
RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT June 27, 2007

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., June 27, 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
- John Forstmann
- Ernie Elsner
- Robert Gary

Absent and excused was Director:

Also in Attendance were:

- Jim Collins, Esq. Collins Cockrel & Cole, PC
- Ken Marchetti, CPA Robertson and Marchetti, P.C.
- Clyde Hanks, General Manager
- Kathy Lewensten, Recording Secretary
- Heather Nolan, Administrative Assistant
- Tom Schouten, BCPOA
- Tony O'Rourke, BCRC
- Bill Simmons, Operations
- Ceil Folz, Vail Valley Foundation
- Chris Sable, Vilar Center for the Arts

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, 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 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 May 30, 2007 Special Meeting and the June 8, 2007 Special Meeting. Upon motion duly made and seconded, it was unanimously,

RESOLVED to approve the minutes of the May 30, 2007 Special Meeting and the June 8, 2007 Special Meeting as presented.

Agenda

Mr. Hanks requested time to discuss preliminary ideas for a Board retreat.

Future Meetings

The Board reviewed the meeting schedule included in the packet. The next regular meeting is scheduled for Wednesday, July 25, 2007 at 8:30 a.m. in the same location.

Public Input

Mr. Schouten mentioned several items the BCPOA had been discussing:

One item is the re-marking of the pedestrian crossings. He noted he had been informed by Mr. Hanks this work has been scheduled to be done in the near future.

Another item is cracks that are appearing along the recreation paths. The Board directed Mr. Hanks to have the recreation paths looked at so appropriate actions can be taken.

The BCPOA would like to request a review of the hours of operation for the escalators by the Vilar. It has been suggested cost savings and positive environmental impacts may exist if the escalators were turned off between the hours of 2:00 A.M. to 6:00 A.M. Mr. Simmons offered to look into the matter. It was noted in the winter the escalators may have to run to prevent them from

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freezing. The Board authorized Mr. Hanks to make a decision regarding the hours of operation once Mr. Simmons provides the necessary information.

The final matter related to continued interest in development of an evacuation plan for the area in case of an emergency such as a fire. Mr. Schouten offered to meet with Mr. Funk to discuss the matter and to provide any pertinent information to the property owners. Director Balk asked if Bachelor Gulch Metropolitan District (BGMD) should be approached to coordinate efforts. Mr. Schouten reported last year he had discussed the possibility of using the Strawberry Park Access Road as a permanent fire/emergency access easement with Mr. Jardis (BGMD). Mr. Marchetti reported Mr. Nickson (BGMD Manager) has begun working on an evacuation plan for Bachelor Gulch. Mr. Hanks offered to contact Mr. Nickson to discuss the matter.

Vilar Capital Projects

Annual Report

The Board turned its attention to the Vilar Center for the Arts Annual Report which had been included in the Packet. Ms. Folz and Mr. Sable were in attendance to present the information. Ms. Folz thanked the Board for their support. She reported the Vilar had experienced a great year. Mr. Sable noted the expenditures made over the last year had closely followed the plan presented last fall and referred to the report. The two major improvements were the upgrade/replacement of the speaker system and the start of improvements at the loading access area to the stage. He noted the improvements at the loading access area will be completed this year along with a lobby renovation project which includes the access elevator. He explained the importance of the improvements noting the Vilar is now able to attract a higher level of artists and events. It was reported the end of this fiscal year is looking positive as ticket sales have continued to be strong. The capital loan has been paid off in full by RETA funds received from BCRC.

The Board inquired about the proposed expenditure for upgraded software for database management. Mr. Sable explained the Vail Valley Foundation maintains a database of information for use by the VVF and the Vilar. The related database software needs to be upgraded. They were proposing the Vilar contribute a proportionate share of the cost of the upgrade. The Board

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discussed the matter and expressed their desire that funds provided from the District not be used for any portion of this software upgrade expenditure since it was not exclusively for the Vilar's use. The Board stated the District funds should be used for capital expenditures which are clearly 100% attributable to the Vilar. Mr. Sable agreed to remove the software expenditure from the proposed expenditures. He stated he would like permission to replace it with a project for a coat room which had been under consideration. The Board stated the coat room project seems consistent with the intended use of the District funds. Director Forstmann thanked them for the informative annual report stating it reflects the District funds are being used as the Board had requested.

General Manager Update

N/S Fairway Drive Overlay: Mr. Hanks stated one bid had been received for the North/South Fairway Drive overlay project. He noted several contractors had expressed interest however B & B Excavating had provided the only bid. He explained the bid had also included a separate bid amount for the overlay of portions of Prater Road.

The Board discussed the North/South Fairway Drive project. Mr. Hanks noted the bid amount was in line with the amount budgeted for the project. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the bid for the overlay of North/South Fairway Drive from B & B Excavating, Inc. in the amount of \$234,824.

The Board began discussion of the bid amount related to the overlay of sections of Prater Road which had been included along with the above. Mr. Hanks explained there would be some cost savings for doing both projects this fall. He noted the overlay of Prater road had been budgeted for 2008 and requested it be moved to 2007. The Board questioned whether there would be any legal responsibility on the part of Bachelor Gulch Metro District to contribute towards the costs associated with an overlay of Prater Road. As requested at the last meeting Mr. Hanks had spoken with Mr. Collins regarding the easement along Prater Road. Mr. Collins

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stated there is a non-exclusive joint easement between Vail Resorts, the District and Bachelor Gulch Metro District (BGMD) that relates to Prater Road. The Board stated it was interested in initiating discussions with BGMD regarding sharing costs associated with the roadway since the non-exclusive easement is a joint easement. The Board authorized Director Friedman and Mr. Hanks to contact BGMD regarding the matter. At this time the Board directed the bid amount for the overlay on Prater be put on hold until the matter of responsibility of the costs can be further defined.

BC Fire Station Improvements: Mr. Hanks reported the bids for the new siding and windows project for the fire station had been received and reviewed. The bid was awarded to Hess Contracting for an amount of \$94,028. The work will begin within the next few weeks.

Board Retreat: Mr. Hanks presented several options for a two day retreat to the Board. He had used dates in July for obtaining the information. The Board requested a date between September 5th and the 15th be considered. They suggested the options be updated for the new dates and brought back for consideration at a later meeting.

Encroachment: Mr. Hanks noted there were no significant encroachments to report.

Village Road Project

Mr. Hanks reported Village Road has been reopened. The stonework and painting of the railing is continuing. It is expected to be complete in the next two weeks. He reported three paint samples have been applied to the east end of the retaining wall for comparison and encouraged the Board to provide comments to BCRC as soon as possible. Mr. O'Rourke noted the wall will be painted first and then landscape improvements will be considered.

Public Safety

Mr. O'Rourke reported samples for a new uniform for the front gate attendants should be available for review at the next meeting. They are continuing to work on training and standards.

Front Gate Project

Director Forstmann asked when new roadway striping will be in place at the front gate. Mr. O'Rourke stated additional lighting,

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new signage and striping should be completed shortly. It is expected the project will be complete by July 3rd.

First Amendment TOA Transportation Agreement

Mr. Simmons stated the TOA Parking Lot Agreement will be brought back to the next meeting.

UERWA

Director Friedman mentioned the UERWA and ERWSD are opposing a due diligence proceeding by Denver in water court. He explained due diligence is used to allow the responsible party to demonstrate the need for the water rights being held. He noted Denver does not currently use some of the water rights it holds and may not have exercised due diligence at appropriate times. This may prove significant in that it may force Denver to decide which water rights it wishes to keep and use. This may allow for better management and planning for water use in the State. Mr. Collins reported water issues related to the Ginn development are also being addressed by UERWA and ERWSD. A brief summary of the matter as it relates to stream flows and water rights followed.

Open Records Policy

Mr. Collins noted a change was made in this legislative session to the amount that can be charged for copies related to an open records request. A draft Policy on Responding to Open Records Requests which reflected this change had been included in the packet for review. Upon motion duly made and seconded, it was unanimously

RESOLVED to adopt the BCMD Policy on Responding to Open Records Requests a copy of which is attached to become part of the minutes.

Market Square

Mr. Collins reported a question related to indemnity issues in regards to conveyance of the Districts Market Square Unit is under review. Mr. Hanks reported BCRC has agreed to review the matter.

2006 Audit

Mr. Marchetti reported a meeting had been held between Mr. Walters of McMahan & Associates, Director Elsner, Mr. Hanks and Ms. Lewensten to review the 2006 Audit for the District. Director Elsner stated he had reviewed the 2006 Audit and had

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provided comment on several notes. He noted there was one matter related to personnel which should be discussed in executive session. He recommended acceptance of the 2006 Audit subject to final review. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the 2006 Audit subject to final review and approval by Director Elsner.

Financial Statements

The Board reviewed the May 2007 preliminary financial statement included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the May 2007 preliminary financials as presented.

Accounts Payable

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

RESOLVED to approve and ratify 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. and §24-6-402(4)(f) C.R.S. for the purpose of discussing legal matters and negotiations related to Eagle River Fire Protection District and for discussion of personnel matters. The Board entered into Executive session at 10:10 a.m. and returned at 11:05 a.m.

After returning from Executive Session, upon motion duly made and seconded, it was unanimously

RESOLVED to adopt tracking procedures for personnel related to vacation and sick time noting no carryover is allowed from year to year.

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 June 27, 2007.

Respectfully submitted,

Kathy Lewensten
Secretary for the meeting