

Minutes of the

Arrowhead at Vail Association

Board of Directors Meeting held

April 22, 2019

A meeting of the Board of Directors of Arrowhead at Vail Association (the "Association") was held on Monday, April 22, 2019. Board members present were Diane Loosbrock and George Bigley. Board members in attendance by phone were Dan Gallagher, Randy Smith, Tim Gropp, Cathie Bennett and Chad Hollingsworth. Also in attendance by phone were Bob Shafer representing Arrowhead Metro District and George Coleman ex officio. Those present were Jerry Hensel, Association Manager, Sid Schultz with Design Review Administration, Koby Kenny, Director of Base Area Operations, Michelle Horton, Activities Committee Chairperson, and Carol Floyd, Secretary to the Meeting. The meeting was called to order at 10:03 a.m., and it was noted a quorum was present. Introductions were made.

Public Comment

Bob Shafer reported Village Connect pickups averaged 7 ½ to 8 minutes this season with implementation of the new app. He said the skier parking lot was very busy with public spaces filled to capacity many days. He noted there were sufficient spaces reserved for property owners and complimented Vail Resorts on their management of the traffic and lot. Bob asked the Board to email him any feedback they may have in regard to those services. Bob stated there will be no paving this summer because of work that was accelerated in 2016 and 2017 to take advantage of favorable oil prices. A new 10-year paving plan will commence in 2020.

Design Review

Sid Schultz asked the Board for direction in regard to extending the waiving of fees for removal of cottonwood and fruit bearing trees this summer. George Bigley clarified that the approval process and a compliance deposit would be required.

Diane Loosbrock moved to waive fees for the removal of cottonwood and fruit bearing trees through October 31, 2019. George Bigley seconded the motion and it was unanimously approved.

Sid Schultz informed the Board the Design Review Committee ("DRC") will have a quorum for their May 2nd meeting. It was determined that no Association Board members will be available to attend.

Public Safety

Koby Kenny requested a meeting with Cathie Bennett upon her return to examine the monthly activity report format and discuss inclusion of comments in regard to variances from month to month or year to year. They will provide recommendations at the June Board meeting. Koby will send Beaver Creek's report model to the Board for review following today's meeting.

Committees

Tennis: Dan Gallagher relayed the Tennis Committee's recommendation to authorize 25 non-resident family tennis memberships for Country Club of the Rockies ("CCR") and Arrowhead Alpine Club ("AAC") members at a cost of \$250. Jerry Hensel commented on the need for better promotion of this opportunity.

Diane Loosbrock moved to authorize 25 non-resident family tennis memberships for Country Club of the Rockies and Arrowhead Alpine Club members at a cost of \$250. Tim Gropp seconded the motion and it was unanimously approved.

Activities: Michelle Horton spoke about the schedule of planned summer activities. Four Thursday Afternoon Club ("TAC") events have been confirmed through Broken Arrow. She proposed four additional events, pending availability of Broken Arrow, including an ice cream social summer kick-off on June 21st, a hiking day offering three levels of hikes on July 6th followed by burgers and hot dogs available for purchase at Blinky's, a movie night on July 20th, and a backyard BBQ and games at Broken Arrow on August 17th. The total cost for the four events, not including TAC, is \$1,725.00. George Coleman suggested adding \$500 to the requested amount to support additional activities. Discussion took place regarding the current state of the budget and Jerry Hensel estimated a \$30K savings in capital. Diane Loosbrock noted July 20th is one of the transportation nights to Bravo!. Randy asked if there will be a cost to attendees. Michelle explained the facilities fee is to open Broken Arrow and provide food and drink for purchase. She added there are a few budgeted line items for snacks for the children. The Board was in agreement to open TAC to the public, and discussed ways of promoting the events. Dan Gallagher thanked Michelle on behalf of the Board for her efforts and the terrific job she and the committee have done.

Motion was made by Diane Loosbrock to approve \$2,225.00 for additional summer community activities. Randy Smith seconded the motion and it was unanimously approved.

Diane Loosbrock read aloud a thank you letter she prepared for CCR on behalf of the Board related to collaboration on the cross-country trails. Dan Gallagher will mail the letter to CCR. Diane thanked Bob Shafer and the Arrowhead Metro Board for their cooperation and providing shuttle buses for summer events. Diane summarized the schedule for transportation to four Bravo! events including Jurassic Park movie night, Tosca performance, Beethoven and Brahms, and closing night. On July 4th, there will be two buses looping from the Arrowhead Circle to Vail 8:00 am to 11:30 am. At 11:30 one of the two buses will shuttle between Arrowhead and Beaver Creek. The Vail bus service will end at 5:00 pm, and Beaver Creek bus service will end at 11:00 p.m. On Saturday and Sunday of Labor Day weekend, one bus will shuttle between Arrowhead and Beaver Creek from 11:00 a.m. to 7:00 p.m. for Oktoberfest. This transportation will be available to property owners and their guests on a first come first served basis.

Alpine Club Pool Advisory Committee: Discussion took place in regard to pool closing hours in winter vs. summer. George Bigley said the AAC staff receives negative feedback on a daily basis throughout the winter when closing the pool at 7:00 p.m. He noted AAC and Vail Resorts do not have a strong opinion in regard to closing at 7:00 p.m. or 8:00 p.m. George stated they are looking for input from the community on what they feel serves best, taking into consideration those who live near the pool and their use and enjoyment of their property vs. the rest of the community and renters. Because 8:00 p.m. feels later in the winter than summer, George suggested the possibility of a flex winter schedule with pool closure at 7:00 p.m. until a certain date in February and then changing to 8:00 p.m. He said the Advisory Committee will gather more input over the summer to make the best decision which will take effect in November.

Landscaping/Beautification: Cathie Bennett gave an overview of the lighting analysis proposal received from Innovative Lighting Consultants. The scope of the analysis will include recommendations for modernization of fixtures and lighting, and identifying dark areas where more lighting may be needed. Jerry explained, when the analysis is complete and a

capital number is presented, the Association and AMD Boards can decide how to phase the project. The Board was in agreement to proceed with executing the consulting contract with no legal review.

Tim Gropp moved to increase the budget by \$2,600 for the lighting analysis capital project. Diane Loosbrock seconded the motion and it was unanimously approved.

Communications and Marketing: Randy Smith reported the committee has developed a three-month calendar of activities for the summer. He explained the objective of this schedule is to identify how much activity is going on and how frequently communication to homeowners will need to occur, with a goal of keeping them informed but not overwhelmed. The committee is looking at a more frequent approach than the bi-annual newsletter, and has been talking with a local resource to prepare these communications on a monthly or bi-weekly basis. The next committee meeting is this Friday. After that meeting, there will be a plan and associated cost to have someone engaged to do this work.

Public Safety: Cathie Bennett addressed construction site management. She said, after conversations with Vail Resorts staff and the Design Review Committee, her view is that it is the general contractor's responsibility to manage their site, and the Association's responsibility to protect residents from the inconvenience of construction near their home. She recommended no change to the regulation. Cathie reiterated the option of subcontractors dropping materials at their project site, parking in the skier lot, and shuttling to the site. Randy Smith suggested Public Safety assist the Design Review staff with documenting construction site parking violations. Dan Gallagher asked Koby Kenny and the committee to coordinate with the Design Review compliance officer how to better enforce construction site parking violations. Dan asked Koby to report back to the Board on this matter at the June Board meeting.

Cathie Bennett informed the Board that the Short-term Rentals Helper and Host Compliance merge has been finalized. She said the Host Compliance bid has increased because their audit revealed more rentals in Arrowhead than anticipated. Cost line items and cost sharing with AMD were discussed. Cathie estimated an annual licensing fee of \$200 would cover the Host Compliance fees. Dan Gallagher recommended the contract be sent to the Association's legal counsel for review. He further suggested Cathie and Bob Shafer hold a conference call with Host Compliance to confirm pricing and staging of services needed. Cathie will also schedule a conference call with Jerry, Bob, and Beaver Creek or Bachelor Gulch who have worked with Host Compliance. Dan spoke about setting a timeline and target date for having the regulation in place and those renting their properties registered. Dan asked Cathie to send a report on these matters to the Board before the next meeting.

Motion was made by Cathie Bennett to have the Host Compliance contract reviewed by the Association's legal counsel. George Bigley seconded the motion and it was unanimously approved.

Nominating: Diane Loosbrock reported two individuals have expressed interest in a Board position, one of which was determined ineligible this year because of the density requirements. Dan Gallagher asked Randy Smith to consider authorizing one additional call for candidates communication.

Financials:

Tim Gropp reviewed the financial statements as of March 31, 2019 noting real estate transfer assessments ("RETA") are slightly behind budget. Approximately \$142K in RETA is pending and expected to close by the end of April. Jerry gave an update on the trash removal agreement. The rate was reduced by \$2.00 per month, per household, by extending the

contract for two years. The rate will increase to \$15.00 in 2021. Beginning in 2022, the rate will increase according to CPI.

Diane Loosbrock moved to approve a two-year extension of the Vail Honeywagon trash removal contract. Tim Gropp seconded the motion and it was unanimously approved.

Dan Gallagher asked Tim Gropp to revise the Capital Fund Report by reallocating funds or creating a contingency category for those projects that have been eliminated.

Black Hills Energy Rate Case:

Dan Gallagher and Jerry Hensel will speak with Mike Trueblood upon Mike's return next week in regard to options for engagement in the Black Hills Energy rate case. Dan will send an email to the Board and Bob Shafer with Mike's suggestions and potential cost for their comment. He noted the hearing date is in June.

There being no further business, Randy Smith moved to adjourn the meeting. Tim Gropp seconded the motion and the meeting was adjourned at 11:32 a.m.

Respectfully submitted,

Carol Floyd

Secretary to the Meeting