
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Arrowhead Metropolitan District September 27, 2017

A Regular Meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on September 27, 2017, at 3:30 p.m., at the offices of Marchetti & Weaver, LLC, 28 Second Street, Suite 211, 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 telephone)
- Bob Rosen
- Chris Matlon
- Bob Shafer
- Thomas Svoboda

Also in attendance were:

- Jerry Hensel, Director of Resort Operations, Vail Resorts
- Paul Gorbald, Senior Manager Village Transportation, Vail Resorts
- Rick Bross, Arrowhead at Vail Association
- Jim Collins, Collins Cockrel & Cole (via telephone)
- Geoff Dreyer, AMD's Representative to Upper Eagle River Water Authority
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, recording secretary
- Tom Howard, resident of 84 Aspen Meadow Drive
- Brad Quayle, resident of 204 Aspen Meadow Drive
- George Coleman, resident of 62 Castle Peak Close

Call To Order

The Regular Meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by President Matlon on September 27, 2017, at 3:30 p.m. noting a quorum was present.

Consideration of Changes to the Agenda

Ms. Johnston requested removal of the Encroachment Agreement for 144 Castle Peak Gate, agenda item 4b.

AVA

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

- Market is up and revenues and expenses are on track for the year
- The Town Hall meeting is posted on the website.
- There is good participation on the AVA committees (Activities, Strategic Planning and Communications) so far.

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Encroachment

Agreement The Board reviewed the encroachment agreement submitted for 78 Gleneagle. Mr. Hensel reviewed the project with the owners and suggested the new pavers end prior to the road edge which is indicted on the attached drawing. The Board requested that the submitted License Agreement be updated for clarity. The Agreement was tabled for further review at the next meeting.

Drones Mr. Collins summarized the drone memorandum included in the Board packet and reviewed the policies of other local districts. The Board engaged in general discussion with input from residents attending the meeting. After discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve a policy regarding drones as follows:
The use of drones is prohibited on or over all District roads, parking lots, playgrounds, and other District Property.

Bicyclists on District Roads

At Director Matlon's request, Mr. Collins prepared and reviewed the confidential memorandum on usage of the roads distributed to the Board. Discussion continued on safety issues of speeding, pack riding, and other unsafe driving of both bicyclists and automobiles on Cresta and other District roads. Suggestions to address the issue included redirecting trails down the ski trails instead of road exits and use of trespassing signs at trail exits. Director Matlon asked Mr. Hensel to provide a map of mountain bike trails for the next meeting. Director Matlon requested ongoing meetings with representation of the District and Arrowhead at Vail Association should be held to address the issue before the next biking season in spring 2018. Directors Shafer and Svoboda volunteered to represent the District with Director Bourret as an alternative. Mr. Coleman agreed to organize the meetings.

Public Input The Board acknowledged the members of the public attending the meeting permitting them to provide input on the restriction of bikes on District roads. Mr. Quayle stated that he understood the issue and wanted to be involved in the decision making process, requesting to be notified of any future meetings on the issue. Mr. Quayle asked the Board to consider the Arrowhead brand and how a restriction of the public on District roads would affect Arrowhead and the surrounding communities.

Mr. Coleman stated that solutions such as trail building were being discussed with Tim Baker to address the safety concerns. Mr. Howard asked the Board to consider how it would enforce any restrictions on the roads before putting a new rule in place. Ms. Johnston distributed an email received from Jim Pavelich for the Board to consider on the restriction issue.

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Revenue

Initiative Mr. Bross reviewed potential additional revenue sources such as charging fees for the general public and non-owners to use Arrowhead facilities. Discussion followed about potential fees and implementation of a sales tax for the District.

2017 Audit Director Matlon reviewed the engagement letter submitted by McMahan and Associates for completion of the 2017 Audit. Director Shafer noted a small increase over last year's fee but said they did a good job on previous audits. By motion duly made and seconded, it was unanimously

RESOLVED to approve McMahan and Associates to complete the 2017 Audit as outlined in the engagement letter.

Minutes The Board reviewed the minutes of the July 26, 2017 regular meeting. Director Rosen requested that the last sentence under Sales Book be changed to read "...and the projected increase was unchanged from the previous sales book." By motion duly made and seconded, it was unanimously

RESOLVED to approve the July 26, 2017 Regular Meeting minutes with the requested change.

2017/2018

Transportation

Service Mr. Hensel introduced Mr. Gorbold. Ms. Johnston distributed updated service schedules to the Board. Mr. Gorbold reviewed the transportation service schedules and associated costs and increases over 2016/2017. Mr. Gorbold stated that only the exhibits would be updated and that there were no changes to any other parts of the agreement. Mr. Gorbold recommended that the Village to Village schedule start at 8:15 am instead of 8:20 am. Mr. Gorbold also recommended that the Arrowhead/Vail express shuttle start on January 9, 2018 for 12 days of service and pick up in Arrowhead be at 8:30 am with no Lionshead stop. The Board agreed with the recommendations and requested updated schedules and exhibits be presented at the next meeting for consideration.

Mr. Gorbold and Mr. Hensel reported that the new bus was ready for pickup. Mr. Hensel confirmed that a ski rack currently owned by the District would be installed and a new ski rack was not necessary.

Bus

Inspection Director Svoboda reported on his inspection of the buses stating that they were in good shape with minor wear on a couple that would be fixed by the start of the ski season. Mr. Gorbold reviewed in detail the recruiting and training for bus drivers hired for the season. Mr. Hensel added that guest service attendants would be assisting drivers during peak times and reservation procedures would remain the same as last year.

Accounts

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Payable Ms. Johnston distributed an updated Accounts Payable list at the meeting. The Board reviewed the updated list and, after discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the accounts payable list as presented.

**Financial
Statements &
2018 Budget**

Mr. Marchetti stated the meeting was published as the public hearing to adopt the 2018 Budget. The public hearing was opened to take comments on the proposed budget. Mr. Marchetti reviewed in detail the financial statements included in the Board packet including the 2017 forecast and proposed 2018 budget for the District. Director Shafer reported that AVA requested the District take over all expenses for transportation including the buses and trucks reimbursement starting in 2018. Director Matlon requested a 10 year projection be prepared without the AVA reimbursements to determine how the District will fair financially before taking action on AVA's request. Given the potential changes to major budget line items, the Board decided to continue the 2018 Budget hearing until the next District meeting on October 25, 2017 at 3:30 pm.

**Private Golf
Carts**

Director Rosen reviewed the changes he made to the Resolution. Mr. Bross requested that additional language be added stating that each cart owner would need to have a transponder. Director Rosen said he would make the change for consideration at the next meeting. Ms. Johnston suggested that the final, updated Resolution be reviewed by District counsel prior to final approval.

**Operations
Update**

Mr. Hensel reported that all of the District's equipment was in good condition. Mr. Hensel reported that the roads are also in good condition and that the lines would be painted in the circle.

Mr. Hensel reported that the Arrowhead at Vail Association switched to all raw water irrigation and would no longer be using ERW&S District water for irrigation water.

Mr. Hensel reported that guardrail may need to be installed on Cresta Road by the Iverson Residence. Discussion was had and the Board deferred action on the installation until they had more information.

Mr. Hensel inquired whether the District would be interested in mounting removable safety speed limit signs under the current speed limits signs to deter speeding on District roads. The signs would cost approximately \$5000 and could provide data but no photos. The Board discussed several options and requested Mr. Hensel research the impact of the signs in the community and if the signs resulted in changed driver speeding behavior.

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- UERWA** The Board reviewed the minutes of the Upper Eagle Regional Water Authority July 27 meeting. Mr. Dreyer reviewed the August 24 minutes with the Board:
- The Gore Creek conservation efforts appeared to be working however the Eagle River was showing increased pollution.
 - The Eagle Park Reservoir expansion is considering an increase in total acre feet of the basin.
 - Tom Allender was leaving the UERWA Board and Mr. Dreyer was appointed to the Unallocated Water committee.
 - Potential use of unallocated water and are appropriate cash in lieu fees were being charged for unallocated water rights.
 - Study showed that Arrowhead irrigation water use was too high and that tiered rates needed to be reexamined based on efficient usage.
 - The ERW&S District was in mediation with Traer Creek.

Executive Session

By motion duly made and seconded it was unanimously

RESOLVED to enter into executive session at 5:15 p.m. pursuant to C.R.S. §24-6-402(4)(e), for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators.

The board adjourned from executive session at 5:25 p.m.

Action Log The Board reviewed the current action log.

Future Meetings

The Board confirmed the next regular meeting would be held on October 25, 2017 starting at 3:30 pm. The Board reviewed the Proposed 2018 meeting calendar and by motion duly made and seconded, it was unanimously

RESOLVED to accept the 2018 Meeting Schedule 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 Arrowhead Metropolitan District Board of Directors this 27th day of September 2017.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting