
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Arrowhead Metropolitan District May 24, 2017

A Regular Meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on May 24, 2017, at 3:30 p.m., at the offices of Marchetti & Weaver, LLC, 28 Second Street, Suite 213, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance

The following Directors were present and acting:

- Dick Bourret (via phone)
- Chris Matlon
- Bob Rosen
- Bob Shafer

Absent:

- Thomas Svoboda

Also in attendance were:

- Jerry Hensel, Operations
- Geoff Dreyer, UERWA Representative
- Rick Bross, Arrowhead at Vail (via phone)
- Ken Marchetti, Marchetti & Weaver, LLC
- Matt Jones, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, recording secretary
- Pentti Tofferi, Country Club of the Rockies
- James Collins, Collins, Cockrel & Cole (via phone)

Call To Order

The Regular Meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Chairman Matlon on May 24, 2017, at 3:30 p.m. noting a quorum was present.

Consideration of Changes To the Agenda

Director Matlon requested the following items be added to Section 7b of the Agenda: 4. Open Space Miller Ranch email; 5. Parking Lot Email from Beth Howard.

Public Input

Nothing Reported.

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Private Golf Carts

Pentti Tofferi from the Country Club of the Rockies was acknowledged by the Board and gave a presentation and appeal for allowing private golf cars in Arrowhead utilizing the Arrowhead Metro District Private roads. Mr. Tofferi explained that the Arrowhead golf car fleet was being updated for 2018 and this would be a perfect time to implement private golf cars, a successful program he implemented at the Cordillera Valley Club several years ago. During the discussion, many questions were raised including how the cars would be leased and stored, where they could be driven and charged, potential parking problems, and District liability. Director Matlon responded that if the District decided to consider the appeal, it would have to be vetted by the District's attorney with all related costs to be paid by the Country Club of the Rockies. The Board told Mr. Tofferi they would follow up with him in a month or so. The Board requested feedback from Mr. Bross and requested that Mr. Collins look into the request and give an opinion on District liability at the next meeting.

Minutes

The Board reviewed the minutes of the April 5, 2017 Regular Meeting. After discussion and by motion duly made and seconded it was unanimously

RESOLVED to approve the April 5, 2017 Regular Meeting with the following addition:

Arrowhead Parking Lot

Director Matlon reported that he had received further email follow up from Beth Howard after the special meeting on March 29, 2017. Beth Howard, the Chief Operating Officer for Beaver Creek, has communicated to the Arrowhead Board that Vail Resorts will always attempt to accommodate Arrowhead Residents in the parking lot. They would not commit that a homeowner will never be turned away or caused to wait for a space to open up, but based on the 2016-2017 ski season the parking worked well and they will do their best to accommodate the Arrowhead Residents next ski season.

Accounts Payable

The Board reviewed the accounts payable list included in the meeting pack. After discussion and by motion duly made and seconded it was unanimously

RESOLVED to approve payment of the items on the accounts payable list as presented.

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Encroachment Agreement

Mr. Jones reviewed the Encroachment Agreement for 60 Turnberry landscaping. Mr. Hensel confirmed that he received the maps to accompany the Agreement and had reviewed the area with the owners. Mr. Hensel also reported that the owners would be submitting another encroachment agreement that was still in process. After discussion and by motion duly made and seconded it was unanimously

RESOLVED to approve the Encroachment Agreement for 60 Turnberry as presented.

Financial Statements

Mr. Marchetti and Mr. Jones presented the preliminary financial statements ending April 30, 2017. Mr. Jones reviewed the forecast stating that the Vail Resorts Transportation shuttles were trued up to actual and that an approximate \$35,000 savings was expected from the Cresta Road overlay. Mr. Jones reported that the preliminary assessed value used the Residential Assessment Rate of 7.2% which was recently passed by the State. The Board briefly reviewed the balance sheet and revenues and expenses for the month.

2016 Audit

Mr. Jones reviewed the Draft 2016 Audit. The Board requested that the Auditor present the Draft Audit to the Audit Committee and directed management to set up a meeting.

Long Range Financial Plan

Mr. Jones reported the updated long range financial plan extended out through 2032 was included in the board pack as requested at the last meeting. That plan uses a mill levy of 20 mills total going out through 2032. Mr. Marchetti noted that the fund balance was projected to be consistent during that time period and that the mill levy was required to be reduced to 10 mills once the debt was paid off.

Possible Sales Tax

Mr. Marchetti reviewed the long range projections if a sales tax was implemented stating that the mill levy could be kept at 18.5 mills or decreased if a sales tax was collected. The Board agreed that the numbers looked favorable but were reluctant to go to the voters at this time. It was decided that the issue warranted a discussion by the full Board to be followed by a vote at the next meeting.

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Assessor's Comparable Sales Book

Mr. Jones reviewed the Assessor's Comparable Sales Book for the Board noting that there were not many sales since July 2016. Director Matlon requested that an updated Sales book be included for review every 2 to 3 months with the next review for the July meeting.

Bank Signers and CD Renewal

Mr. Jones reported that the paperwork for updating the authorized signers was received and ready for signatures.

