
RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT January 24, 2007

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., January 24, 2007 in the Conference Room of the District Administrative and Operations Facility, Eagle-Vail, Eagle County, Colorado.

Attendance

In Attendance were Directors:

- Stephen Friedman
- Mike Balk
- Ernie Elsner

Absent and excused were Directors:

- John Forstmann
- Robert Gary
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Also in Attendance were:

- James Collins, Esq. Collins Cockrel & Cole
- Clyde Hanks, General Manager
- Ken Marchetti, CPA, Secretary
- Kathy Lewensten, Recording Secretary
- Heather Nolan, Administrative Assistant
- Tom Schouten, BCPOA
- John Garnsey, COO Beaver Creek
- Tony O'Rourke, BCRC
- Bill Simmons, Operations
- Jim Telling, East West Partners
- Jim Funk, Public Safety
- Bart Barnett, Base Mountain Sports

Call to Order

The Regular Meeting of the Board of Directors of Beaver Creek Metropolitan District was called to order by Director Friedman, Chairman of the Board, noting that a quorum was present. Director Friedman 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. Stephen Friedman is a board member of the Beaver Creek Arts Foundation which operates the performing arts facilities within Beaver Creek; Mr. John Forstmann is a board member of the Beaver Creek Club; Mr. Ernest Elsner is a board member of the Beaver Creek Property Owners Association; and Mr. Michael Balk is a director of the Beaver Creek Property Owners Association and a director of the Vilar Center for the Arts. 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 December 6, 2006 Regular Meeting. Upon motion duly made and seconded, it was unanimously,

RESOLVED to approve the minutes of the December 6, 2006 Regular Meeting as presented.

Agenda

No Changes were made to the agenda.

Future Meetings

The Board reviewed the 2007 meeting dates schedule included in the packet. The regular meeting day will be the fourth Wednesday of the month. Due to a holiday, the December meeting is scheduled for the third Wednesday. Upon motion duly made and seconded, it was unanimously

RESOLVED to adopt the 2007 meeting schedule as presented.

The next regular meeting is scheduled for Wednesday, February 28 2007, at 8:30 a.m. in the same location.

BC Landing and Village Walk

Mr. Telling informed the Board the BC Landing project has been sold out. The first building should be finished by the end of April. The second building is expected to be complete in July. Village Walk is expected to be finished by the end of summer. He reported construction activity at both sites is now at a minimum, the projects are proceeding well. He stated he was not aware of any construction or compliance issues at either project.

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Mr. Telling reminded the Board he was awaiting a decision concerning the Amendment to First Addition to Conveyance of Roadway Easement and Grant of Option Roadway Easement for the Village Walk project which had been discussed at the last meeting. In early January a site visit had been made by interested Board members to better understand the easement under consideration. The Board wished to discuss the matter in executive session.

Mr. Telling explained he would be providing Mr. Hanks with the appropriate paperwork for the gas line encroachment at the BC Landing site in the next few days. He noted the Board had approved the encroachment last fall.

Public Input

Mr. Barnett addressed the Board to bring attention to the parking situation by Base Mountain Sports on Avondale Lane. He requested consideration of a project which would move the curb and sidewalk back to allow three more parking spaces in front of Base Mountain Sports. He stated three more parking spaces in the area would benefit all shop owners by providing some additional short term parking for quick errands. Mr. Schouten agreed from the property owners perspective the added parking spaces would be a benefit since currently there are very limited short term parking spaces available. Mr. Funk commented the location would be good from the viewpoint of monitoring and enforcement of the time limitations. Director Friedman asked whether the District would need to follow any ADA regulations if the project were considered. Mr. Funk agreed to review the ADA regulations but believed they may not apply in this instance. The Board asked if the Poste Montane supported the idea. Mr. Barnett stated he had spoken with a representative from the Poste Montane who did state they would support this. The Board requested a letter of support from the Poste Montane to confirm this. The Board directed Mr. Hanks to obtain cost estimates and a preliminary plan for the project for further review. Mr. Barnett thanked the Board for their time.

Village Road Slope Failure

Mr. Hanks reported planning was underway for the spring work on the Village Road Slope project. It is anticipated the work will begin when the ski mountain closes and end by Memorial Day. The work includes the sidewalk including curb and gutter; the wall

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along the sidewalk; the facing or finishing on the retaining and sidewalk walls and the grading of the slope below the wall including re-vegetation. It is hoped no lanes of traffic will need to be closed during the final construction however a request for the right to close the lanes if necessary may be made. The Board discussed the financial responsibility related to each portion of the work remaining.

The aesthetics of the walls and project were discussed. Mr. O'Rourke explained the cost estimates for the decorative pieces of the project were approximately \$265,000 for rock facing along 800 feet of wall, \$43,000 for the railing on the sidewalk wall, and \$43,000 for the flag poles on the sidewalk wall for an estimated total of \$350,000. He stated BCRC had budgeted \$250,000 for the remaining work and would not be able to contribute any thing over that amount. This would leave a shortfall of approximately \$100,000. He stated BCRC may consider taking over the Districts escalators by the Villa Montane if the District would consider funding the difference for this project. He expressed dismay that the wall along the proposed sidewalk had been extended the full length of the roadway, an additional 300 to 400 feet. The Board asked whether it was necessary to extend the wall. Mr. Hanks explained the plan from last fall reflects the wall extending all the way down but that it was not necessary to extend the wall as guardrail could be placed along the lower portion. Director Balk stated he was not in favor of shortening the wall. Mr. Schouten explained the BCPOA beautification committee had not approved any funds for use in this area, but offered to take the matter back to them for consideration. The Board asked Mr. Simmons to check with Vail Resorts to see if they may be willing to contribute to the project to help fund the shortfall.

Wildfire Mitigation

Mr. Hanks had provided a copy of the final draft of the wildfire plan to the Board prior to today's meeting for comment. He handed out the final copy of the Wildland Fire Mitigation Plan to the Board members at the meeting. He explained the joint committee reviewed the final draft in early January. It was noted BCRC will be commenting and potentially approving the plan at their next meeting scheduled for Friday, January 26th. The plan will be presented to Eagle County in February if both Boards approve the final draft. Director Friedman noted the plan

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presented today contained additional material that had not been in the final draft of the plan reviewed prior to the meeting. He requested time to review the new material. It was suggested the Board could make a motion to approve the plan subject to any objection being raised by any member of the Board; if any objection is received the approval would be automatically rescinded. The Board decided two weeks was a reasonable period of time for any objection to be made. Upon motion duly made, and seconded, it was unanimously

RESOLVED to approve the Wildland Fire Mitigation Plan as presented subject to no objections being received within the next two weeks, if any objection is received the approval is automatically rescinded.

General Manager Update

BGMD Construction Regulations: Mr. Schouten reported the parties involved are still waiting for an opinion on this matter. Director Friedman noted there has been an increase in the traffic on the construction road and requested Mr. Funk monitor the access to determine who is using it. Mr. Funk will report back his findings.

Front Gate Project

Mr. O'Rourke explained the front gate project will need to be finished this spring. He noted there were substantial issues with defective workmanship and BCRC is currently working with the general contractor to address these. He anticipates work will begin around April 21 and may last through June 21. He stated it may be necessary to close one lane of traffic to complete the project but stated BRC will try to minimize any inconvenience. The new radio activated entry gate system is in place and operational. The current bar code system will remain in place and functional until the end of July to allow all home owners the opportunity to obtain the new entry devices.

Mr. O'Rourke explained the Prater Road Gate improvements project has been delayed until the fall due to the work at the front gate and on Village Road this spring. This will allow easier access to Beaver Creek during any construction interruptions at the front entrance.

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Mr. Gerald R. Ford

Tribute

Mr. O'Rourke explained BCRC thought it would be appropriate to recognize Mr. Gerald R. Ford in some manner within Beaver Creek and wished to discuss the matter with the Board. One suggestion has been to rename Village Road. One other area suggested would be the plaza area by the grand fountain. BCRC will work with BCPOA for the plaza area. Mr. O'Rourke requested the District consider the matter of renaming Village Road. The Board discussed the matter. Mr. O'Rourke suggested it would be fitting to unveil the new name for Village Road with a small ceremony that could be held on President's Day, February 19th. The Board agreed. Upon motion duly made and seconded, it was unanimously

RESOLVED to rename Village Road the "Gerald R. Ford Parkway".

Prater Road and Hwy 6

Intersection

Mr. O'Rourke stated the intersection of Prater Road and Highway 6 has been studied due to traffic issues noticed at the site. He mentioned a memo concerning the matter had been included in a Board packet for a prior meeting. He explained the Town of Avon, Vail Associates, CDOT, Eagle County and BCRC had participated in studies reviewing the matter. One alternative under consideration for the intersection would be a round-a-bout; another alternative would be to add more lanes and change the timing of the signal. He noted the District would not be asked to contribute a substantial amount towards the project but would be asked to contribute something. He stated BCRC was taking the lead on the project to help facilitate moving it forward in a timely manner. Currently a timeline under consideration is to start the work in April 2008 to be completed by October 2008.

First Amendment

TOA Transportation

Agreement

The Board discussed the First Amendment IGA to Transportation Services Agreement which covers the parking lot bus system with the Town of Avon. Mr. Simmons reported he and Mr. Hanks have made progress in obtaining a better understanding of the budgeted costs and hours for the coming year. He explained the matter

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should be resolved shortly. He stated the performance levels are acceptable so far this season. The District has provided a letter to TOA which stated the District wished to continue the services provided on a month to month basis until the matter is resolved.

Town of Avon Maintenance Services Agreement

Mr. Hanks stated the Town of Avon Maintenance agreement needed to be renewed. This is the same agreement currently in place with the TOA for maintenance services performed on the operations equipment owned by the District. He explained the agreement would be renewed at the same hourly rate of \$90 per hour as last year. The effective date would be January 1, 2007 through December 31, 2007. He reported a performance issue regarding the speed of service had been addressed with the appropriate parties and the matter had been resolved. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the execution by Mr. Hanks of the Town of Avon Maintenance Agreement as discussed above.

Legal

Mr. Collins briefly reviewed the memo included in the packet related to gift reporting and disclosure.

Mr. Collins reported the Jan Miller claim has been resolved by Mr. O'Rourke. The District had been dismissed as a party to the claim some time ago.

Resolution for Posting Places

The Board reviewed the resolution to set posting places for notices. The posting places currently used are the First Bank in Beaver Creek, the Beaver Creek Club, and the District Office. Upon motion duly made and seconded, it was unanimously

RESOLVED to post notices of the District's 2007 meetings as follows:

Notices of meetings of the District's Board of Directors required pursuant to Section 24-6-401, et. seq., C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following location:

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First Bank, 0026 Avondale Lane, Beaver Creek.

Notices of regular or special meetings required to be posted at three public places within the District and at the office of the County Clerk and Recorder at least 3 days prior to said meeting shall continue to be made pursuant to Section 32-1-903(2), C.R.S.

UERWA

Director Friedman reported UERWA is working with their attorneys on a litigation matter concerning water that was not provided by an individual party as contracted. He will keep the Board informed as needed.

Financial Statements

Mr. Marchetti reviewed the December 2006 preliminary financial statement included in the packet. He noted the 2006 audit would begin shortly. He requested Director Elsner and Mr. Hanks be allowed to meet with the auditors once a draft is available for review. The Board agreed this was appropriate. Mr. Marchetti explained due to timing issues some capital fund expenses budgeted for 2006 will be moved into the 2007 budget. The expenses include the remaining work on Village Road and the purchase of the Unimog snowplow. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the December 2006 preliminary financials as presented.

Accounts Payable

The Accounts Payable listing was reviewed. The Board asked about the payments to BCRC for public safety that were being held. Mr. Marchetti explained the payments were being held as directed by the Board until an agreement is in place regarding public safety. Mr. Hanks stated he was working on defining the work and performance standards for the agreement with Mr. Funk. By 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

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RESOLVED to enter into executive session citing §24-6-402(4) (e) and §24-6-402(4) (b) C.R.S. for the purpose of discussing legal matters and negotiations related to the roadway in Village Walk and the Village Road project. The Board entered into Executive session at 10:25 a.m. and returned at 11:25 a.m.

Mr. Collins affirmed that all of the discussion in Executive Session constituted attorney-client communications.

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 January 24, 2007.

Respectfully submitted,

Kathy Lewensten
Secretary for the meeting