
RECORD OF PROCEEDINGS

Minutes of the Meeting of the Board of Directors Arrowhead Metropolitan District May 25, 2022

A meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on May 25, 2022 at 3:00 p.m. at the offices of Marchetti and Weaver, 28 2nd St, Unit 213, Edwards, with an option to attend via electronic Zoom meeting <https://us02web.zoom.us/j/83012234719>, Phone Only US 1 253 215 8782, Meeting ID: 830 1223 4719, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Bob Shafer
- Michelle Horton
- Bill Roe
- Steve McPhetridge (appointed during meeting)

The following Director was absent and excused:

- 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
- George Coleman, representative of Arrowhead at Vail Association
- Geoff Dreyer, AMD representative for UERWA

Call To Order

The meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on May 25, 2022, at 3:10 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 record, that this disclosure is restated at this time with the intent of fully complying with laws pertaining to potential conflicts of interest.

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Consideration

Of Agenda There were no changes to the agenda.

Board of Directors

Director Shafer introduced Mr. McPhetridge who expressed his interest in serving on the District Board. Following discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED to appoint R. Stephen McPhetridge to fill the vacant seat with a term to expire 2025 but although the Board seat term doesn't expire until 2025 the appointment is only effective until the District's next election which is May of 2023 at which time the Board seat will be open for election.

Director Shafer administered the Oath of Office to Mr. McPhetridge. The Oath was signed and then submitted to Eagle County Clerk and Recorder's office. Following acceptance, Mr. McPhetridge joined the meeting as an acting Director.

Following discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to elect the following officers:

| | |
|-------------------|-------------------------------|
| Robert Shafer | President/Chairman |
| Michelle Horton | Secretary |
| William Roe | Treasurer |
| Vincent Riggio | Asst Secretary/Asst Treasurer |
| Steve McPhetridge | Asst Secretary/Asst Treasurer |

Following discussion, the Board requested that Management update all bank accounts with all current Directors as signers on the accounts. The accounts payable process was reviewed and it was decided that no changes were necessary at this time.

Public Input There was no public input.

Minutes The Board reviewed the minutes included in the Board packet. By motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the April 20, 2022 meeting minutes as presented.

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Accounts

Payable

The Board reviewed the Accounts Payable list included in the packet. Following discussion and by motion duly made and seconded, it was unanimously

RESOLVED to approve the Accounts Payable list as presented.

Road Cut

Permit

Mr. Hensel reported that additional work was requested by ERWSD to find a leak that they thought might be along Cresta Road and reviewed the Road Cut Permit application and letter included in the packet for Badger Daylighting Corp. There was general discussion on the project and outcome of previous work, the permit letter, deposit amount, and what the deposit would cover. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to ratify the Road Cut Letter and Permit for Badger Daylight Corp.

Action List

The Board reviewed the action list in the packet. There was general discussion on the following topics:

- Director Shafer will follow up with McDowell Engineering on the letter needed for the Resolution regarding bike traffic on Cresta Road.
- Mr. Hensel reported that the Purchase Order has been received for Charge Ahead Colorado and the chargers are ready to be ordered. After meeting with the installer and Holy Cross, it was decided to move the location of the chargers to the Southwest corner of the lot to more efficiently and cost effectively access the electric needed for the chargers. The installation is required to have one van-accessible ADA space in addition to 7 regular spaces. The installation needs to be completed by October 2022 to be in compliance with the grant funding.
- Director Shafer will work with McDowell Engineering and others to update the Roundabout presentation for the Eagle County Board of Commissioners.

The Board requested Management update the Action list as discussed.

UERWA

Update

Mr. Dreyer updated the Board and reviewed the 5/24 Authority meeting:

- The Authority plans to issue bonds this year to fund capital expenditures. The funds are not needed until later this year but with interest rates rising, bonds might be issued much earlier to lock in lower rates.
- Staff challenges at ERWSD – Authority relies on ERWSA for staffing and they are having recruiting challenges due to high cost of living and lack of affordable housing throughout the Valley.

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- Unallocated water – the Authority has 200 acre feet of unallocated water but a good portion is restricted due to committed projects leaving only about 51 acre feet unrestricted.
- Unification – Mr. Dreyer cannot recommend moving forward with unification due to the Directors of ERWSD being elected at large. The Authority is looking into leasing water from the District without unification but cannot get a straight answer from the District Board or attorneys about why they cannot do that.
- June 2 at Colorado Mountain College is the annual State of the River event.
- Bolts Lake – Land use permit is being finalized with Minturn since the planned reservoir is within Minturn city limits. Numerous other permits will be required for constructing the reservoir, including EPA, US Forest Service, BLM, etc. Resolutions have been approved for District and Authority sharing of the cost of construction.

UERWA Board

Appointment Director Shafer nominated Mr. Dreyer to continue representing Arrowhead Metropolitan District on the Upper Eagle Regional Water Authority citing his extensive knowledge on the issues. There was discussion on appointing an alternative. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to appoint Geoff Dreyer as Designated Representative and Director Roe as alternative Representative on the Upper Eagle Regional Water Authority Board through May 2024.

Arrowhead at

Vail Update Mr. Coleman updated the Board on the following items:

- Bravo is going to engage with the kids camp with enrichment one day per week.
- Racquets – There have been app challenges that are being worked out.
- The website is up and more user friendly. The welcome presentation is posted for new and veteran owners.
- Public Safety is initiating the rollout of the gate codes, hang tags, and passes on June 1.
- A resident suggested that Arrowhead sponsor a community shredding day. The District indicated they would be in favor of this.
- The next AVA meeting is June 27.
- Bachelor Gulch Metro was approached about installing a bubble over the tennis courts to allow for winter play. There has been no response yet. Mr. Hensel has also discussed the idea with them.
- A Bravo concert is scheduled for June 24 in Arrowhead

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- The Intercommunity Club meeting discussed rebranding to Arrowhead.

Roundabout Update

Director Shafer reviewed the following for the Roundabout project:

- Director Riggio and Sara Mercer identified the CDOT planning managers for the mountain group for approving funding. Two funds were identified that could provide funding for the roundabout.
- Director Shafer and Sara Mercer had a meeting that morning (5/25) with regional and local program managers. Although no commitment was given, they recommended finalizing the plan details and cost. They also commented that the work done on the project to date was well researched and presented.
- There are other funds that could possibly be accessed to help with the project.
- The District has scheduled a meeting on June 7 with the Eagle County Commissioners. McDowell Engineering and Director Shafer are working on updating the presentation and will include the letters in support of the project from Edwards Metro and ECO Transit. The District is asking for a 50% match from the County. There was general discussion on who should participate in the meeting.
- They are meeting with Rickie Davies to review the presentation and for coaching.
- The project is moving forward. There was general discussion on applications and process, timelines, the need for more clarity and communication to the community that the project is to provide safe pedestrian crossing versus facilitating car traffic, and the most effective methods of communication to reach the community.

Operations Report

Mr. Hensel reported:

- Transportation – The season end comparison reports were included in the packet. The average wait time increased due to one driver during the week and two on the weekends. The app usership has increased. The parking lot comparison shows a similar year over year but there were fewer closures in 2021-22 than prior years. No Arrowhead residents were turned away from parking in the lot. Public Safety monitored the past season and Vail Resorts is expecting to resume their presence next season.
- The 2022 Paving has started. There have been complaints from residents due to lack of communication from the contractor. The main entry will be done on Monday and expected to be completed by Tuesday.
- The Lighting project installation has resumed on Cresta Road now that temperatures have risen to allow proper installation of the light posts.

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- Landscaping – plant material is being installed and sod will be put in next week. They are about one week behind schedule but should be completed by July 4.
- Speed hump and crosswalk painting has started.
- Speed humps and switchback mirrors are installed on Cresta Road.
- Summer transportation is being lined up and dates worked out though a driver is still needed. Dates so far include Beaver Creek Blues Brews and BBQ over Memorial Day, Bravo Concerts, Independence Day to Vail and Beaver Creek, and Oktoberfest in Beaver Creek.

Financial Mr. Marchetti reviewed the preliminary financial statements in the packet noting that the forecast has been updated for sales tax and transportation and expenditures are tracking as expected. There was discussion on sales tax revenues and the amounts received from outside the gate. Discussion continued on the investment of District funds in CDs or another investment vehicle versus being held in the Colotrust investment account.

2021 Audited

Financial

Statements

Directors Roe and Horton met with Mr. Miller from McMahan and Associates to discuss the audit and questions that were discussed in the Management letter. The District received a clean audit opinion and there were no issues or significant findings to report. There was discussion about the facilities lease and a potential reporting change for next year. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2021 Audited Financial Statements as presented.

EFT Policy

Ms. Johnston reviewed the verification procedures policy included in the packet explaining that the District's insurance carrier, Colorado Special District Property and Liability Pool (Pool), requires a policy be in place to cover any fraud or cybercrime incidents. Ms. Johnston explained that the policy requires telephone or in person verification for any wire or electronic funds transfer requests and that a log be kept for all verifications. Ms. Johnston also reviewed the procedures currently in place for all requests via DocuSign, including any cash transfer requests, including a separate email request and a personal note and full signature in the DocuSign request. Ms. Johnston also recommended that any Board member follow up with a phone call or separate email if there was any question on a DocuSign request, especially for cash transfers. Following discussion and upon motion duly made and seconded, it was unanimously

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RESOLVED to approve the Electronic Fund Transfer Request Verification Procedures Policy for Arrowhead Metropolitan Districts as presented.

Future

Meetings The next meeting was confirmed for June 22, 2022 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 25th day of May 2022.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting