
RECORD OF PROCEEDINGS

Minutes of the Meeting Of the Board of Directors Arrowhead Metropolitan District October 20, 2021

A meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on October 20, 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
- Bob Shafer
- Vincent Riggio
- Michelle Horton

The following Director was absent and excused:

- Tom Howard

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
- George Coleman, Arrowhead owner and resident

Call To Order

The meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on October 20, 2021, at 3:09 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.

Public Input There was no public input

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 September 22, 2021 meeting as presented.

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.

Vendor

Agreements The Board reviewed the Agreements included in the Board packet. Following discussion and upon motion duly made and seconded it was unanimously

RESOLVED to approve the Engagement Letter with McMahan and Associates for completion of the 2021 audit; and

FURTHER RESOLVED to approve the Agreement with Aqua Sierra Inc for maintenance of the Riverdance ponds and wetlands areas for 2022; and

FURTHER RESOLVED to approve the agreement with Ewing Trucking for road and general maintenance for 2021 through 2023 with appropriations clause.

Action List The Board reviewed the action list in the packet and requested management to update completed items.

UERWA

Update The Board reviewed the minutes included in the packet. General discussion followed on the unification presentation and status.

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

- The budget is expected to be approved at the next Board meeting on Monday.
- The investment committee is looking for help with investments.
- Activities are going to change in 2023 and hoping to be spread out more throughout the year.
- There has been early discussion on community center possibilities.
- A better welcome to new members and owners is needed.
- The pool agreement is in process and costs are increasing.
- The 2021 Annual meeting is set for December 21 at 3:00 pm via Zoom with new bylaws and updated articles of Incorporation
- AVA supports the District's roundabout construction project and wants to stay involved with the planning. AVA would like to include a member for the roundabout committee and would like the District to provide an update at the annual meeting.

Roundabout Update

Director Shafer gave an update of the roundabout project

- The Arrowhead roundabout project is not currently a priority of the Edwards Metropolitan District (EMD) as they have other projects with higher priority.
- The District needs flexibility to consider alternatives that address the identified issues and residents' concerns and still be fiscally responsible to the District.
- EMD is interested in a sidewalk alternative since it will tie into a current project they are considering that will tie main Edwards to Arrowhead. A sidewalk could be a solution if there are crosswalks on the west (already in place at Miller Ranch Road) and the east sides of Arrowhead.
- The committee will need to work with CDoT on reducing the speed limits on the east side of Arrowhead in order to build a crosswalk across US Route 6 from the east gate of Edwards to the other side of the road.
- Need to verify if Eagle County would help fund a roundabout.

General discussion continued on AVA support of the sidewalk, highway 6 crossing options, and roundabout, revisiting funding options and the District possibly fully funding a roundabout. The Board requested Management prepare a forecast showing a \$3.25 million bond to fully fund the roundabout project.

Bond Refunding

Mr. Marchetti reported that the refunding was proceeding. The same Bond counsel from the 2019 refunding was engaged and the first round of documents was circulated for review and comment. The November 17 meeting will be noticed for the Bond issue and draft documents will be included for Board review with the Resolution ready for approval. The bonds are anticipated to close December 1 with

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Directors Horton and Shafer as signers. Director Horton confirmed that the rate was locked in September and rates have since moved up.

Operations Report

Mr. Hensel reported:

- Two new employees were hired and more applications were coming in so they should be fully staffed for the winter.
- All equipment has been serviced and is ready for winter.
- Guardrail staining was started but was paused due to weather. The staining is still on schedule to be completed this year, depending on the weather.
- The speed humps are expected to be pulled up for the winter as of November 1. Residents have commented that there is less bicycle traffic and less groups on Cresta Rd since they were installed.

Transportation

Agreements Mr. Hensel reported that agreements with Beaver Creek are still in negotiation but should be settled by the end of the month with the Arrowhead agreements coming soon after. The Vail Resorts team expressed confidence they could provide the 2020 service hours and possibly more depending on available staff. Mr. Dasko with Arrowhead Property Management cannot commit to share service for the winter due to staffing issues. One option would be for the AHPM shuttle driver to get a CDL to operate an Arrowhead shuttle bus to provide increased capacity for an evening service to Beaver Creek. General discussion continued on efficiencies from last year and anticipated usage of the service since there are no capacity restrictions for the coming season. Discussion continued on communication issues with drivers due to limited cell phone coverage so Dispatch may revert to a radio system for communication with drivers.

Financial

Statements Mr. Marchetti reviewed the financial statements included in the packet.

2022 Budget Mr. Marchetti stated the meeting was a continuation from the October 20 meeting for the public hearing to consider the 2022 Budget. Mr. Marchetti reviewed the 2022 budget comparisons using the different mill levy rates requested by the Board. Directors Horton and Roe reviewed the comparisons and recommended moving to the 14.5 mill levy. General discussion continued on the budget, mill levy, potential bond issue for the Highway 6 roundabout and other capital projects. There being no further input, the budget hearing was closed. Upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolutions to Adopt the 2022 Budget as presented with minor adjustments that may occur; and

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FURTHER RESOLVED to approve the Resolution to set the Mill Levy at 14.50 with 10.074 mills for operations and 4.426 mills for debt service; and

FURTHER RESOLVED to approve the Resolution to Appropriate Sums of Money for spending in 2022 subject to minor revisions as necessary.

May 2022 Election

In May of even numbered years the District is required to have an election. Mr. Marchetti reviewed the Resolution that calls the election, lists the Directors whose terms are up, designates the election official and authorizes the Designated Election Official to cancel the election if there are no more candidates than terms to fill. Mr. Marchetti reviewed legislative changes to Metropolitan District elections that require Districts formed after 2020 to email or mail notice of the election to all registered voters in the District however Arrowhead was formed prior to 2020 and is not subject to the new requirement. Following discussion, and upon motion duly made and seconded it was unanimously

RESOLVED to adopt the Resolution Calling for the 2022 Regular District Election.

Future Meetings

The next meeting date was confirmed for November 17, 2021 at 3:00 pm. The Board requested that the December meeting be moved from the 22nd to the 15th.

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 20th day of October 2021.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting