
RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT January 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., January 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
- Robert Gary
- Louis Kreig
- James Power
- Ernie Elsner

Also in Attendance were:

- Clyde Hanks, General Manager
- Jim Collins, Esq, Collins Cockrel & Cole
- Ken Marchetti, CPA, Robertson & Marchetti, PC
- Kathy Lewensten, Recording Secretary
- Jennie Fancher, BC Admin Assistant
- Tony O'Rourke, BCRC
- Sam Parker, BC Public Safety
- David Eickholt, BC Property Owner
- Jim Kaylor, BC Property Owner
- Bill Simmons, BC Village Operations

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

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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 December 16, 2009 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the December 16, 2009 Regular Meeting as presented.

Future Meetings

The Board reviewed the 2010 meeting dates schedule included in the packet. The regular meeting day will be the fourth Wednesday of the month except for November and December which will be the third Wednesday. The next regular meeting is scheduled for Wednesday, February 24, 2010 at the same time and location. Upon motion duly made and seconded, it was unanimously

RESOLVED to adopt the 2010 meeting schedule as presented.

Agenda

No changes were made to the agenda. .

Public Input

Mr. Eickholt stated he was a property owner in Beaver Creek and was interested in becoming more familiar with District matters.

General Manager Update

Village Road: Mr. Hanks referred to the memo related to Village Road in the packet. He reported on the progress made related to obtaining a bid package including cost estimates and bid specifications for Village Road repairs. He explained Design Workshop (DWS) had been contacted to provide updated estimates for the portions of project legacy related to Village Road that may be considered as part of the overall project. These might include

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guardrails, upgrades to several intersections, landscaping & berming, signs & lightposts and the recreation path. He expects to have the bid package with costs estimates and design specifications within the next few weeks. He explained the timeline included in the packet proposed the possibility of moving forward with the project this fall. Director Elsner expressed his concern with shortening the timeline noting it may have a negative impact on obtaining accurate design specifications and cost estimates. He requested review of the final bid package cost estimates and specifications by an independent firm.

Mr. Hanks suggested the Board may wish to consider placing a debt election question on the May Ballot to approve funding for this project. He stated if the question passed it would give the District the authorization to issue debt up to a certain dollar amount. It was noted the authorization does not require the District to issue the debt nor does it determine when or how the debt must be issued. The issuance of debt could be delayed to a later date or broken up into several smaller issuance amounts.

Director Balk reported the project had been presented to the annual BCPOA meeting for discussion. He stated he was not aware of any objections to the project and that it was his impression the reaction of the community in general was to move forward. It was suggested the District could meet with BCPOA representatives to share the bid package cost estimates and design specifications once they are available. The discussion could include review of the merits of moving forward with the project and review of the election question.

The Board asked whether BCRC was still committed to providing funding for the Project Legacy portions of the project. Mr. Kaylor and Mr. O'Rourke verbally agreed BCRC was interested in providing funding for the Project Legacy portions but noted BCRC's budget for the next year has been drastically reduced due to the economy. Due to this BCRC would not be able to be specific as to when funding may be available. Director Power asked if BCRC would be willing to formalize the current understanding that BCRC would at some point provide half of the funding for the portions of the project related to Project Legacy. He stated that in his opinion it would be irresponsible to spend money on Project Legacy items without at least a Letter of

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Comfort from BCRC. Mr. O'Rourke was asked to work on providing such a letter. Mr. O'Rourke responded he felt confident this could be worked out.

The Board directed Mr. Hanks to move forward with obtaining the bid package with cost estimates and design specifications and once complete having the bid package reviewed by an independent firm. The Board then directed Mr. Collins to draft an election question for consideration at the February meeting.

Lot 7 Wayne Creek: Mr. Hanks reported the stream bed along Lot 7 will be restored prior to run off this spring. The landscaping will be completed after run off is done. There were some discussions concerning the number of waterfalls that would be included, the matter has been resolved and all parties have approved the plan.

Wayne Creek Barbour Driveway: Mr. Hanks reported on a matter related a request received from Mr. Barbour related to changes in the driveway located at the end of the Wayne Creek cul de sac. Mr. Barbour would like to level out the driveway and reduce the dimensions of the pan at the end of the driveway. Mr. Hanks provided Mr. Barbour with the District requirements for the dimensions of a pan explaining the pan would need to meet the minimum requirements. He noted these dimensions were developed to prevent snowmelt runoff from going into the roadway and freezing. Mr. Barbour would like to reduce the size dimensions of the pan to less than the minimum requirements. Mr. Hanks suggested the property owner attend the Board meeting to discuss the matter. The Board stated it appreciated the update and noted the Board is open to hearing from the property owner if he so chooses.

Fire Station Relocation: Mr. Hanks referred to the memo in the packet regarding the potential sites for relocation of the fire station. He reviewed the reasons a new fire station is being considered. The current fire station was built in 1984 and is in need of many repairs to stop further deterioration including a complete remodel of the interior and further improvements to the heating system. The current station does not have a bay big enough for a ladder truck should it be necessary in the future. The current site is limited on space for expansion. Director Power stated the current Fire Station is not up to Beaver Creek standards. He encouraged moving

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forward with determining a site so planning could begin. Mr. Simmons suggested the District include a cinder storage facility as part of the project noting the current site allows for some equipment and cinder storage. Assuming the current site could be sold for development, the money generated by sale of the parcel may fully fund a new station in a different location. Several locations have been considered. Two sites are being more fully reviewed. One is by the water tank at the top of Elk Track Road; the other is on the North side of Offerson Road opposite the Avondale Road intersection. Mr. Hanks reviewed the pros and cons of both sites including zoning restrictions. At this point the District will need to contact the current owner, VR, of the sites to see if they are open to such use. After further discussion the Board authorized Director Balk, Director Kreig and Mr. Hanks to meet with Mr. Garnsey to get his views on the matter.

Wildland Fire Truck: Mr. Hanks reported grant money discussed at the last meeting would not be available for use towards the purchase of a wild land fire truck. He expects a Type 3 truck to be brought up for inspection in the next few weeks. A Type 1 truck was brought up a few weeks ago but was not significantly different from what the District currently has.

UERWA

Director Power reported on matters related to UERWA. He presented a brief update on an event which occurred at the Eagle Mine site. A pipe which transports water from the mine had frozen causing the water level to rise in the mine creating a risk of an overflow into the river. Water was trucked off site to the treatment plant to avoid any overflow. A new pipeline was constructed to remedy the situation. The event caused ERWSD to have a back up plan for alternate sources of water for treatment should a spill occur. There is a meeting scheduled to help determine a permanent solution to the problem.

Director Power also reported additional water has been purchased from Aurora.

General Manager Update Cont.

Turtle Bus: Mr. Hanks reported the “Turtle Bus” providers have signed and returned the agreement discussed at last months meeting. They will be paying the District the agreed upon fee of

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\$1,000 per month. No complaints have been received regarding the service.

Legal

Mr. Collins requested consideration by the Board of an update to the Reimbursement Resolution from last year related to Village Road and Project Legacy. He explained the resolution allows the District to reimburse itself from any future bond proceeds for costs incurred related to the projects. It does not obligate the District to do so. He suggested increasing the amount to \$200,000. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Reimbursement Resolution as presented, which is hereby attached to become part of the minutes.

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 2010 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:

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.

May 2010 Election

The Board discussed the upcoming May 4, 2010 Election. There are three (3) four-year terms on the Board of Directors up for election. The Board also discussed placing a question on the ballot regarding debt authorization as mentioned above. The election will

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be a mail ballot election. Ms. Lewensten was appointed the designated election official. Mr. Collins will provide a supplemental election resolution at the February meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the attached resolution regarding conducting a May 4, 2010 Election.

Financial Statements

The Board reviewed the December 2009 preliminary financial statement included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the December 2009 preliminary financials as presented.

Accounts Payable

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

RESOLVED to approve the accounts payable list as presented.

Public Safety

The Board noted the number of stolen ski incidents seems to be a bit high this year. Mr. Parker explained some of the incidents are caused by a skier accidentally taking a similar looking pair of skis instead of their own. He explained his staff tries to follow up on theft incidents however it is difficult to identify suspects.

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 Dial A Ride transportation service. The Board entered into executive session at 10:25 a.m. and adjourned the executive session at 11:30 a.m.

Adjournment

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

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RESOLVED to adjourn the Regular Meeting of the Beaver Creek Metropolitan District Board of Directors held on January 27, 2010.

Respectfully submitted,
/s/ Kathy Lewensten

Kathy Lewensten
Secretary for the meeting