transportation Agreement subject to the revisions discussed and final review by Mr. Hanks.

**Parking Lot Agreement:** The Parking Lot Agreement was discussed. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Parking Lot Transportation Agreement.

## Town of Avon

### Maintenance Agree

Mr. Hanks presented the Maintenance Agreement with the Town of Avon. He noted the TOA is using a two tiered rate structure for services this year. The rate will depend on the type of vehicle with \$108 for light duty and \$115 for heavy duty vehicles. He reported the TOA was not willing to negotiate the rates. There are no viable alternatives at this point however Mr. Simmons reported he is trying to find alternatives for the future. It was noted the agreement does not require the District to bring the vehicles or equipment to the TOA shop. The Board requested VR be contacted to see if they may be willing to provide some services at a more competitive rate. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Maintenance Agreement with the Town of Avon.

## Legal

Mr. Collins presented the Electronic Mail Policy. He explained the District is required by the State of Colorado to have a policy. The

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policy notifies employees the District email may not be used for personal matters and describes the retention and open records guidelines related to emails sent or received. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Resolution Adopting An Electronic Mail Policy which is hereby attached to become part of the minutes.

### Vehicles

#### Purchase/Lease

Mr. Marchetti reported the District is expected to take delivery of the transportation vehicles that were budgeted for 2010 in the near future. He requested the Board consider approval of the lease proposal from Wells Fargo which had been included in the packet. Two new leases are being proposed. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Wells Fargo Lease Proposal which had been included in the packet, and

**FURTHER RESOLVED** to direct Mr. Hanks to execute the necessary paperwork for the leases.

#### Accounts Payable

The Board reviewed the Accounts Payable listing. Director Elsner requested more information regarding the payment being made to Design Workshop. He requested a copy of the draft sign manual they were working on. The payment will be held until he approves its release. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve and ratify the accounts payable list as presented.

Director Gary left the meeting at 10:05 a.m.

### Equipment Lease

#### Payoff

Mr. Marchetti requested consideration of an early payoff of the District lease held at SunTrust for the Unimog and Loader. The payoff letter was included in the packet. The interest rate on the lease is 4.19%. The payoff will come out of reserves. Upon motion duly made and seconded, it was unanimously

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RESOLVED to approve payoff of the SunTrust Lease.

### Financial Statements

The Board reviewed the September 2010 preliminary financial statement included in the packet. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to accept the September 2010 preliminary financials as presented.

### 2011 Budget

The public hearing for the 2011 Budget was open. No public comment was offered and the public hearing was closed. A memo had been included in the packet regarding equipment replacements included in the 2011 budget as requested at the budget work session. The Board had reviewed the 2011 budget in detail at a work session held on October 6, 2010. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to adopt the 2011 budget subject to receipt of the final assessed valuation and

**FURTHER RESOLVED** to appropriate the sums of money for Beaver Creek Metropolitan District, and

**FURTHER RESOLVED** to certify the mill levy for Beaver Creek Metropolitan District.

### 2010 Audit

Mr. Marchetti referred to the engagement letter in the packet from McMahan and Associates for the 2010 Audit. Their fee will be the same as the 2009 audit. Upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Engagement Letter with McMahan and Associates for the 2010 Audit.

### Executive Session

Upon motion duly made and seconded, it was unanimously

**RESOLVED** to enter into executive session citing §24-6-402(4) (e) C.R.S. for the purpose of determining positions subject to negotiations related to the BCRC matters. The Board entered into executive session at 10:15 a.m. and adjourned the executive session at 10:20 a.m.



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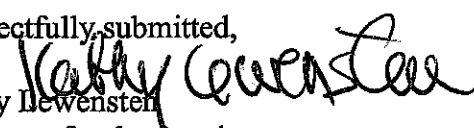
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**Adjournment**

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 October 27, 2010.

Respectfully submitted,

  
Kathy Lewenstein  
Secretary for the meeting