
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Arrowhead Metropolitan District July 25, 2018

A regular meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on July 25, 2018, 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:

- Bob Shafer
- Bob Rosen
- Thomas Svoboda
- Vincent Riggio
- Tom Howard (via phone)

Also in attendance were:

- Jerry Hensel, Director of Resort Operations, Vail Resorts
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary
- George Coleman, President Arrowhead at Vail Assoc (via phone)
- Geoff Dryer, Upper Eagle River Water & Sanitation District (arrived 4:45 p.m.)

Call To Order

The Regular Meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on July 25, 2018, at 3:30 p.m. noting a quorum was present. No conflicts of interest were disclosed.

Consideration of Changes to the

Agenda Consideration of Cresta Road Safety Plan was added to the agenda.

Public Input Ms. Johnston distributed a written report submitted by Mr. Coleman from the AVA Board July meeting and the Town Hall meeting held on July 14. Mr. Coleman reviewed both reports expounding on several items. The Board discussed several of the items, including the proposed sales tax and regulation of short term rentals, with Director Shafer reiterating that both issues needed to be presented as distinct, separate issues.

Minutes The Board reviewed the minutes included in the Board packet. Ms. Johnston noted that minor typographical corrections were submitted. After review, by motion duly made and seconded, it was unanimously

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RESOLVED to approve the June 27, 2018 Regular Meeting minutes with minor typographical corrections as discussed.

Accounts

Payable The Board reviewed the accounts payable list. After discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the accounts payable list as presented.

Sales Tax

Presentation Ms. Johnston distributed a written summary of the July 14 Town Hall meeting presentation from Director Rosen. Director Rosen gave a verbal report on his presentation of the proposed sales tax at the Town Hall meeting held on July 14. Discussion continued on the issues raised by meeting attendees including the amount of the proposed tax, if the proposed tax was in line with the District's goals, and how the proposed tax would affect the mill levy rate for owners. Mr. Rosen's report also included requests he received for the District Board to consider a sunset clause on the sales tax as well as holding an additional vote for the proposed sales tax for non-eligible voters of Arrowhead.

De-Gallagherization

Election Mr. Marchetti reviewed the memo and ballot question provided by Mr. Collins regarding the District going to election in November with a de-Gallagherization question on the ballot. After review and consideration, the Board decided to concentrate on the proposed sales tax question and not include the de-Gallagherization question on the November 2018 ballot.

Financial

Statements Director Shafer and Mr. Marchetti reviewed the financial statements included in the Board packet. The Board requested more information on the tap fee for 2355 Cresta Rd for the next meeting.

Vail Resorts

Operations

Agreement

The Board reviewed the Vail Resorts sub-budget and Operations Agreement provided in the Board packet. Discussion on the top expenses and fiduciary responsibility of the Board ensued. After discussion, the Board directed Mr. Marchetti to obtain a proposal for a Special Purpose Audit of the Vail Resorts Operations Agreement for the three prior years (2015-2017) from McMahon and Associates. The Board requested a proposal for just the District and as well as in

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conjunction with an Arrowhead at Vail Association audit of the AVA-VR Operations Agreement of the same time period.

Insurance

Limits The Board reviewed the District's certificates of insurance and declaration page included in the Board packet. After discussion, the Board requested that the District's insurance agent be invited to a future meeting to review the policy in greater detail.

Cresta Road

Lighting Mr. Hensel reported a new street light has been installed on Cresta Road as directed however the letters to owners of unlit markers had not been sent. After discussion, the Board rescinded their direction to send letters to owners with unlit markers since the lighting issue on Cresta Road has been solved.

Operations Report

Mr. Hensel reported that there is a sinkhole forming near the storm drain between the entrances of the skier parking lot. Alpine Engineering has been engaged to determine the cause and recommended repair for the damage.

Cresta Road Safety Plan

Ms. Johnston distributed the Cresta Road Safety Plan prepared by Cindy Engles to meeting participants. Director Shafer reviewed the background of safety issues of having bikes, pedestrians, and cars interacting on Cresta Road. Director Shafer presented Ms. Engles' Safety Plan which calls for traffic lane ascending and descending directional markers for bikes and signage for pedestrians to use a single lane on the west side of Cresta road which is the right side ascending, going with the flow of traffic, and the left side descending against the flow of traffic for both uphill and downhill travel. The Board discussed the Plan and several questions and ideas were posed. The Board directed Ms. Johnston to obtain an opinion from District counsel Jim Collins to determine if it was legal in Colorado to direct pedestrians to travel with traffic, as the Plan suggests if pedestrians were to use only one lane instead of traveling in the opposite direction of vehicle travel. The Board also requested Mr. Collins be consulted to determine if bike and pedestrian access to Cresta Road could be restricted in a similar manner as the gates that restrict vehicle access. Director Rosen suggested looking into an off-road trail next to Cresta Road as an option for pedestrians. The Board discussed language for the signs and appointed a committee consisting of Directors Shafer and Riggio and Mr. Hensel to determine and approve any final signage language. After further discussion, and upon motion duly made and seconded, it was unanimously

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RESOLVED to approve the purchase and installation of bicycle directional pavement markers and pedestrian signage, with language to be determined by committee, in an amount not to exceed \$2500, to be installed at selected locations on Cresta Road.

Action Log The Board reviewed the current action log noting most items were completed and could be removed.

Future Meetings The Board confirmed the next meeting would be held August 22, 2018 starting at 3:30 p.m.

UERWA Mr. Dreyer reviewed the May minutes of the Upper Eagle River Water Authority included in the Board packet noting that the Water Efficiency Plan was in its public comment period until July 31, 2018. Mr. Hensel noted that the water tank project may be postponed if water levels reached critical lows by the project start date.

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 5:33 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 July 2018.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting