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## RECORD OF PROCEEDINGS

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

A meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on March 24, 2021 at 2:30 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
- Linn Brooks, General Manager ERWSD
- Diane Johnson, Communications & Public Affairs Manager, ERWSD
- Jason Cowles, Director of Engineering and Water Resources, ERWSD
- Bill Simmons, Chairman, ERWSD

#### **Call To Order**

The meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on March 24, 2021, at 2:31 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

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record, that this disclosure is restated at this time with the intent of fully complying with laws pertaining to potential conflicts of interest.

#### **Consideration**

**Of Agenda** There were no changes to the agenda.

#### **Water Supply**

##### **Master Plan**

**Presentation** Director Shafer introduced the Board and other meeting participants opening the floor to Mr. Dreyer for the Water Supply Master Plan presentation. Ms. Brooks introduced the Presentation explaining it was to update the District on the Eagle River Water and Sanitation District's (ERWSD) Water Supply Master Plan. Ms. Brooks reviewed the background on the ERWSD and UERWA, roles that each play in providing water and wastewater services within the Eagle River Valley, details on the consolidation and regionalization of water rights and water distribution. Sources and availability of water in the Valley were reviewed as well as current reservoir sources and their uses, water and wastewater plant treatment and diversions. Water sourcing for new developments and population growth was discussed including new reservoirs and conservation efforts and how the water entities anticipate meeting current and future demands on the water supply. Ms. Brooks wrapped up the presentation by reviewing the challenges faced in providing water and prelude to the second presentation in April that will present the master plan. General discussion and questions continued on options for storage, reservoirs including Bolts Lake, mitigation of climate change, and discussion on near-term conservation efforts that the ERWSD will be taking, what the ERWSD considers water waste usage, enforcement options, identifying motivators for water conservation and how the District and AVA can assist with encouraging conservation.

**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 February 24, 2021 as presented.

#### **Accounts**

##### **Payable**

Director Shafer reviewed the updated Accounts Payable list. Ms. Johnston reviewed the accounts payable procedures and, after discussion, the Board requested that written procedures be prepared for review by the Board at the next regular meeting. Following discussion and by motion duly made and seconded, it was unanimously

**RESOLVED** to approve the accounts payable list as presented.

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**Action List** The Board reviewed the action list in the packet and requested Management make updates as necessary.

#### **Management**

**Agreement** Mr. Hensel reported that Vail Resorts denied the request to add additional language regarding management of its employees as requested at the February meeting. Director Roe confirmed that the 2018 Agreement and the First Amendment had been reviewed by District Counsel and recommended approval of the Amendment. Following discussion, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the First Amendment to the Operations Agreement dated January 1, 2018 with The Vail Corporation.

**AVA Update** Ms. Loosbrock reviewed the following activity for Arrowhead at Vail Association:

- The rebranding effort includes a new quarterly newsletter called the Arrow.
- A new website is being developed. Ms. Johnston confirmed she reviewed the District's pages and sent comments and suggestions to Director Shafer.
- There will be an increase to summer activities thanks to a new committee.
- Arrowhead and Arrowhead at Vail trademarks, which had expired, are pending renewal and licensing is in process.
- A community survey will be sent out in June and the District is submitting questions. Director Shafer will send the District's questions to the rest of the Board for review. Results of the survey are expected to be presented at the August Town Hall meeting.
- The spring Town Hall meeting is March 29 at 4 pm. Director Shafer will be presenting information for the District.

#### **Operations**

##### **Plan**

Director Roe reviewed the updates and new section on 2021 finance projects for the draft Operations Plan for 2021. A few additional updates were requested on the new financial section as well as regarding the tap fee information. The Board requested that Management make the requested changes to the Plan and then have it posted to the District's website.

#### **Roundabout**

##### **Update**

Director Shafer reported that CDOT approved the initial roundabout design. Alpine Engineering will prepare a final design and cost estimates to present to CDOT and potential cost sharing partners. Next steps will be to get a Notice to Proceed from CDOT and contact potential cost sharing partners. It was noted that Eagle County would need to be approached by May for the project to be considered for their 2022 capital projects budget. General discussion continued on getting feedback from the Arrowhead community from the survey and Town Hall meetings noting that the

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project was still in the design phase and no commitment to complete the project has been made.

#### **Upper Cresta**

**Overlay Bids** Ms. Johnston confirmed that the Overlay bid package and estimate for pathway paving were sent to the Board via email prior to the meeting. Mr. Hensel reported that four contractors attended the pre-bid meeting but only two bids were submitted. Frontier was the low bidder coming in under budget and Mr. Hensel reviewed their qualifications. There was general discussion on asphalt availability and contractors. Following discussion, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to accept the proposal from Frontier for the Upper Cresta Road Overlay project.

Mr. Hensel is going to request a proposal from Frontier for paving the pathways along Arrowhead Drive between Aspen Ridge and Aspen Meadows. There was general discussion on addressing plowing and icing issues on the pathways.

#### **Lighting Study**

Mr. Hensel is doing an extensive presentation of the Lighting Project at the Town Hall meeting on March 29. If the community is in favor of the selected fixtures following the presentation, the project will move forward with ordering and installations.

#### **Operations Report**

Mr. Hensel reported:

- CCR is installing fiber as part of their remodel. The fiber installation company requested to bore under Sawatch Road rather than do a road cut. Mr. Hensel reviewed the bore area and locates and does not anticipate any issues with the boring. The Board requested that Mr. Hensel let CCR and the boring company know they are ok with the proposed method of running the lines.
- A District truck was damaged in a one-vehicle collision with concrete bollards. Mr. Hensel is collecting the information and reports to submit an insurance claim and have the truck repaired. The driver was terminated following post-accident testing.

#### **Financial Statements & Sales Tax**

Mr. Marchetti reviewed the year to date 2021 financial statements included in the packet noting that items were tracking as expected. The Long Range Plan was reviewed briefly noting that it projected the District's hypothetical future position with an anticipated mill lev rate reduction and potential bond issue to fund the

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roundabout capital project. All projections were based on the best information currently available given the lack of historical sales tax revenues, pandemic challenges and uncertain economic outlook. General discussion continued on the financial statements, lowering the mill levy for 2022, and cost of a potential bond issue.

#### **Sales Tax**

##### **Discussion**

Director Riggio reported that an open records request was made to Eagle County and that four years of building permits for the greater Edwards area were obtained which would provide historical building costs for materials that will be used for long term projection of sales tax. Short term rental and retail sales information is also being obtained. They are hoping to present projections for the Board by the May meeting.

#### **Future**

##### **Meetings**

A special meeting has been scheduled for April 8 at 11:00 a.m. for the Water Master Plan #2 presentation. Board confirmed the next regular meeting will be April 28, 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 March 2021.

Respectfully submitted,



Beth Johnston  
Secretary for the Meeting