
RECORD OF PROCEEDINGS

Minutes of the Meeting Of the Board of Directors Arrowhead Metropolitan District September 22, 2021

A meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on September 22, 2021 at 3:00 p.m. 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:

- Bill Roe
- Thomas Howard
- Vincent Riggio
- Michelle Horton

The following Director was absent and excused:

- Bob Shafer

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, Arrowhead owner and resident
- Jason Cowles, Eagle River Water and Sanitation District
- Linn Brooks, Eagle River Water and Sanitation District
- Diane Johnson, Eagle River Water and Sanitation District

Call To Order

The meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Roe on September 22, 2021, at 3:02 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

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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.

Consideration

Of Agenda There were no changes to the agenda.

Unification

Discussion Ms. Brooks with Eagle River Water and Sanitation District (ERWSD) reviewed the benefits of unification with the Upper Eagle River Water Authority (Authority). Ms. Brooks reviewed the structure of and proposal for the Authority to be included onto ERWSD and allows each member to retain ownership of their water rights and appoint a representative who will function in essence as a Board member but without voting privileges. The steps and timeline for unification were reviewed. General discussion continued on the benefits to Arrowhead, the Authority and ERWSD as well as implications if an Authority member does not agree to move forward. Following discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED to give consent to the Authority and ERWSD to proceed with drafting of the Inclusion Agreement and Consent Resolutions for consideration at a later date.

Edwards River

Park Support Director Roe reviewed the proposal and letter from Mr. John Horan-Kates that was included in the packet requesting participation in a coalition to explore buying the developer of Edwards River Park out. Discussion continued on the letter and request for participation. Following discussion the Board acknowledged that the letter was received but tabled any action on the letter at this time.

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 August 25, 2021 meeting as presented.

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Accounts

Payable The Board reviewed the updated Accounts Payable list 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.

UERWA

Update

Mr. Dreyer reviewed the following for UERWA:

- Current drought conditions with fewer than anticipated reservoir releases
- Long time employee Parker Newbanks III passed away
- Minor violation in the sanitary sewer survey will need to be reported in next year's consumer confidence report
- The Authority issued an Ability to Serve letter good for two years for Edwards River Park. The conditional letter is to avoid committing resources that are tied up indefinitely due to project delays.

There was general discussion on the unification presentation and what it would mean for the District.

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

- Board member Samantha Hodgkins resigned and Cynthia Bell was appointed as replacement.
- Two nominees to the Board were approved for 2022
- Richard Jenkins was appointed as a Director Emeritus
- Samantha will join as contracted consultant for media projects
- Bylaws changes were approved
- Articles of Incorporation are being updated to coordinate with the new Bylaws
- Budget for 2022 is in process
- Working on continuing activities for the winter
- The annual meeting will be held by Zoom with a date to be determined.

Roundabout

Update

The Board reviewed the recap from Director Shafer included in the Board packet. Director Riggio said the committee was waiting to hear back from the County on collaboration before approaching C-DOT. The project was morphing from a roundabout into sidewalks connecting the east and west gates with an at-grade crosswalk on the east end. The 2022 budget includes a placeholder for the capital project with corresponding finance option. Discussion continued on the change of

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project scope, project timing, possible cost sharing partner, and the current direction of the project.

Bond Refunding

Mr. Marchetti gave background on the bond refinance and reviewed the Chase term sheet included in the packet, explaining that it had been reviewed by Bond Counsel. Mr. Marchetti and Director Horton reviewed the Options and updated interest rates. Mr. Marchetti explained the available Options offered 1) the interest rate could be locked now at a slightly higher than current market rates to avoid the uncertainty of rates moving higher or floated until mid-October and 2) the bonds could be non-callable or callable on the same date as the District's other callable bonds. General discussion continued on the options, comparison of the rates to the treasury rates with Director Horton recommending that the bonds be callable and the rate locked. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve Option D to lock the rate and have the issue callable.

The Board gave direction for Director Horton to sign the preliminary paperwork for the District. The Board requested that Bond Counsel be instructed to proceed with document preparation for approval by the Board at the October or November meeting.

Operations Report

Mr. Hensel reported:

- Guardrails were on the schedule and should be completed this year
- Snow removal equipment was being serviced so it was ready for the first snowfall
- Vail Resorts is actively hiring and housing continues to be an issue
- Five speed humps were installed on Cresta Road. The mirrors are on order and will be installed once they are received. The speed humps would be removed once consistent snowfall was received.
- He is working with telecommunications companies to provide proposals for better cell phone coverage throughout Arrowhead.

Speed Limits The Operations Department recommends changing the speed limit on all Arrowhead roads from 25 mph to 20 mph to be consistent throughout the community. Following discussion, the Board authorized changing the speed limits from 25 mph to 20 mph as recommended.

Transportation

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Agreements There was a general update on the transportation agreements for the 2021-2022 season. Mr. Hensel is hopeful that Vail Resorts can provide service levels consistent with the 2020-21 season due to labor shortages. Mr. Hensel is engaged in talks with Arrowhead Property Management to cost-share evening service to Beaver Creek, similar to the summer service. Mr. Hensel reviewed the bonus program, wage increase and other incentives Vail Resorts is considering to attract employees. General discussion continued on the rate, service hours and 2022 budget placeholder amounts.

Financial

Statements Mr. Marchetti reviewed the financial statements included in the packet. There was general discussion on the forecast and that sales tax and capital expense have significant favorable variances for the year.

2022 Budget Mr. Marchetti stated the meeting had been published as the public hearing to consider the 2022 Budget. Director Roe gave an overview of the budget committee meeting and process explaining that the goal was to lower the mill levy. The comparison budget summary showing the various mill levies effect on the ending fund balance was reviewed. Discussion continued on the ability to lower the mill levy further and the Board requested that another comparison showing the mill levy at 14.5 mills be prepared for the next meeting. Mr. Coleman commented that the 15.5 mill levy would provide a solid fund balance while still showing fiduciary responsibility of lowering the rate. Following discussion, the 2022 Budget hearing for Arrowhead Metropolitan District was continued to the next regular meeting.

Future

Meetings The next meeting date was confirmed for October 20, 2021 at 3:00 pm.

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 22nd day of September 2021.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting