
RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT September 28, 2005

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., September 28, 2005 in the Conference Room of the Beaver Creek Club, Beaver Creek, Colorado.

Attendance

In Attendance were Directors:

- Stephen Friedman
- Al Mielcuszny
- Tommie Campbell
- John Wells
- John Forstmann

Absent and excused was Director:

Also in Attendance were:

- Ken Marchetti, CPA, Secretary
- James Collins, Esq. District Counsel
- Kathy Lewensten, Robertson & Marchetti, P.C.
- Steve Boyd, McBoyd Construction Solutions LLC
- Tom Schouten, BCPOA
- Ginny Forstmann, BCPOA
- Bob McIlveen, Vail Resorts
- Ludwig Kurz, BCRC
- Jim Funk, BC Public Safety
- John Garnsey, COO Beaver Creek
- Bill Simmons, Village Operations
- Matt Lydens, Vail Resorts Development Co
- Jim Telling, East West Partners
- Glen Palmer, Alpine Engineering Inc.

Call to Order

The Regular Meeting of the Board of Directors of Beaver Creek Metropolitan District was called to order by Director Wells, Chairman of the Board, noting that a quorum was present. Director Wells 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.

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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 performing arts facilities within Beaver Creek; Ms. Beatrice "Tommie" Campbell is a member of the Beaver Creek Communications Committee; and Mr. John Wells is President of The Pines Townhomes at Beaver Creek Condominium Association; Mr. John Forstmann is a board member of the Beaver Creek Club. 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 24, 2005 Regular Meeting. Upon motion duly made and seconded, it was, unanimously,

RESOLVED to approve the minutes of the August 24, 2005 Regular meeting.

Future Meetings

The Board reviewed the meeting schedule; the next meeting is scheduled for Wednesday, October 26, 2005.

Agenda Changes

No changes were made to the agenda.

Eagle-Vail Admin Maint Facility

Mr. Boyd reported that good progress was being made on the Eagle-Vail Admin/Maint facility. The project is on schedule and within budget at this time. Hyder Construction anticipates a finish date in late January 2006. The fuel system agreement with Collett Enterprises for the fuel tank system and the tracking system has been put in place. The system components will be provided by Collett Enterprises at no cost to the District in exchange for the District agreeing to purchase the fuel from them. The facility fuel station had been planned with this concept from the beginning. The District has used Collett's for its fuel needs for a number of

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years; they are competitive and easy to work with. The framing has begun on the Administration building; the doors and windows have been ordered; the curb and gutter will be started shortly. The Board requested that Mr. Boyd continue to keep the work on schedule and within budget. Mr. Boyd asked for the Boards input on some of the interior finishes and passed out samples for them to review. The Board agreed the choices and colors were appropriate. Director Forstmann requested the carpeting specifications be checked to make sure they were commercial grade. The Holy Cross Underground Right of Way Easement, the Trench, Conduit, and Vault Agreement, and the Contract for Electric Service were discussed. The electric service is separately metered by building. The minimal use requirement of \$745 was noted with the comment that this should not be an issue based on the VR and BC anticipated uses. Mr. Collins stated he had reviewed the agreements and was comfortable with them. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the execution of the Holy Cross Underground Right of Way Easement, the Trench, Conduit, and Vault Agreement, and the Contract for Electric Service.

Prater Lane Parking

Mr. Lydens presented the final drawings related to the Prater Road parking. He explained there would be a concrete drainage area on the North side. The Board reminded Mr. Lydens that any trees that are removed for the work will need to be replaced. Mr. Garnsey concurred this was the agreement

Hwy 6 and Prater Rd

Mr. Lydens presented a sketch plan of improvements being recommended at the intersection of Prater Road and Highway 6. The main improvement would be the addition of a right turn lane and additional street markings on Prater Road. The road would need to be widened by approximately 5 feet to accommodate the turn lane. The improvements would be done at Vail Resorts expense. Upon motion duly made and seconded, it was unanimously

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RESOLVED to approve the improvements as presented to the intersection of Prater Road and Highway 6 at no cost to the District.

Director Forstmann asked whether any consideration had been given to the suggestion of having the buses stop at both little bear and big bear lots. Mr. Simmons explained that at first glance it appears that two separate stops would add too much additional time to the bus routes in addition to the safety concern of riders crossing Prater Road anyway. He then stated they are willing to try both stops on a temporary basis to see if they are utilized appropriately by the riders without adding too much time to the routes so the option can be reviewed by actual use.

The Board asked about the landscaping plans along the Highway 6 side of the Bear lot. The Board stated it was under the impression that a berm with landscaping had been proposed along the length of the lot on the Highway 6 side during the landscaping discussions held earlier this year. Mr. Garnsey stated he did not recall this being proposed as the State of Colorado has many requirements for any landscaping that is put within the road right of ways and to his knowledge the permissions had not been sought to do this. The Board requested the minutes be checked to see if any specific information is mentioned regarding this matter.

East West Project Updates

Mr. Telling said he wished to update the Board regarding the Village Walk and BC Landing projects.

The Village Walk project is progressing well. Mr. Telling stated the majority of truck traffic should subside at the end of next week. There will be paving done for access up to Dally in mid October. Framing will begin in late October. The Board asked what type of shingles will be used on the project. Mr. Telling stated a composite fire resistant shingle had been chosen.

The BC Landing project has had good sales. The first building is sold out, with the second one now being marketed. Depending on the timely receipt of the Eagle County building permit it is anticipated construction will begin on both buildings in October with completion in late spring and summer of 2007. They have

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met with BC Design and Review Board. Director Forstmann asked when traffic control, such as flaggers, will be in place for the project. Mr. Telling explained when construction begins. He stated that Evans Chaffee (General Contractor) is aware that traffic control is a priority and has budgeted appropriately. Mr. Lydens stated the Prater Road round a bout is scheduled to be paved in October. There will be light poles placed on the north side of the round a bout. The Board expressed concern with truck traffic in the round a bout and the turning radius allowed.

Main Entry Gate

Mr. Kurz stated the request by the Board to look at a recreation path along Village road from the main gate area had been taken under consideration. The best option appears to be placing the path on the South side. A retaining wall would be put in place with the path segregated from the road by curb and gutter. It does not appear there would be sufficient time to complete the project this fall. The Board requested this be considered for the near future. The Board asked if BCRC or VR would be interested in contributing towards the cost, both Mr. Kurz and Mr. Garnsey stated they would consider this.

The Board asked if the acceleration lane for the buses could be completed this fall. Mr. Palmer and Mr. Kurz both stated it was hoped this lane would be done yet this fall.

Prater Road Entry Gate

Mr. Kurz reported the style of the Prater Road Entry Gate Building will be consistent with the new design of the main entry gate. The building is being designed for a two person crew if needed. The change will be cosmetic only.

Valet Parking

Mr. Kurz handed out a memo to the Board related to Valet parking for the upcoming season. He explained the location being suggested for the valet parking service this year would be by the covered bridge bus stop area with the staging area located in front of the BC Lodge. He noted this area appeared to be the best choice for this season. The Board was hesitant to consider the matter on such short notice and requested time to review the memo provided. The Board stated it had been their impression after the meetings

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last year that a comprehensive, long term solution would be presented for consideration this year. Mr. Kurz replied that the matter had been under review by BCRC and the Valet service provider with this being seen as the best solution for this season while matter continues to be reviewed. The Board expressed initial concerns with the location regarding traffic flow and safety at the sight. The Board tabled the matter noting it was looking for a presentation of a plan with more information and detail prior to considering the matter. Mr. Kurz explained he will provide more detailed information to the Board for consideration prior to the next meeting.

Ritz Carlton Bus Shelter Request

The Board took under consideration the request included in the packet from the Ritz Carlton for a bus shelter in the Bear Lot for their employees. The Board asked if Bachelor Gulch Metro District (BGMD) had been approached regarding the matter since the Ritz is located within BGMD. It was explained the Bear Lot is within BCMD so that is where the request was sent. The Board stated it was a bit unclear as to what was being asked for. Mr. Simmons offered to follow up on the matter, obtain estimates for the shelter and to present the matter to BGMD for consideration to see if they are willing to contribute. The Board suggested to the extent it benefits the Ritz that perhaps they may be willing to contribute too.

TOA Transportation Agreement

The Town of Avon Transportation Agreement included in the packet was reviewed. Mr. Simmons reported that greater emphasis on standards of service were included in this years agreement. Mr. Simmons noted the District enters into the agreement and in the past he has administered it. The Board has the option of assigning a person to administer the agreement, such as the new general manager if it so desires. Several of the revisions requested by the TOA were discussed. It was pointed out that some of the revisions were not beneficial to the District or VR. The Board requested Mr. Simmons continue negotiating the agreement keeping the Boards concerns in mind. Director Wells asked if it would be appropriate to ask for curtailed Village Road access as part of the discussions. Mr. Garnsey stated he believed it would not make it through

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review by the TOA. The TOA prefers their guests be allowed to get to the Village directly and that transferring buses at BC Landing had been problematic last season. He stated the TOA has been cooperative in finding compromises and that they would continue to work with TOA on options. He noted that if a gondola is built it should reduce the buses from TOA significantly.

Transportation Agreements

Mr. Simmons noted he will present contract amount increases related to the Dial a Ride and Intervillage Transportation agreements to the Board for consideration at the next meeting. He explained there have been significant unexpected cost increases due to the dramatic increase in the cost of fuel and unexpected wash fees charges for the buses. The wash fee charges were not anticipated as VR had planned on using the new BC Eagle-Vail wash facility which will not be available until next year.

Operations Agreement

The Board reviewed the Operations Agreement included in the packet. The agreement is due for automatic renewal at this time. Mr. Collins stated there were no changes to the agreement. He proposed the dates of the agreement be filled in with October 1, 2004 as the dated of the agreement and September 30, 2007 as the term of the agreement. This is the second year of a three year renewal. It was noted that the term "General Manager" should be inserted in place of the specific name "Larry Grafel" within the agreement. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the renewal of the Operations Agreement for one year.

Public Safety Agreement

Mr. Collins referred to the Draft Public Safety Agreement included in the packet. He explained in the past the public safety payment to BCRC from the District had been covered in the fire agreement. However, when the District negotiated a 10 year agreement with ERFPD for fire services this was not included. This draft agreement was being presented for the Boards review. Mr. Funk presented the budget used to figure the costs attributable to the

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District. He explained the District's costs are approximately 17% of the total public safety budget. The Board questioned the percentages used for certain wages noting the district was paying for services it had little control over. Mr. Collins pointed out the cost for the services in the draft agreement is a set fee starting at \$273,000 with annual increase tied to the C.P.I. which is actually lower than the 17% presented as part Mr. Funk's budget. The Board noted a larger question may be whether the District should have a larger portion of Public Safety under its authority. Mr. Marchetti provided a brief background on the matter noting in the past districts were responsible for Fire protection but not public safety. He explained several years ago the state passed a regulation which would allow the District to have public safety responsibilities only if BCRC is willing to give its approval. The Board stated it would like to have a discussion concerning public safety with BCRC and VR as it is not comfortable paying for a service while having little control over it. The Board asked Mr. Collins to draft a letter which could be sent to VR and BCRC suggesting a joint meeting to discuss the matter.

Legal

Market Square: Mr. Collins reported the District had been served with a complaint from Market Square regarding the alleged past due fees. A response has been filed on the Districts behalf. The Board suggested since no response has been received from Mr. O'Rourke regarding the conveyance of the Market Square unit it may be prudent to look at other means of communication to see if this alternative is still viable. It was suggested this matter could be included in the letter regarding a joint meeting suggested above for public safety issues.

Legal Matters: Mr. Collins reported the claim made against the District by Ms. Miller has been dismissed.

UERWA

Director Friedman reported we are now past the peak demand time for water. He noted a call had been made by a state water entity in early September to maintain stream flows. This call affects junior water right diversions. The District and UERWA rights are senior so it did not have an immediate impact. UERWA has made

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minimal releases of water from the Eagle Park Reservoir to help with answering the call.

Fire Station Improvement Request

The Board reviewed the request in the packet for interior improvements to the BC Fire Station from Chief Moore. The improvements include new carpeting and painting. The Board requested proposals be submitted for approval.

Financial Statements

Mr. Marchetti reviewed the August 2005 preliminary financial statement included in the packet. The budget work session scheduled for October 12th was cancelled. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the August 2005 preliminary financials as presented.

Accounts Payable

The Accounts Payable listing was reviewed. The release of Elam retention was briefly discussed. The Board requested an Elam representative be asked to appear at the next Board meeting to discuss the remaining retention amount and the manhole issue. By motion duly made and seconded, it was unanimously

RESOLVED to approve the accounts payable list as presented.

Tract Q Cost Share

There was nothing new to report regarding Tract Q.

Executive Session

Upon motion duly made and seconded, it was unanimously

RESOLVED to enter into executive session citing §24-6-402(4)(f) C.R.S. for the purpose of discussing personnel matters.

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The Board entered into Executive session at 11:15 a.m. and returned at 11:40 a.m.

The Executive session was continued to October 14th at 8:30 a.m.

Continuation

There being no further business to come before the Board at this time, the meeting was continued to Friday, October 14, 2005 at 8:30 a.m. upon motion duly made and seconded, it was unanimously

RESOLVED to continue the September 28, 2005 Regular Meeting of the Beaver Creek Metropolitan District Board of Directors to Friday, October 14, 2005 at 8:30 a.m.

Respectfully submitted,

Kathy Lewensten
Secretary for the meeting