
RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT November 16, 2010

The Special Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., November 16, 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
- James Power
- Ernie Elsner (via phone)
- Robert Gary (via phone)

Also in Attendance were:

- Clyde Hanks, General Manager
- Jennie Fancher, BC Admin Assistant,
- Kathy Lewensten, Recording Secretary
- Sam Parker, BC Public Safety
- Bill Simmons, Director of Operations
- Tim Maher, BCPOA
- Tim Baker, Executive Director BCRC

Call to Order

The Special 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 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, Vail Valley Foundation Board and the Vilar Center for the Arts Committee; Dr. Louis Kreig is a member of the

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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 October 27, 2010 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the October 27, 2010 Regular Meeting.

Agenda

An item was added to the agenda for discussion of the recent action of BCRC regarding a civic assessment. Mr. Hanks requested time to update the Board on the snowmelt system heat exchanger repair.

Future Meetings

The Board reviewed the meeting schedule. The December 15, 2010 meeting was cancelled. The next meeting is scheduled for Monday, January 24, 2011 at the same time and location.

Public Input

No public comment was offered

General Manager Update

Holden Road: Mr. Hanks reported on the progress of work on Holden Road. He described the work completed while referring to the drawing included the packet. In the spring the drainage work will be reviewed to see how it performed. The remaining drainage work on the project will be completed next year.

Prater Road Project: Mr. Hanks had met with Marcin and Intermountain Engineering in person to discuss their proposals for the Prater Road project. He stated Marcin's final proposal was the least expensive. Both firms had provided references that were positive and both are qualified to perform the work. He explained a survey may not be necessary as the District has a prior one available which may be sufficient. The Board asked Mr. Baker if BCRC will be paying for half of the cost of the engineering for the project. Mr. Baker stated BCRC has budgeted \$10,000 for this

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portion of the project. Upon motion duly made and seconded, it was unanimously

RESOLVED to authorize engaging Marcin Engineering for the design portion of the Prater Road Project on a not to exceed basis of \$21,400.

Fire Station: Mr. Hanks reported he has continued discussions with VR regarding the potential of a fire station up by the maintenance center. Alternatives for a route up to the maintenance center past the existing fire station have been studied. Part of the alternate route would be on forest land so it would be necessary to request approval from the forest service. VR is preparing a request to the Forest Service for improvements being considered for the 2015 world cup this alternate route could be considered as part of this request. He will continue working with VR regarding the matter.

Mr. Hanks continues to request more information from ERFPD regarding their plans on how they will provide fire prevention inspections at the same levels as in the past in light of their laying off two Deputy Chiefs. The Board expressed concern that no reduction in the number or frequency of inspections occur due to the lay off. Mr. Parker will also follow up.

Insurance Claims: There are no claims currently outstanding.

Snowmelt System: Mr. Hanks reported the snowmelt heat exchanger repair will not be completed until mid December due to the unavailability of parts. The system will be kept in idle position during the World Cup which will temporarily stop the leak. Other times the areas will be taken care of by hand.

BCRC Civic Assessment

Director Balk requested Mr. Baker address the matter of the BCRC civic assessment. It was reported BCRC's budget includes a civic assessment equal to 2.5 mills, similar to one charged this year. At earlier meetings this year it was expected no civic assessment would be imposed. Mr. Baker explained at the end of their fiscal year BCRC reserve levels were lower than anticipated therefore the assessment would allow BCRC to get the reserve balances back to reasonable levels. Mr. Maher asked detailed questions

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regarding the reserve balances and how transactions were recorded. Mr. Baker stated he will be meeting with representatives of BCPOA and would prefer to discuss the matter in detail at that time. Discussion of the level of reserves and how past assessments were used followed. Mr. Baker explained he was in the process of gathering and reviewing pertinent information with his goals being to get data everyone will be able to understand, getting the reserves to a good position and getting the expenses to reasonable levels while providing the services expected. He noted the matter will be discussed in detail at the BCRC annual meeting. The Board asked to be kept informed on any updates.

Operations Agreement

Mr. Hanks referred to the Operations Agreement included in the packet. The agreement continues the Districts relationship with VR for operations services. It will have an effective date of October 1, 2010. It will renew automatically based on annual appropriation but allows termination with notice. Director Elsner requested additional language be added clarifying termination terms. Discussion regarding hours of operations for snowplowing followed. The Board requested they be notified if any issues arise this winter. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the Operations Agreement between the District and The Vail Corporation d/b/a Vail Associates, Inc. subject to the clarifications as discussed.

Accounts Payable

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

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

Financial Statements

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

RESOLVED to accept the October 2010 preliminary financials as presented.

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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 Special Meeting of the Beaver Creek Metropolitan District Board of Directors held on November 16, 2010.

Respectfully submitted,

Kathy Lewensten
Secretary for the meeting