
RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT May 25, 2011

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., May 25, 2011 in the Conference Room of the District Administrative and Operations Facility, Eagle-Vail, Eagle County, Colorado.

Attendance

In Attendance were Directors:

- Mike Balk (via phone)
- Louis Kreig
- James Power
- Robert Gary (via phone)
- Ernie Elsner

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
- Sam Parker, BC Public Safety
- Bill Simmons, Director of Operations
- Dawn Friedman, BCPOA
- Mike Trueblood, Area VP Comcast

Call to Order

The Regular Meeting of the Board of Directors of Beaver Creek Metropolitan District was called to order by Director Kreig, Acting 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 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

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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 April 27, 2011 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the April 27, 2011 Regular Meeting as presented.

Agenda

No items were added to the agenda.

Future Meetings

The next regular meeting is scheduled for Wednesday, June 22, 2011 at the same time and location.

Public Input

Ms. Friedman thanked the Board for providing an informative memo and map to the BCPOA. She asked if any more information was known about the restrictions included in an agreement between Elk Track Homeowners and Vail Resorts that has been referred to in previous discussions. No more information is known at this time since the District is not a party to the agreement and a copy of it has not yet been provided for reference.

Comcast

Mr. Trueblood introduced himself to the Board. He is the Area Vice President of Comcast. He wanted to update the Board on what Comcast is working on and the improvements in service it expects to provide. He had met with Mr. Hanks last week to review the current service and equipment within Beaver Creek. He reported Comcast has recently leased additional hi speed fiber connection access from CDOT which will allow better service in the area. Comcast hopes to provide video on demand, more high definition channels and increased internet speeds. They are also hoping to launch a new voice service product. Comcast is hoping to have consistent service throughout the valley.

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He reviewed past issues with service in the area. He explained there are three amplifier nodes located in Beaver Creek. The nodes are currently located underground making them difficult to access in the winter for any necessary repairs. He has met with Mr. Hanks to discuss the relocation of the nodes into pedestals above ground for easier access.

Director Balk requested a brief summary of services that could be available for reference. Mr. Hanks will work with Mr. Trueblood to develop a summary that can be posted on the District's website. Mr. Trueblood stated the information is also available on Comcast's website. He thanked the Board for their time.

General Manager Update

Tennis Center Parking: Mr. Hanks stated the joint tennis center parking resolution was approved by BCRC at their meeting earlier this month. Mr. Hanks will have an engineer look at the area to see if there are any improvements that could be made for additional parking in the future however due to the physical space constraints it is not likely any feasible improvements can be made.

Encroachments: Mr. Hanks reported on several conversations he has had with a Borders Road homeowner. The homeowner wishes to install landscape improvements in the District's easement but is hesitant to sign an encroachment agreement. His concern is over liability issues. Mr. Hanks had provided the homeowner with a memo from counsel to help clarify liability issues but he has not heard back from the homeowner. The Board gave Mr. Hanks permission to add a sentence in the encroachment agreement clarifying liability issues to see if the homeowner will then execute the agreement.

Mr. Hanks reported receiving an encroachment agreement for soil nails within a District drainage easement. The soil nails would not be visible as they would be underground. He is obtaining information from the engineer to see if the soil nails would affect the drainage. If no issues are noted he will be approving the encroachment.

Fire Station: Mr. Hanks reported Mr. Lovell has requested information regarding the value of the land by the water tank. The Board asked why VR was interested in this information. They

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questioned whether there has been talk of charging the District for the land? Mr. Hanks stated he was unsure why VR was obtaining the information but is hopeful they will be providing a structure of a deal for consideration in the near future.

He noted the relocation of Dally Road is important for 2015. The approval process would need to begin this summer to allow time for construction next year. An overall map of proposed improvements related to 2015 has still not been provided for review. As discussed earlier the Board would like to know if there are restrictions related to an agreement between VR and Elk Track Homeowners that may impact the relocation of Dally or the fire station. If the new site does not become available the District will need to begin planning for a remodel/rebuild of the fire station at the current site. It was suggested a meeting could be organized with Elk Track Homeowners to provide information to them regarding the relocation plans to see if they are willing to provide any information regarding any restrictions or concerns.

Director Elsner asked if it would be appropriate to begin discussions with ERFPD regarding renewal of the fire protection agreement. Mr. Collins stated it would not be too early to begin negotiations with ERFPD as the District would need to allow time to go to electors to obtain approval for a multi year agreement if needed. After discussion the Board directed the fire committee to open discussions with ERFPD.

Project Legacy: Mr. Hanks referred to the memo in the packet regarding the Sign Project. The bids were reviewed with BCRC and multiple vendors were chosen to provide different portions of the project for a cost of \$193,459. In order to remain under the \$200,000 threshold the first part of the project will not include the entryway monument signs.

The estimated cost for the entry way monument signs is \$120,000. Mr. Hanks explained BCRC's fiscal year begins October 1 which would allow them to consider budgeting \$60,000 for their portion of the cost of the monument signs during their budget process later this summer. He asked the Board to consider approving an appropriation of \$60,000 from the contingency funds subject to BCRC budgeting their half in their new fiscal year. After discussion the Board agreed they would like the project to keep

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moving forward. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve \$60,000 for the entry monument signs contingent upon BCRC approving their portion of the funding with no contract entered into until all funding is approved.

Roadways: Mr. Hanks reported potholes along Village Road have been repaired using infrared and cold patch. The 2011 patching and road overlay project will be put out to bid in June with the work being done in September. He explained he will have an in depth report of the roadways condition at the June meeting. The Board asked that BCPOA be notified that roadways will be discussed at the June meeting.

Xcel Energy is replacing a gas line along Highway 6 and will be using an area by Mirabelle for staging. This will cause occasional road closures and detours. Public Safety will try to give advance notice of road closures when possible.

Insurance Claims: There are no claims currently outstanding.

Preliminary

May Assessment and

Long Range Plan

Mr. Marchetti reported the May preliminary assessed valuation had been received and reflected a decrease in the District's AV of 19.53%. This valuation is still subject to protests. A preliminary long range plan and a worksheet which reflected the property taxes on an individual property had been included in the packet for discussion purposes only. He explained the District will need to update the long range plan to better understand the effect of the AV decrease on future fund balances.

Mr. Hanks pointed out the decreased AV will cause BCRC's portion of transportation funding to increase. BCRC may not be able to provide the additional funding and that may result in a reduction of transportation services. The Board discussed the pros and cons of alternatives such as cost reductions, use of reserves and mill levy increases.

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The debt service portion of the mill levy can be raised to cover debt obligations without any further elections however an election would be needed to increase the operations portion of the mill levy. One alternative suggested would be for a temporary mill levy increase with a sunset provision after 3 years. If BCMD were to increase it's mill levy by 3 mills the majority of property owners would still see an overall reduction in the amount of property taxes they pay to the District. Mr. Collins stated an election could be held in November 2011 or May 2012 and offered to draft an election question for discussion at the June meeting. The discussion was tabled to the June meeting.

Director Balk wanted to discuss the information contained in the letter received from BCRC which had been included with the assessment invoice. He stated it was his opinion the information presented in the Assessment Revenue Summary Table was misleading and noted that RETA revenue had not been mentioned. The Board agreed with his concerns. He requested Mr. Hanks share his comments with Mr. Baker to allow BCRC the opportunity to provide a letter in response.

Financial Statements

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

RESOLVED to accept the April 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 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) (e) C.R.S. for the purpose of determining positions subject to negotiations related to the fire station relocation.

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The Board entered into executive session at 10:30 a.m. and adjourned the executive session at 10:50 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 May 25, 2011.

Respectfully submitted,
/s/ Kathy Lewensten

Kathy Lewensten
Secretary for the meeting