
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Arrowhead Metropolitan District October 25, 2017

A regular meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on October 25, 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 telephone)
- Bob Rosen (via telephone)
- Chris Matlon
- Bob Shafer

The following Director was absent:

- Thomas Svoboda

Also in attendance were:

- Jerry Hensel, Director of Resort Operations, Vail Resorts
- Rick Bross, Arrowhead at Vail Association (via telephone)
- Geoff Dreyer, AMD's Representative to Upper Eagle River Water Authority
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary
- 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 October 25, 2017, at 3:30 p.m. noting a quorum was present.

Consideration of Changes to the

Agenda Director Matlon requested that AVA Newsletter be added under Other Business.

Encroachment

Agreement The Board reviewed the encroachment agreement submitted for 78 Gleneagle. Mr. Hensel stated he had met with the owners and is ok with the application. After discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Encroachment Agreement for 78 Gleneagle as submitted.

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May 2018

Election In May of even numbered years the District is required to have an election. Director Matlon reviewed the Resolution that calls the election, lists the Directors whose terms are up, designates the election official and authorizes the Designated Election Official to cancel the election if there are no more candidates than terms to fill. Upon motion duly made and seconded it was unanimously

RESOLVED to adopt the Resolution Calling for the 2018 Regular District Election.

F18 Tract E Director Rosen reviewed that Vail Resorts owned a 1.2 acre parcel adjacent to District property that could serve as a location for another pool. Discussion continued around potential locations for a new pool later in the meeting during the AVA update.

AVA

Newsletter The District would like to include a short article in the fall 2017 AVA newsletter and directed Ms. Johnston to prepare a draft touching on the following items: 1) the continuation of a bus to Vail 2) the bond refinance 3) the Cresta Road mill and paving project 4) purchase of a new bus 5) negotiations with Val Resorts on charging for parking and the quote from Beth Howard's email 6) the additional parking spaces added to the lot.

Minutes The Board reviewed the minutes of the September 27, 2017 regular meeting. The Board requested that the first sentence under Public Input be changed to read "...attending the meeting permitting them to provide input..." By motion duly made and seconded, it was unanimously

RESOLVED to approve the September 27, 2017 Regular Meeting minutes with the requested change.

2017/2018

Transportation

Service Mr. Hensel reviewed the shuttle agreements and the Board confirmed the changes requested at the last meeting were updated in the accompanying schedules. Director Shafer pointed out a few places in the Letter of Agreement where VAI (Vail Associates, Inc.) needed to be updated to TVC (The Vail Corporation). Following additional discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Letter of Agreement for Transportation Services within Arrowhead Metropolitan District for 2017-2018 Winter Season.

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Operations

Agreement Mr. Hensel reviewed the draft agreement stating that the Agreement did not change except for minor updates to contact information and the CPI for the Maintenance Lease. The Board reviewed the Administration charges schedule noting that the totals did not match and requested an updated schedule be prepared for the next meeting. Following discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Operations Agreement between Arrowhead Metropolitan District and The Vail Corporation.

Accounts

Payable The Board reviewed the updated list. 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 had been continued from September 27, 2017 as the public hearing to adopt the 2018 Budget. Mr. Marchetti reviewed the financial statements included in the Board packet including the 2017 forecast and proposed 2018 budget for the District noting the AVA reimbursements had been removed as requested. Mr. Marchetti then reviewed the 10 year projection showing the Districts position without the AVA reimbursements towards transportation services, noting the decrease in the general fund balance over time. Discussion continued on potential revenue streams, including implementing a sales tax in the near future. There being no further input, the budget hearing was closed. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolutions to Adopt the 2018 Budget subject to minor adjustments; and

FURTHER RESOLVED to approve the Resolution to Set the Mill Levy at 18.50 with 10.074 mills for operations and 8.426 mills for debt service; and

FURTHER RESOLVED to approve the Resolution to Appropriate Sums of Money for spending in 2018.

Mr. Bross, on behalf of the AVA expressed sincere thanks to the District for taking over the transportation costs starting in 2018.

Sales Book Ms. Johnston reviewed the sales book distributed via email and to participants at the meeting stating that home values are projected to increase from 9% to 12%

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based on property sales between July 2016 through October 2017. However, the residential assessment rate is projected to go down again and the assessed aggregate value of properties in the District will likely go down again for budget year 2020.

Unlicensed Vehicles

Director Matlon reviewed the Unlicensed Vehicle Resolution. Ms. Johnston confirmed that the final version had been reviewed and approved by District counsel. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Joint Resolution regarding Unlicensed Vehicle and Unlicensed Driver Rules and Regulations.

Guardrails

The Board discussed the need for guardrails on Cresta Road and options for other barriers such as boulders. The Board questioned why a guardrail was needed now if there is no change to the road or curve since the development of the Iverson lot. The Board directed Mr. Hensel to research if there had been a guardrail installed when the road was originally built.

Operations Update

Mr. Hensel reported that the District's equipment was in good condition, repairs had been completed, and they were fully staffed for the winter season with employees starting training.

AVA

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

- DRC firm was updating Design Guidelines with the goal to be completed by June.
- A draft drone policy was in the works.
- The Snow Committee requested a sledding hill and wants the District to consider three potential locations. The District requested designs for review.
- The Strategic Committee reviewed possible locations, including the playground, for a swimming pool. AVA asked the District to contribute to a feasibility study on the potential location. The District had several concerns and questions, including requiring super majority vote of the owners, soil testing, and effect on the parking lot. Mr. Coleman reviewed the steps the AVA would take before anything would be done.

Director Matlon reviewed each item in the AVA Actions and Recommendations to Arrowhead Security and Safety letter from AVA and Public Safety Committee distributed via email and to participants at the meeting. The Board directed Ms. Johnston to have District counsel review the wording of signs to be placed along District roads and at the Cresta Road gate. The Board directed Mr. Hensel to verify Eagle County rules on bike paths and if Arrowhead roads met those rules.

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After further discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the purchase of two (2) movable electronic speed signs for placement on Arrowhead roads with a cost not to exceed \$10,000 total with funds from contingency.

- UERWA** Mr. Dreyer reviewed the Upper Eagle Regional Water Authority September 28 meeting minutes with the Board:
- The Oregon District Court and 9th Circuit Court denied arguments that would have subordinated a state-issued water right to a federal by-flow thereby ensuring Colorado's water rights were safe.

Action Log The Board reviewed the current action log.

Future Meetings The Board cancelled the meeting scheduled for November 15 and confirmed that the next meeting would be held December 20, 2017 starting at 3:30 p.m.

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 25th day of October 2017.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting