
RECORD OF PROCEEDINGS

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS BEAVER CREEK METROPOLITAN DISTRICT December 6, 2006

The Regular Meeting of the Board of Directors of the Beaver Creek Metropolitan District (the "District") was held at 8:30 a.m., December 6, 2006 in the Conference Room of the District Administrative and Operations Facility, Eagle-Vail, Eagle County, Colorado.

Attendance

In Attendance were Directors:

- Stephen Friedman
- John Forstmann
- Robert Gary

Absent and excused were Directors:

- Mike Balk
- Ernie Elsner

Also in Attendance were:

- James Collins, Esq. Collins Cockrel & Cole
- Clyde Hanks, General Manager
- Ken Marchetti, CPA, Secretary
- Kathy Lewensten, Recording Secretary
- Heather Nolan, Administrative Assistant
- Charles Campisi, BCPOA
- John Garnsey, COO Beaver Creek
- Tony O'Rourke, BCRC
- Bill Simmons, Operations
- Jim Telling, East West Partners
- Jim Funk, Public Safety

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

RECORD OF PROCEEDINGS

Beaver Creek Metropolitan District December 6, 2006 Meeting Minutes

member of the Beaver Creek Arts Foundation which operates the 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 October 25, 2006 Regular Meeting. Upon motion duly made and seconded, it was unanimously,

RESOLVED to approve the minutes of the October 25, 2006 Regular Meeting as presented.

Agenda

Mr. Hanks requested the agenda item related to the Service Agreement with the Town of Avon be tabled until the January meeting.

Future Meetings

The Board discussed the future meeting dates for 2007. The next regular meeting is scheduled for Wednesday, January 24, 2007, at 8:30 a.m. in the same location.

Public Input

World Cup Transportation: Mr. Garnsey thanked the District for its help with the 2006 Visa Birds of Prey World Cup Races.

BC Landing and Village Walk

Mr. Telling requested the Board consider the Amendment to First Addition to Conveyance of Roadway Easement and Grant of Option Roadway Easement which had been included in the packet. He explained he had been working with Mr. Hanks and Mr. Collins regarding the amendment which would relocate the Districts roadway easement which allows access to Dally. Mr. Telling explained neither EW nor VA had realized the roadway easement existed within the Village Walk property and a building had been inadvertently constructed over the original easement. The Board reviewed the drawings included in the packet. Mr. Hanks explained the easement was used for access to allow maintenance on the skiways. The easement width would be

RECORD OF PROCEEDINGS

Beaver Creek Metropolitan District December 6, 2006 Meeting Minutes

reduced to 20 feet; the original easement width is 30 feet. This change would reduce the turning radius available to vehicles and equipment. Mr. Telling offered to conduct a site visit the first part of January for any board members who wish to participate. The Board asked several questions regarding the future ownership of the roadways. Mr. Hanks explained the roadways will remain private for at least two years during the warranty period. The matter was tabled to the January meeting pending a site visits by interested Directors.

2007 Budget

The continued public hearing for the 2007 budget was opened. Mr. Marchetti handed out a revised 2007 budget and memo. No public comment was offered and the hearing was closed. The Board discussed the revenues and expenditures projected for 2007. Mr. Marchetti explained a mill levy rate of 25.812 mills had been used in preparing the budget. This reflected a minor increase of .5mills over last year's rate. The increase is primarily due to an adjustment related to abatements. The contingencies within the general fund and the capital improvements fund were reviewed. Mr. Hanks noted there were two discretionary expenditures that should be discussed; the overlay of North and South Fairway Drive and an equipment purchase of a new loader. Mr. Hanks requested the Board give direction regarding the overlay no later than February to allow time for the project to be bid. The Board instructed Mr. Hanks to move forward with the overlay project noting it has been delayed in prior budgets. The discussion regarding the purchase of a new loader will be considered later in the year. Upon motion duly made and seconded, it was unanimously

RESOLVED to adopt the 2007 budget and appropriate the sums of money for Beaver Creek Metropolitan District as revised, and

FURTHER RESOLVED to certify the mill levy for Beaver Creek Metropolitan District

2006 Budget Amendment

Mr. Marchetti explained the public hearing for the 2006 budget amendment had been continued to this meeting. The public hearing was opened. No public comment was offered and the hearing was closed. Mr. Marchetti presented the 2006 budget

RECORD OF PROCEEDINGS

Beaver Creek Metropolitan District December 6, 2006 Meeting Minutes

amendment resolution explaining the amendment was necessary partially due to the unexpected expenditures for the repairs to Village Road. In addition a contingency of \$150,000 had been added to the Capital Improvements fund to cover any expenses related to the unexpected skier bridge repair. A revenue line item was added reflecting the expected reimbursement from the insurance company. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2006 Budget Amendment and appropriations as amended.

Skier Bridge Repair

Mr. Hanks reported the skier bridge repair is complete and back in use. Mr. Garnsey complimented the project noting it had been a well coordinated effort between all involved parties. Mr. Hanks noted it was fortunate Edward Kraemer & Sons, Inc. were in the area and available to do the work on an emergency basis. The District's insurance carrier has been informed of the incident and will be handling the reimbursement of the expenses to the District.

The Board suggested it may be prudent to have contractors contact Public Safety prior to such equipment moves in the future to allow them to be escorted. Mr. Hanks and Mr. Funk will review the matter.

Village Road Slope Failure

Mr. Hanks reported on the status of the Village Road Slope project. Work at the site has stopped for the winter with the remaining work such as the sidewalk and guardrails scheduled for completion next spring. The bench below the wall has been left in place to allow the chosen finish to be applied to the shotcrete walls next spring. Mr. O'Rourke stated they will be reviewing the types of finishes over the winter.

DAR Vehicle Request

The Board considered the request from BCRC for titles to three 2001 Terra Transit Dial-a-ride buses. BCRC wishes to dedicate them to several non-profit organizations. The Board discussed the matter noting the Resort Company is the primary financing partner in the transportation operation. The Board had no objection to the

RECORD OF PROCEEDINGS

Beaver Creek Metropolitan District December 6, 2006 Meeting Minutes

request and therefore authorized the conveyance of the three 2001 Terra Transit Dial-a-ride bus titles to BCRC.

Front Gate Project

Mr. O'Rourke expressed his displeasure with the status of the Front Gate Project. The project was not completed as expected for the opening of the ski season, it is anticipated it will be substantially complete around December 15th. He explained the contractor was currently working on the slate roof and then has interior finishes to complete. He stated two matters contributing to the delay in the project were an unexpected break in a water line and a delay by the contractor in ordering critical materials for the project. The Board asked when more than one lane will be available for entrance into Beaver Creek. Mr. O'Rourke stated it was hoped all lanes would be open by December 15th. The radio activated entry gate system was discussed. The system should be functional in mid December.

Director Forstmann suggested the front gate attendants be required to wear a consistent uniform. This led to a brief discussion regarding gate attendants and expectations. Mr. O'Rourke agreed the matter needs to be reviewed. The Board offered several points for consideration including consistency in uniforms, review of wage levels to help with hiring good quality employees, and additional training for employees. Mr. O'Rourke will follow up on the matter.

ERFPD Consolidated Fire Station Concept

The Board reviewed the letter from ERFPD concerning a consolidated fire station which was included in the packet. Director Friedman asked for input and comment regarding the concept. Mr. O'Rourke stated a similar concept had been reviewed and strongly opposed by Beaver Creek in 1999. A consultant hired at the time found the fire station location within Beaver Creek allows for better response times. Mr. O'Rourke offered to provide the information for review. Discussion of the pros and cons of this type of arrangement followed. Some concerns were raised in regards to the District having fire services provided by agreement instead of being a part of ERFPD and how that may affect the benefit the District may receive for efficiencies alluded to in the letter. Other concerns included response times and how insurance rates may be impacted. The Board requested Mr. Hanks draft a

RECORD OF PROCEEDINGS

Beaver Creek Metropolitan District December 6, 2006 Meeting Minutes

response letter to Chief Moore which requests additional information as discussed in today's meeting. The Board authorized Director Friedman to sign the letter after his review. The Board continued discussions regarding the matter to a future meeting.

ERFPD Ladder Truck Acquisition

The Board turned its attention to the ERFPD request regarding funding for a ladder truck in 2008. The District owns 33 1/3% of the existing ladder truck. ERFPD is proposing the District contribute a percentage towards the new ladder truck based on the Districts Assessed Valuation as a percentage of the total Assessed Valuation of ERFPD or approximately 26%. The Board posed several questions concerning the ownership of the truck, the uses for the truck and the anticipated location of the truck. Mr. Hanks will follow up with Chief Moore to obtain more information.

General Manager Update

Encroachments: Mr. Hanks stated two minor landscape encroachments have been approved since the last meeting.

He updated the Board on the encroachment granted Mr. Unicom at a prior meeting. The DRB has several concerns with Mr. Unicom's design as it was presented; it appears the project may not go forward. The Board questioned whether applicants should go through DRB prior to asking the District for any needed encroachment. It was noted the applicant may choose to have informal discussions with DRB prior to applying for an encroachment from the District but that DRB likes the applicant to have the encroachment in place prior to a formal hearing on a project. Mr. Hanks stated he would like the Board to consider adding a requirement to the Districts encroachment policy for an allowance of at least 36 hours for review and approval of any encroachment by the District prior to presentation of an application to DRB to allow sufficient time for review of the applications.

BGMD Service Plan Amendment: Mr. Hanks reported the public hearing at Eagle County regarding the request by BGMD for an amendment to their service plan has been moved to February 14, 2007. BGMD is seeking to add security and covenant enforcement functions.

RECORD OF PROCEEDINGS

Beaver Creek Metropolitan District December 6, 2006 Meeting Minutes

BGMD Construction Regulations: A preliminary injunction has been granted regarding this matter with a summary judgment expected in the near future. The District is not a party to this matter.

**Wildfire
Mitigation**

A draft of the Wildfire plan is available for review. The committee will be meeting in mid December.

**First Amendment
TOA Transportation
Agreement**

The Board discussed the First Amendment IGA to Transportation Services Agreement which covers the parking lot bus system with the Town of Avon. Mr. Hanks reported he and Mr. Simmons have been working with Mr. Wright at the TOA to obtain more detailed information regarding the budgeted costs for the coming year. They are working on understanding the cost increases and how percentages were calculated and applied. Mr. Hanks informed Mr. Wright he would not recommend approval of the agreement until he has a full understanding of the matter. Mr. Collins suggested a letter be drafted to the TOA which states the District wishes to continue on a month to month basis until the matter is resolved. The Board directed such a letter be drafted for Director Friedman's signature.

Legal

Market Square: Mr. Hanks reported he has tried to contact Ms. Folz regarding the conveyance of the Districts Market Square Unit but has not been able to speak with her. He has provided a draft of a conveyance document dated for February 2007 to her for comment. Director Friedman offered to contact her. The Board requested he do so.

Bridges and Skiways: Mr. Collins reported he had reviewed the locations of the bridges the District is responsible for, they are the two bridges which cross the roadways. Mr. Hanks informed the Board he has a map which displays the District owned skiways and will provide it to the Board for review.

UERWA

Director Friedman reported UERWA adopted the 2007 budget at yesterday's meeting. There will be no increase in the water rates for 2007. This will be the third year in a row with no increase.

RECORD OF PROCEEDINGS

Beaver Creek Metropolitan District December 6, 2006 Meeting Minutes

Public Safety

The Board asked about windrows being left by driveways during snowplowing. Mr. Hanks explained the first priority in a snowstorm is to keep the roadways clear. After the roadways are cleared the crews are to return as soon as possible to reduce the windrows left behind. The Board expressed concern that it appears to be taking longer to get back to the windrows. Mr. Hanks will speak with the operations crew.

Financial Statements

Mr. Marchetti reviewed the October 2006 preliminary financial statement included in the packet. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the October 2006 preliminary financials as presented.

Accounts Payable

The Accounts Payable listing was reviewed. By 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) (f) C.R.S. for the purpose of discussing personnel matters. The Board entered into Executive session at 10:35 a.m. and returned at 11:15 a.m.

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

RESOLVED to renew the annual employment contract of Mr. Hanks.

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 December 6, 2006

RECORD OF PROCEEDINGS

Beaver Creek Metropolitan District December 6, 2006 Meeting Minutes

Respectfully submitted,

Kathy Lewensten
Secretary for the meeting