
RECORD OF PROCEEDINGS

Minutes of the Meeting Of the Board of Directors Arrowhead Metropolitan District February 24, 2021

A meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held at the regular date and time on February 24, 2021 at 3:30 p.m. via electronic Zoom meeting <https://zoom.us/>, Phone Only US 1 253 215 8782, Meeting ID: 810 3392 1896, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Bob Shafer
- Bill Roe
- Thomas Howard
- Vincent Riggio

Also in attendance were:

- Jerry Hensel, Director of Resort Operations, Vail Resorts
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary
- Diane Loosbrock, President of Arrowhead at Vail Association
- Geoff Dreyer, UERWA representative
- George Coleman, owner
- Michelle Horton, owner
- Dustin Lucas, Vail Resorts
- Jim Collins, District counsel

Call To Order

The meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on February 24, 2021, at 3:30 p.m. noting a quorum was present.

Disclosure of Potential Conflict

Of Interest The Board noted that it has received certain written disclosures of potential conflict of interest statements from Director Riggio more than seventy-two hours prior to the meeting, indicating that Director Riggio is affiliated with Trinity Development Group, Inc. (“Trinity”), a real estate development company. Trinity is evaluating possible alternative uses of the Skier Parking Lot owned by the District and Trinity may bid on the purchase or some other form of development of the Skier Parking Lot, within the confines of applicable law. Director Riggio’s activities in evaluating possible alternative uses of the Skier Parking Lot could be considered by some to constitute a potential conflict of interest. The Board noted, for the record, that this disclosure is restated at this time with the intent of fully complying with laws pertaining to potential conflicts of interest.

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Consideration

Of Agenda There were no changes to the agenda

Public Input Director Shafer introduced Ms. Horton as a potential candidate for the vacant Board seat. Ms. Horton reviewed her background and experience and how she could benefit the District if appointed to the District Board.

Mr. Hensel introduced Dustin Lucas as the new Operations Manager for Arrowhead. Mr. Lucas reviewed his background, his tenure with Vail Resorts as team leader, and expressed his excitement to work with Arrowhead.

Minutes The Board reviewed the minutes included in the Board packet and by motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the meeting of January 27, 2021 as presented.

Accounts

Payable Ms. Johnston confirmed that an updated Accounts Payable list was emailed to meeting participants prior to the meeting. Director Shafer reviewed the updated Accounts Payable list. Director Howard had questions on the transportation invoices and requested additional backup be provided, including the total hours that the Village to Village buses ran and detail of the days and hours that the Arrowhead shuttles ran. Ms. Johnston reported that the transportation credit due to the District from December 2019 would be issued with the March 2021 invoice. Following discussion and by motion duly made and seconded, it was unanimously

RESOLVED to approve the updated accounts payable list subject to receiving the requested transportation invoice back up from Vail Resorts.

Action List The Board reviewed the action list in the packet:

- Roundabout - Directors Shafer and Riggio reported that the project was moving along as expected.
- Pathways – the Board requested that Mr. Hensel obtain bids for repaving the pathway on Arrowhead Drive between Aspen Ridge and Aspen Meadows for consideration at the March meeting.
- Mr. Marchetti requested that the potential refunding of the 2011 Bonds that were callable 12/1/2021 be added to the Action List.

Director Shafer gave an overview of the 2021 Priorities Discussion outline included in the packet. Discussion continued and it was suggested that the District obtain firmer pricing and determine cost sharing partners before presenting the Roundabout plan to the community.

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- UERWA** Mr. Dreyer reviewed the minutes in the packet, highlighting:
- Cybersecurity coverage was added to the Authority's insurance policy.
 - The Eagle River Mobile Home Park would need significant upgrades to its infrastructure for UERWA to provide water service. Discussions with the park owners were on-going.
 - The cloud seeding program was in process.
 - Current snowpack conditions were significantly below normal for the season and it was anticipated that drought restrictions would be implemented.
 - UERWA continues to monitor the potential for contamination to water supplies for the West Vail Pass project adding a third lane to I-70.

