
RECORD OF PROCEEDINGS

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT September 21, 2010

The Special Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., September 21, 2010 in the Conference Room of the District Administrative and Operations Facility, Eagle-Vail, Eagle County, Colorado.

Attendance

In Attendance were Directors:

- Mike Balk
- Louis Kreig
- James Power
- Ernie Elsner
- Robert Gary

Also in Attendance were:

- Clyde Hanks, General Manager
- James Collins, Esq, Collins Cockrel & Cole
- Jennie Fancher, BC Admin Assistant,
- Kathy Lewensten, Recording Secretary
- Ludwig Kurz, BCRC
- Sam Parker, BC Public Safety

Call to Order

The Special 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. It was 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 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

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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 August 25, 2010 Regular Meeting. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the August 25, 2010 Regular Meeting.

Future Meetings

The Board reviewed the 2010 meeting schedule included in the packet. The next regular meeting is scheduled for Wednesday, October 27, 2010 at the same time and location. The budget work session is scheduled for October 6th at 8:30 a.m. in the same location.

Agenda

No changes were made to the agenda.

Public Input

No public input was offered.

General Manager Update

65 Highline Dr: Mr. Hanks reported a meeting was held on site at 65 Highline Dr. between DRB, the owners and himself. He explained the owners agreed to remedy the landscape/creek issue and agreed to pay for any costs related to the remediation. The owner will try to complete the work this fall.

In other Wayne Creek matters, Mr. Hanks reported the pond maintenance agreement, which the District agreed to last year, was finally executed by the neighbors and returned to the District a few weeks ago. He expects the pond will not need any maintenance until next year.

The final inspection for the Rosenbaum property will be done once the trees are planted along the creek by the adjacent owner as part of the restoration from the retaining wall failure. Mr. Hanks will let the Board know when the matter is finalized.

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Village Road Critique Response: Mr. Hanks referred to the engineer's response to Mr. Miller's critique that had been included in the packet. The Board directed Mr. Hanks to provide the response to the critique to Mr. Miller and Ms. Friedman.

The District now has several documents related to the Village Road project including the original report, Mr. Miller's critique, and the engineer's response. It was pointed out the DVD video disks of the July 16th public meeting and a letter from BCPOA are also part of the documentation. A suggestion was made to gather together all of the documentation and place it in a "time capsule" that could be used as reference material for future discussions.

The Board discussed the merits of reviewing the status of the roadway once a year, in June, to monitor the overall condition and expected repairs for that year. Director Elsner expressed his opinion that the Board should withdraw and repeal its endorsement of the first report. He remarked the statement in the engineers rebuttal that the replacement of the roadway would meet the expectations of the community was inaccurate and should be modified noting it is his knowledge that the vast majority of the community is strongly against road replacement. The Board discussed the matter in detail. Director Power stated he did not feel it was necessary to withdraw support of the initial report since the Board decided not to move ahead with issuing bonds for such a project causing it to be a moot point.

After further discussion it was determined the documents would be archived with a cover letter. The cover letter will not endorse any of the reports but will point out the common denominator noted in all of the documents describing the bottom layer of asphalt as weak and deteriorating which is expected to cause the roadway to require repairs on an ongoing basis. At this time the District will not be moving forward with any major reconstruction of Village Road but will be doing some full depth patching as further described in the fall patching memo included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to place the documents and DVD together with a cover memo, which is intended to replace and withdraw the endorsement of the initial report, in the archives for future reference and,

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FURTHER RESOLVED to schedule an annual review of the matter in June of subsequent years.

Fall Patching: Mr. Hanks referred to the memo in the packet regarding the fall patching. He noted there were a couple of change orders that were necessary after the review of the proposed patching by CTL as requested by the Board at last months meeting. Director Power stated he did not agree that all of the patching should be full depth. Mr. Hanks explained the patching has begun. Some wet sub-grade was found, however when it was tested with a roller no additional compaction was achieved so the patching had continued. He explained up on Scott Hill Road it was discovered the petro-mat layer was showing a similar type of deterioration as discussed related to Village Road. It was determined a broader patch across the full roadway would be a better choice in the area. He expects the patching to be complete in the next week. The Board asked if there were concerns with Scott Hill Road similar to those on Village Road with the deterioration of the lower layers of asphalt. Mr. Hanks explained the traffic loads are not as great along Scott Hill so patching in between overlays should be sufficient to maintain the integrity of the roadway. The Board asked that electronic signs be used to alert the community of the patching operations and potential delays.

Holden Road: Mr. Hanks reported although there had been several interested parties at a pre-bid meeting only one bid had been received for the work on Holden Road. The bid from Extreme Earthwork for \$49,930 was included in the packet. Mr. Hanks was recommending only the two downhill driveways be done this year to see how it works out. Director Power pointed out they would need to be careful of the snowmelt systems under the driveways. Upon motion duly made and seconded, it was upon a vote of 3 ayes and 2 abstentions (Director Power and Kreig)

RESOLVED to accept Extreme Earthworks bid for the Holden Road Project

Prater Road Project: Mr. Hanks referred to the memo in the packet regarding potential engineering firms for the Prater Road project. He explained he had received three proposals which reflected costs of \$9,000 to \$12,000 to review the project.

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Director Elsner asked why CTL had not been given an opportunity to provide a proposal. Mr. Hanks explained the firms he choose had all done work locally but that he was open to requesting a proposal from CTL. Mr. Hanks will provide the proposals to the Board for review prior to the next meeting. He will contact CTL to see if they would be interested in providing a proposal. It was noted the project is not expected to be done in the near future so there is time to review the proposals.

The project details were reviewed. Director Power requested a more defined stop from Prater Road onto Village Road. The Board asked Mr. Kurz if BCRC would provide funding for one-half of the fee for another engineering firm to review the project. Mr. Kurz stated he was not able to answer that question, he explained it would be his opinion there is no reason for additional expenditures related to the project and expressed confidence in Alpine Engineering's ability referring to their historical knowledge of Beaver Creek roadways and infrastructure. Mr. Hanks stated one of the reasons Alpine was able to provide the preliminary drawings for approximately \$2,000 was their prior historical knowledge and previous work done in the immediate area. The matter was tabled until the next meeting.

Dial A Ride Term Sheet: Mr. Hanks referred to the revised draft Dial A Ride term sheet included in the packet. The term sheet was revised to include guidelines related to the disposition of any transportation vehicles. The next step is to provide the term sheet to BCRC for comment and response. The timing of any transfer of services has not been determined. The Board directed Mr. Hanks to provide the draft term sheet to BCRC for comment.

Insurance Claims: The Board referred to the report included in the packet. There are no issues to report concerning the claims.

Birds of Prey World Cup Transportation: Mr. Hanks referred to the memo in the packet regarding the VVF request for District support for the 2010 Birds of Prey World Cup Races. There is no cost to the District. Upon motion duly made and seconded, it was unanimously

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RESOLVED to approve the request for transportation support and snow removal services in the same manner as past years for the World Cup Races.

Street lights: Director Balk reported he had been asked by Mr. Kaylor about the maintenance responsibilities of street lights. Mr. Kaylor had tried to report some lights needing maintenance and had been sent to several different people. Mr. Hanks explained Mr. Hensel has a map which defines which lights are within the different entity responsibilities. Mr. Hensel's crew generally performs the maintenance for all of the lights. The District is invoiced for a portion of the repairs through the operations agreement. The agreement is based on reasonable percentages which have been reviewed periodically during the agreements renewal process. The process works well.

Fire Station: Director Power asked if there were any updates from the fire station committee. Mr. Hanks reported he had spoke with Vail Resorts regarding the location up at the water tank. Vail Resorts expressed an interest in looking at an alternative route to the maintenance center near the existing fire station and are willing to discuss the matter. There are some preliminary drawings that were done in the past for such an access road. Mr. Hanks stated he would like to get some information from the Vail Fire Department as they are currently in the process of building a new fire station in West Vail regarding construction costs.

Legal

Mr. Collins reported briefly on polling information related to Amendments 60/61 and Proposition 101 that are on the November ballot.

Financial Statements

The Board reviewed the August 2010 preliminary financial statement included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to accept the August 2010 preliminary financials as presented.

Accounts Payable

The Board reviewed the Accounts Payable listing. Director Elsner asked about the fire system repairs. Mr. Hanks explained the buildings fire sprinkler system has been subject to surges which

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have caused leaks. The work being done to the system should prevent further leaks. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve and ratify the accounts payable list as presented.

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 September 21, 2010.

Respectfully submitted,
/s/ Kathy Lewensten

Kathy Lewensten
Secretary for the meeting