
RECORD OF PROCEEDINGS

Minutes of the Meeting Of the Board of Directors Arrowhead Metropolitan District May 26, 2021

A meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on May 26, 2021 at 2:30 p.m. in the Marchetti & Weaver conference room at 28 Second St, suite 213, Edwards, Colorado, Eagle County, and via electronic Zoom meeting <https://zoom.us/>, Phone Only US 1 253 215 8782, Meeting ID: 810 3392 1896, 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
- Michelle Horton

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
- Linn Brooks, General 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 May 26, 2021, at 2:32 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 2 Ms. Brooks introduced the Eagle River Water and Sanitation District's (ERWSD) team and gave an overview of the previous presentation. Definitions and concepts used in the presentation were given as well as examples of each. Ms. Brooks explained the Water Resources Model they use, its uses, and how it is useful, explaining that ERWSD uses risk-based analysis based on supply dependent on many factors. Several data sources are used in the modeling including water rights decrees, historical diversions, customer use data, forecasted diversion rates and climate change information with a 30-year planning period to help understand water supply for current and future water needs as well as provide "what if" scenarios. Ms. Brooks reviewed assumptions used in the presentation modeling. Model conclusions were presented showing water supply, demand, and need for both ERWSD & UERWA if nothing is done noting that supply will not be able to meet potential demand especially with climate change assumptions. The Water Resources Master Plan was introduced and the six aspects of the master plan were explained and the anticipated timeline for meeting the master plan goals. The master plan outcome model was reviewed showing water supply and needs would be met if all goals of the plan are met including ERWSD & UERWA unification, Bolts Lake storage and other goals. General discussion continued on unification, pooling resources, Bolts Lake timeline, potential calls on water supply, growth in areas outside of Colorado that depend on Colorado water and conservation efforts.

Minutes

The Board reviewed the minutes included in the Board packet. Director Howard confirmed that the maximum threshold for payments without prior approval of the Board is \$50,000 not \$30,000. Following discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the meeting of April 28, 2021 with the requested change as discussed.

Accounts Payable

Procedures The Board reviewed the changes to the Accounts Payable Procedures requested from the previous meeting. General discussion continued and the Board confirmed that normal procedure is for the Board to approve the accounts payable list before the payments are released and when the Board has approved the payments only one

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approver is required in Bill.com. In situations when payables must be released prior to approval by the Board, two approvals are required in Bill.com with the payments to then be ratified at the next Board meeting.

Accounts

Payable

Ms. Johnston confirmed that an updated accounts payable list was emailed to the Board prior to the meeting. The Board reviewed the updated Accounts Payable list and, following discussion and by motion duly made and seconded, it was unanimously

RESOLVED to approve the updated Accounts Payable list as presented.

Action List

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

UERWA

Update

Mr. Dreyer recapped the presentation by ERWSD. Discussion was had on management strategies and unification of the Authority and ERWSD. With unification, the District could lose its ability to appoint a direct Representative since Board members of ERWSD are elected rather than appointed. Options for unification are being discussed including an advisory board to ERWSD. Arrowhead will need to balance its potential loss of representation with benefits of unifying the entities. Discussion continued on unification timeline, structure of the new Board, and effect on water rights.

AVA Update

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

- The survey showed activities are a priority. An activities calendar was distributed to the Board prior to the meeting.
- AVA is working with Public Safety on individuals entering Arrowhead by “tailgating” on property owners and contractors using the East/West gates instead of the main gate. Gate Codes will be changed periodically going forward.
- A letter to biking groups was sent out.
- The landscaping project bids came in over budget and is being evaluated. An August installation at the entrance is anticipated.
- AVA is looking into creating an Investments Committee to oversee investment of funds currently held in low interest bank accounts and CDs.
- Welcome packets are being developed to be sent to new owners.
- The newsletter was sent out.
- On-going Capital Projects – the lighting is expected to be installed in August, the pickleball court is in process. There was general discussion on access to the facilities and changing access codes.

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- A new vehicle is being delivered.
- The Edwards Initiative is working to market the Arrowhead reputation.

Roundabout Update

Director Shafer reported that the cost estimates for the roundabout project were distributed to the Board prior to the meeting and came in around \$3.4 million which included a 20% contingency. The meeting to present the project to Eagle County was postponed pending further discussions with the Edwards Metropolitan District (EMD) regarding road and pedestrian priorities. After review of the EMD and County long term infrastructure projects, it was decided to work with EMD before going to the County. Directors Shafer and Riggio agreed to reach out to EMD board members to develop a better relationship with EMD going forward. There was general discussion on the project timeline, status of EMD priorities, resident survey, and other governmental funding available. Discussion continued on alternative options to address the safety issues such as sidewalks and Director Shafer reviewed the three identified objectives that precipitated the roundabout project

Operations Report

Mr. Hensel reported:

- Lighting study is moving forward with pilasters, gate monuments, and markers mostly complete. The lamp post order is scheduled to be delivered beginning of August with installation to occur once received.
- Painting and signage are mostly changed and expected to be completed before July 4th.
- The pathways paving proposal from Frontier is included in the packet and came in under the previous approved not to exceed amount and is tentatively expected to be completed by mid-June. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to accept the proposal from Frontier for paving the pathways on Arrowhead Drive between Aspen Meadows and Aspen Ridge.

- Upper Cresta Road Overlay project is mostly complete with an inspection scheduled to determine punch list items. The project is expected to be completed for final payment in June.
- Director Howard requested that one of the radar speed signs be moved to Arrowhead Drive. General discussion ensued and the Board requested that another speed sign be purchased for use throughout the community.
- Discussion on AMD vehicles being updated with the new colors.

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- There was general discussion on overnight parking of contractor vehicles and storage trailers in the parking lot over the summer.

Mr. Hensel confirmed he is working with McDowell Engineering to review the safety plan and make suggestions for markings and signage on Cresta Road for pedestrian and bike traffic. Discussion turned to bike safety in general and Management confirmed that Ms. Guerriero with Vail Resorts received the follow-up communication regarding the Bike Safety letter sent by Mr. Collins and that it is being reviewed by their legal team. General discussion continued on next steps, lack of response from Vail Resorts, bond financing of the roads, and Cresta Road striping. Following discussion, the Board requested that Mr. Collins be asked to attend the next meeting and that Mr. Hensel hold all striping and marking of Cresta Road until further notice.

Director Howard started discussion on the road overlay plan and if the schedule needs to be accelerated. There was general discussion on the condition of the roads, the overlay life cycle, the capital plan and annual inspection of the roads, and the need to prioritize the aesthetics as well as the structural integrity of the roads. The Board requested that the annual road inspection be completed early so that recommendations on paving as well as replacing and fixing curbs can be updated.

Financial Statements & Sales Tax

Mr. Marchetti reviewed the variance report and financial statements included in the packet. It is expected that the assessed value will increase approximately 7%. Sales Tax revenues are coming in over budgeted projections and Ms. Johnston is working with the State on cleanup of some accounts and general discussion on sales tax collections continued.

2020 Audited Financial Statements

Director Riggio met with Mr. Cudahy from McMahan and Associates and reviewed the notes included in the Board packet. The District received a clean audit opinion and there were no issues or significant findings to report. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2020 Audited Financial Statements as presented.

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Future**Meetings**

The Board confirmed the next meeting for June 23, 2021, starting at 3:30 p.m. Due to scheduling conflicts, the Board requested that the July 28 meeting start at 3:00.

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 26th day of May 2021.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting