
RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT April 22, 2009

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., April 22, 2009 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)
- Robert Gary (via phone)
- Ernie Elsner (via phone)
- James Power

Absent and Excused was Director:

- Louis Kreig

Also in Attendance were:

- Clyde Hanks, General Manager
- Jim Collins, Esq. District Counsel
- Ken Marchetti, CPA, Robertson & Marchetti, PC
- Kathy Lewensten, Recording Secretary
- Jenny Fancher, Administrative Assistant
- Bill Simmons, BC Operations
- Tony O'Rourke, BCRC
- Mark Chapin, Eagle County Assessor

Call to Order

The Regular Meeting of the Board of Directors of Beaver Creek Metropolitan District was called to order by Director Power, Acting Chairman of the Board, noting that a quorum was present. Director Power 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 March 25, 2009 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the March 25, 2009 Regular Meeting as presented.

Future Meetings

The Board reviewed the 2009 meeting dates. The next meeting is scheduled for Wednesday, May 27, 2009 at the same time and location.

Agenda

Mr. Hanks reported Chief Moore had asked to move the 2008 Annual Fire report to the May agenda.

Public Input

Mr. Chapin, the Eagle County Assessor, introduced himself to the Board. He explained he wished to provide information related to the assessed valuations that will be sent out on May 1. He noted 2009 is a re-valuation year. These are done every two years and are based on sales market data collected from a prior 18 month period. In this instance that time period would be from January 2007 through June 2008. He explained the assessor's office must comply with state statutes and that the office is independently audited to ensure compliance. He noted values are expected to increase an average of 7% for the Arrowhead, Bachelor Gulch, Beaver Creek economic area. There will be an overall increase of approximately 13% county wide. He stated homeowners have the right to appeal the assessed valuation from May 1st through May 31st. A brief discussion of TABOR and Gallagher limits followed. The Board asked about the possibility of a reduction in assessed valuation in future years based on the current downturn in the economy. Mr. Chapin replied it would depend on the market data.

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If there are insufficient sales within the time period related to the re-valuation the assessor must go back in 6 month increments until sufficient data is obtained. The Board thanked Mr. Chapin for the information.

General Manager Update

Village Road Fiber Optic Cable: Mr. Hanks reported Vail Resorts would like to use the existing District phone and cable conduit to pull a new fiber optic cable under Village Road. The new cable would be private and would provide a higher speed of service to VR computers only. Since the conduit is already there no disruptions along Village Road are expected.

Wayne Creek Lot 7: Mr. Hanks reported the developer of Lot 7 in Wayne Creek has been working cooperatively with the District and DRB to develop a solution for a grading issue related to the residence. There will be no structures within the District easement and the developer will restore any disturbed vegetation once complete.

Snowmelt System: Mr. Hanks reported a leak in the snowmelt system. He explained the exact location of the leak has yet to be determined. They are using thermal imaging and working to isolate the segment with the leak. Once the leak is located more information as to the cost of repairs will be known.

Bond Refunding

Mr. Marchetti reported the documents have been prepared for the issuance of the Beaver Creek Metropolitan District General Obligation Refunding Bonds, Series 2009 in the amount of \$4,235,000. The bond proceeds will be used to refund the 1998 Bonds. Mr. Collins recommended approval noting his office has reviewed the documents. The transaction is expected to close May 1st.

Mr. Marchetti referred to the Bond Resolution and Sales Certificate which had been included in the packet. He noted a general obligation meeting notice had been posted for today. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve execution of the Bond Resolution and related bond documents for the issuance of the Beaver

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Creek Metropolitan District General Obligation Refunding Bonds, Series 2009 in the amount of \$4,235,000.

Financial Statements

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

RESOLVED to approve the March 2009 preliminary financials as presented.

Accounts Payable

The Accounts Payable listing was reviewed. 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 related to matters that may be subject to negotiations. The Board entered into executive session at 10:25 a.m. and returned at 10:30 a.m.

Legal

Mr. Collins reported there was an administrative issue related to the Eagle-Vail property owned by the District. He recommended execution of the Bargain and Sale deed which had been provided to the Board via e-mail prior to the meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the execution of the Bargain and Sale Deed as presented.

Beaver Creek Beautification "Project Legacy"

Mr. Hanks reported on Sub-Project No. 1 for Project Legacy. He referred to the memo in the packet from Mr. Kurz. Design Workshop had provided the first draft of the construction documents. The first draft included plants which bloom early but

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did not have sufficient plants that would bloom throughout the summer months. In addition to modifying the plant mix, several other minor modifications within the overall design were proposed. It is expected once the final construction documents are available there will not be sufficient time to complete the project by June 21 as originally proposed. Mr. Kurz suggested in his memo the project be delayed until after Labor Day to allow for adequate time to obtain bids. The Board expressed disappointment the timetable was being extended. The intent for approving an expenditure on the project this year was to show the project was moving forward. By changing the timeline, the improvements will not be noticed until next spring instead of this summer season. They asked if any portion of the project could be done this spring after bids are received. After discussion it was determined there was not a portion that could be completed separately. It was noted Mr. Hensel will be moving forward with the normal plantings so there will be flowers on display this summer. Design Workshop has expressed the opinion it may be better to do the plantings in the fall to allow them to establish themselves. Although disappointed the Board generally agreed it was best to continue moving forward with the project.

General Manager Update- (con't)

2009 Road Overlay: Mr. Hanks referred to the summary of bids for the 2009 road overlay projects which had been included in the packet. The bids were provided by segment so the District can choose from the projects. Mr. Hanks noted B & B Excavating was the low bidder this year. He and Alpine Engineering will be working with B & B to further review their bid as the price of asphalt they used increased over last year even though oil prices have dropped. He explained the Village Road drainage issue which was discovered late last year will be investigated this spring. Depending on the findings if it is determined there is remedial work that needs to be done to repair any damage to Village Road that remedial work will be completed prior to beginning any overlays. B & B is aware of this. Mr. Hanks noted he expects to have an agreement with B & B which will be contingent to the Village Road matter.

Snow Removal: Mr. Hanks reported on the winter seasons snow removal. He stated an outside firm had been hired to be on call to help remove the windrows at driveway entrances. This appears to

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have provided a good solution for past grievances from property owners. The service was used approximately four times at a cost of \$700 per time. He stated he was not aware of any complaints this season. Mr. O'Rourke stated he thought it had worked well and was not aware of any negative feedback. The Board agreed.

Other Business

Director Power asked if there were any updates regarding the ski area legislation related to summer use of ski areas. Mr. O'Rourke reported the legislation is working its way through the system but was not yet acted upon.

Director Power asked for an update on the transportation funding matter. Mr. Hanks reported the transportation committee had not yet met to review the detailed information for the transportation function. He expected this would occur in late May or early June.

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 April 22, 2009.

Respectfully submitted,
/s/ Kathy Lewensten

Kathy Lewensten
Secretary for the meeting