
RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT May 28, 2008

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., May 28, 2008 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
- Ernie Elsner

Absent and excused were Directors:

- Stephen Friedman
- John Forstmann

Also in Attendance were:

- Ken Marchetti, CPA Robertson and Marchetti, P.C.
- Clyde Hanks, General Manager
- Kathy Lewensten, Recording Secretary
- Heather Nolan, Administrative Assistant
- Louis Kreig, BC Property Owner
- James Power, BC Property Owner
- Dawn Friedman, BC Property Owners Association
- Bill Simmons, BC Operations
- Ginny Forstmann, BC property Owners Association
- Jim Funk, BC Public Safety
- Tony O'Rourke, BCRC

Call to Order

The Regular Meeting of the Board of Directors of Beaver Creek Metropolitan District was called to order by Director Balk 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. Stephen Friedman is a board member of the Beaver Creek Arts Foundation which operates the

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performing arts facilities within Beaver Creek; Mr. John Forstmann is a board member of the Beaver Creek Club; 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; and 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. 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 23, 2008 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the April 23, 2008 Regular Meeting as presented.

Future Meetings

The Board reviewed the 2008 meeting dates schedule included in the packet. The next regular meeting will be Wednesday, June 25, 2008 at the same time and location.

Agenda

No changes were made to the agenda.

Oaths of Office

Two new Board members were elected in the May election for terms through 2012. The Oath of Office was taken by Dr. Louis Kreig and Mr. James Power. The Board and Mr. Hanks expressed appreciation to Director Friedman and Director Forstmann for their years of service on the Board.

Election of Officers

Mr. Marchetti discussed the election of officers. Director Elsner nominated Director Balk for Chairman/President, Director Gary seconded the nomination. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve Director Balk as the Chairman/President of the Board.

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Director Balk nominated Director Elsner for Treasurer, Director Gary seconded the nomination. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve Director Elsner as Treasurer.

The remaining offices were discussed and opened for nominations. Directors Gary, Kreig, and Power were nominated for Vice President, Assistant Secretary/Treasurer. Mr. Marchetti was nominated as Secretary. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve Directors Gary, Kreig and Power as Vice President, Assistant Secretary/Treasurer, and Ken Marchetti as Secretary.

Appointment Of Delegates

The Board discussed the delegates it would need to appoint to Upper Eagle Regional Water Authority (UERWA) board. The Board appointed Director Power as the delegate with Director Friedman as the first alternate and Mr. Hanks as the second alternate. Upon motion duly made and seconded, it was unanimously

RESOLVED to appoint Director Power as the delegate to UERWA, with Mr. Friedman and Mr. Hanks as the alternates.

The Board discussed the appointment of the delegate to the ECO Board. Mr. Hanks is currently serving as the District's delegate. Upon motion duly made and seconded, it was unanimously

RESOLVED to appoint Mr. Hanks as the delegate to the ECO board.

Mr. Marchetti explained the District has an audit committee. The members of the committee are currently Directors Elsner and Gary. Upon motion duly made and seconded, it was unanimously

RESOLVED to appoint Directors Elsner and Gary to the Audit Committee

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Public Input

Mr. Balk inquired about the status of the emergency evacuation plan. He requested the Board be provided copies of the draft plan for review. Mr. Simmons explained the intent is to provide a complete document to the various entities for review. Mr. O'Rourke explained the document is not yet in final draft form and would not be available until after June 19th. Once available it will be provided to the District, BCPOA, and BCRC. The Board expressed a desire to be an active participant in the process. It was noted that if the Strawberry Park Access Road is needed for evacuation purposes there may be a need for an agreement that formalizes the access. It was reported Bachelor Gulch Metro District is working on an emergency evacuation plan also.

Beaver Creek Beautification "Resortscape"

Mr. Hanks reported initial meetings have been held with Design Group and EDAW regarding the Resortscape project. The firms were given a bus tour of the area and were provided with a general overview and expectations for the project. No budget amount has been discussed at this point to encourage creative thinking. The next step will be the presentation of the proposals to the committee. The committee will then present the information to the various boards to receive input. It is anticipated once a contract is signed the actual work will begin next year.

Ms. Forstmann expressed concern the full committee was not available to meet the firms chosen in person. She explained the BCRC representatives have not been able to attend the first meetings. Mr. O'Rourke assured her BCRC was very interested in continuing to work together on the project. He explained the BCRC representatives have received all of the written material and intend to be available for the site visits in June. Director Balk expressed the District's opinion that it was important to have the full committee available for the meetings and decisions.

General Manager Update

Avondale Sidewalk: Mr. Hanks reported he had retained Borne Engineering for the Avondale Sidewalk project. He expects Borne Engineering's project estimate in mid June. As directed at the last meeting Mr. Hanks sent letters to Post Montane and The Charter regarding the project. The letters explained there may be a need to

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obtain easements from them and included a request for consideration on their part to cost share a portion of the project.

Mr. O'Rourke requested the District have the engineer look at a small missing segment of sidewalk on the north side of Oxford Court to see if it was feasible to include as part of the project. The Board agreed to include this segment.

Road Overlay and Asphalt Patch: Mr. Hanks stated the road overlay project is moving forward. The work related to Upper Prater Road had been included after it was confirmed Bachelor Gulch Metropolitan District (BGMD) was overlaying Lower Prater Road. Elam will begin the work on Upper Prater Road in the next week. He explained the overlay work in Strawberry Park has been rescheduled for this fall due to the exceedingly wet conditions in the area. This change resulted in an additional charge for remobilization of approximately \$1,800. A change order which adjusts the roto-milling width on Avondale and Offerson to be increased from 4 foot to 7 foot in order to allow the crown of the roadway to be adjusted properly, has been approved and will result in additional costs of approximately \$3,000 for each roadway. The millings from the roadways will be used within the resort instead of being hauled off.

Prater Road MOU

The Board discussed the Prater Road Memorandum of Understanding. A copy of the Memorandum had been included in the packet. Director Elsner requested two revisions in the document. He requested insertion of the word "solely" in Section one to make it consistent with section two. He requested section four be expanded to address the quality or aesthetics of the construction explaining the work should be consistent with qualitative standards. After discussion it was suggested the following phrase be added to section four "Workmanship should be consistent with sound aesthetic engineering practices and reasonable consistency between the two parties regarding the appearance of Prater and Village Roads."

Mr. O'Rourke asked if the overlay of Lower Prater Road was complete, he noted the overlay stops short of the entire length and is not aesthetically pleasing. The Board agreed and asked Mr.

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Hanks to check with Mr. Nickson at Bachelor Gulch to see if BGMD intends to continue the overlay.

Mr. O'Rourke reminded the Board that BCRC is willing to adjust the programming on the property owner transponders for the gates to allow access into both the BC and BG gates once the larger issue of responsibility for Prater Road is determined. Director Balk offered to attend the BGMD meeting later this afternoon to introduce himself as the new District Chairman and to present the revisions discussed in the MOU. The Board agreed this would be beneficial. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Memorandum of Understanding subject to the revisions as discussed and noted above. If Bachelor Gulch Metro District requests additional revisions to the Memorandum it will be brought back to the Board for consideration.

ERFPD

The Board noted the First Amendment to the ERFPD agreement has been finalized. It will be brought before the Board at the next meeting for ratification. Mr. Funk stated the amendment was intended to clarify the expectations related to training matters. Mr. Hanks noted the term of the Districts agreement with ERFPD is through 2014.

Financial Statements

The Board reviewed the April 2008 preliminary financial statement included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the April 2008 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.

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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 negotiations regarding Prater Road and VVF matters. The Board entered into executive session at 10:05 a.m. and returned at 10:25 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 28, 2008.

Respectfully submitted,

Kathy Lewensten
Secretary for the meeting