Mr. Jones reported that a \$240,000 CD would be maturing on May 30 and reviewed anticipated interest rates on new 5-year CDs. The Board directed that a cash analysis be reviewed and then a new CD be purchased with the maturing funds.

Operations Update

Mr. Hensel reported that the work around the chairlift was almost complete with sodding to be started next week. Mr. Hensel then relayed that the open space around the tennis center was being set with pavers. The drinking fountain for the space was on back order until July so that area would be closed until the fountain was installed. Mr. Hensel also relayed that the new tennis pro, Hannah Thompson, had arrived at the Club.

Director Matlon inquired on the playground maintenance schedule and requested that the equipment be painted and bolts tightened as necessary.

Parking Lot Lighting

Mr. Hensel reported that as the parking lot light fixtures went out, they were being replaced with updated LED fixtures. Mr. Hensel also reported that the wood light posts were being replaced with steel posts painted to look like wood. He explained that the steel posts and LED fixture were more expensive than replacing with the original posts and fixtures but the cost savings in electric and longevity would be much greater in the long run. Since the replacements were being done on an as needed basis, the costs would be spread out over several years. After discussion, the Board requested that a cost estimate to change out all of the lights and posts at one time versus replacing on an as needed basis, including potential electric savings, be prepared for the Board for the next meeting.

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Roads Update

Mr. Hensel reported that the road overlays were completed and the final walk thru required by Alpine Engineering would be completed by May 31, 2017. The Board requested that Alpine Engineering also do a walk thru before the one year warranty expiration to verify that the overlay was still solid.

Mr. Hensel reported that the budgeted crack sealing, seal coat and striping was in process and would be complete prior to Memorial Day.

Transportation

Mr. Hensel reviewed the final transportation ridership and gate car count numbers include in the meeting packet, noting that the overall decrease reflected the poor end to the ski season. The Board commented that they had several positive comments from owners and residents for the bus service.

Cresta Road

District Ownership

Mr. Collins reviewed the background and memo included in the meeting packet with the Board reporting that the Association's attorneys were not interested in granting the District a license to use or maintain the Road at this time. Mr. Collins suggested that the District could get an opinion letter that stating that it had adequate interest in the Road for use and maintenance. After further discussion, the Board directed Mr. Collins to send the Association a bill for their portion of the Cresta Road Overlay recently completed and report the Association's response at the next meeting.

Miller Ranch Email

Director Matlon reviewed the email sent by Joe LeBeau giving a brief background on the prosed open space being made permanent with a conservation easement. A map of the area in question was viewed and after discussion, by motion duly made and seconded, it was unanimously

RESOLVED to approve a contribution of \$3000 towards the Conservation Easement for the Miller Ranch Tract I open space parcel which is located from Miller Ranch Road to the east end of the golf course from the railroad tracks to I-70.

Beth Howard Email

Director Matlon reported that he received an email from Ms. Howard after the Special Meeting on March 29. He relayed that Ms. Howard reiterated that they would not allow charging for parking and though they would attempt to accommodate Arrowhead residents, they could not guarantee that a homeowner

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would not be turned away or required to wait for a spot. Director Matlon requested that this quote be used in the 2017 fall newsletter to owners.

Petition for Exclusion

Mr. Marchetti reported that a petition for Exclusion was received for 36809 Highway 6 from Mr. Cangelosi. Mr. Marchetti gave the Board a brief review of the background of the parcel and for the petition, stating the parcel had originally been included in the District to obtain water. Mr. Collins noted that the parcel was not in the water authority contract service area and he would look into potential issues with the exclusion petition. Mr. Collins outlined the steps for moving the exclusion forward if the District decided to proceed.

AVA

Rick Bross gave a report regarding activity at the Arrowhead at Vail Association including:

- The DRC survey had a great response with respondents answering favorably about updating architectural guidelines. In light of the favorable responses, AVA will be sending out a request for proposals for an Architect.
- A positive response to the letter was received from Beth Howard.
- If all open transactions closed, they would meet their RETA budget.
- Signage for the community could be installed by fall if strong sales continue; otherwise, it would become a spring 2018 project.

UERWA

Geoff Dreyer gave a report regarding activity at the Upper Eagle Regional Water Authority from March 23 and April 27 including:

- The Board passed a resolution not approving final acceptance of the Traer Creek Tank due to warranty issues.
- While the WOTUS rule is still in effect, it is anticipated that the EPA may choose not to enforce it.
- Since Denver abandoned its water rights in the Eagle River valley, the UERWA is looking at possibly purchasing the land by Wolcott Reservoir.
- The Authority selected Filanc Construction to rebuild the Traer Creek Tank.
- Vail snowpack is almost gone but other areas in Colorado are still ok.
- Bachelor Gulch Metropolitan District conveyed 31 acre feet of water to the Authority to remedy its overuse from prior years.
- Eagle County is not interested in selling Eagle Park Reservoir.

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Action Log

The Board reviewed the current action log.

Farewell to Matt Jones

Director Matlon and the Board formally thanked Matt Jones for his many years of service to the District and welcomed Beth Johnston to the team.

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 Arrowhead Metropolitan District Board of Directors this 24th day of May, 2017.

Respectfully submitted,

Beth Johnston
Secretary for the Meeting