- AVA Update** Ms. Loosbrock reviewed the following activity for Arrowhead at Vail Association:
- A Public Safety manual was being produced.
 - A Mountain Cam was being installed at the base of Arrowhead to show the lift and mountain conditions.
 - Communications were being increased in an attempt to bring the community together.
 - The maps were at the printers and a large sign with the map was being installed at the base of the mountain.
 - The Bylaws were being updated with a draft in process.
 - Landscaping improvements were being started at the East and West entrances; cost engineering was in process.
 - AVA is scheduling two Town Hall meetings, one in spring and another in late summer, to update the community on on-going projects. The District is invited to make presentations at the meetings.

Operations Plan

Director Roe reviewed the draft Operations Plan for 2021 included in the meeting packet and gave an overview of its purpose to distinguish the differences between the District and Arrowhead at Vail Association. There was general discussion on remaining items to be updated, outstanding agreements, and a request to include information about the sales tax.

Lighting Study

Mr. Hensel gave an overview of the updated pricing for the District's portion for the lighting project. He noted that the parking lot lights were different than the street lamps which accounted for some of the difference in pricing. The Association has already started to update some of the lighting in the community and reviewed the expected timeline for placing the order and installation if the District decided to complete the project in 2021. General discussion continued on the District budget and cost differences if the District postponed the project to a later year. Following discussion, the Board decided to table action until after the

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Arrowhead community was consulted on the chosen fixtures at the spring AVA Town Hall meeting.

Operations Report

Mr. Hensel reported:

- Transportation –all ridership numbers were down as expected due to limited capacity on the buses and less demand for service. General discussion was had on the increased utilization of the Village Connect App, post-pandemic higher demand service response, effective early season communications, and Vail Resorts managing the buses successfully so far this season.
- Parking Lot –closures were trending normal for the season and speculated reasons for increase of vehicles using the lot.
- Upper Cresta repaving – an updated estimate was included in the packet and bids would be presented at the March meeting for the Board’s consideration.
- Guardrails – the bids for the guardrail work would be presented in April and the work would be started after the overlay project was completed.
- Staffing – the department is fully staffed for the season and all equipment is in good working order.

Mr. Hensel reviewed the draft Amendment to the Operations Management Agreement that was emailed to the Board after the packet was distributed. General discussion was had on the Amendment changes including terms for 5 successive 1 year periods and adding communications with Vail Resorts regarding employees. It is anticipated that a final Amendment will be considered at the March meeting.

Financial Statements & Sales Tax

Mr. Marchetti reviewed the financial statements explaining that the year end 2020 statements had been updated and the audit was in process.

Sales Tax Discussion

Mr. Marchetti reviewed the sales tax collected for 2020, the timeline for collections, and reporting from the State. Ms. Johnston reviewed the discussion draft , draft letters included in the packet, and the enforcement timeline. The Board requested that Ms. Johnston proceed with distributing the first round of letters and preparing the Short Term Rental database for cross reference with Host Compliance.

General discussion continued on sales tax revenue sources and how the District could forecast for revenue based on past revenues and comparison to the assumptions made in advance of the election. Directors Riggio and Roe agreed to identify sales tax revenue sources and prepare a more detailed analysis for presentation at a future meeting.

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Legal Mr. Collins reviewed the Resolution for posting notices included in the packet. By motion duly made and seconded it was unanimously

RESOLVED to approve the Resolution Designating Location to Post Notice.

Mr. Collins announced that he was also attending the meeting on behalf of the UERWA to inform the District that the agreement discussed in Executive Session the previous meeting was signed and is moving forward.

Future Meetings The Board confirmed the next meeting for March 24, 2021, starting at 3:30 p.m., to be held via Zoom.

Adjournment There being no further business to come before the Board, by motion duly made and seconded, it was unanimously

RESOLVED to adjourn the meeting of the Arrowhead Metropolitan District Board of Directors this 24th day of February 2021.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting