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## RECORD OF PROCEEDINGS

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### Minutes of the Meeting of the Board of Directors Arrowhead Metropolitan District June 22, 2022

A meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on June 22, 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
- 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 (Zoom)
- Geoff Dreyer, AMD representative for UERWA
- Tim Gropp, owner (via Zoom)

#### **Call To Order**

The meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on June 22, 2022, 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 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** Consideration of the Collins Engagement letter was added under Legal.

**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 May 25, 2022 meeting as presented.

#### Accounts

**Payable** Ms. Johnston confirmed that an updated Accounts Payable list was emailed to the Board prior to the meeting. Mr. Hensel reviewed the invoices for sod and gate loops replacement explaining that there would be additional sod invoices. There was general discussion on the Frontier Paving invoice and paving project. Following discussion and by motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Accounts Payable list as presented.

**Action List** The Board reviewed the action list in the packet. There was general discussion on winter transportation. Directors McPhetridge and Shafer agreed to make up the transportation committee and work with Vail Resorts on winter service.

#### UERWA

**Update** Mr. Dreyer gave an overview and background of the water service providers in the valley, their structure, water challenges of the UERWA and long term solutions to address the anticipated water shortage, progress of unification with ERWSD. General discussion was had on available water for the Authority, Bolt's Lake and unification. Mr. Dreyer then updated the Board and reviewed the May 24 Authority meeting:

- Kevin Hillgren is the new Beaver Creek representative on the Authority Board. Beaver Creek remains opposed to unification.
- ERWSD Board voted against continuing to lend water to the Authority without Unification resulting in an impasse.
- Officers were elected with Mr. Dreyer continuing as Treasurer
- Mr. Dreyer has been appointed to be the UERWA representative on the Board of the Eagle Park Reservoir Company.
- The State passed a turf replacement bill to encourage people to replace sod with more drought tolerant options.
- Staffing shortages and supply chain issues are causing challenges.

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#### Arrowhead at

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

- A summer shredding community event is being scheduled.
- The budget process is beginning.
- Activities are starting tomorrow with Thursday Afternoon Club and continue Friday with an ice cream social and Bravo concert.
- Camp is started. They are looking into swimming activities for campers that will not impact residents.
- Holiday lighting is being discussed.
- Gate Security will give a report on the new codes and hangtag rollout.
- Nominating committee is working to fill three vacant seats.
- Governor Polis signed HB22-1137 providing additional transparency for Associations. AVA is already following the new law.
- The Association's name is going to be changed officially from "Arrowhead at Vail" to "Arrowhead".
- There will be a Town Hall in August, date to be determined.

#### Roundabout

##### Update

Directors Shafer and Riggio reviewed the following for the Roundabout project:

- The Roundabout committee met with the Eagle County Commissioners. The Commissioners listened to the presentation and provided positive feedback on the project and that they would consider it for the 2023 budget.
- Director Shafer sent a follow up note to Ricky Davies and the Board of County Commissioners to see if they had any further questions.
- The Vail Daily ran an article about the roundabout project. The article was good but generated some negative comments on social media such as the County should not expend tax revenue for Arrowhead benefit, another roundabout is not needed and resistance to reduced speeds on Highway 6.
- The Board reviewed the presentation included in the meeting packet. There was general discussion that the project is now on the County and State radar and the District could go back in future years if no funding is received for 2023.
- Gave an update on Sarah Mercer's progress.

#### Operations

##### Report

Mr. Hensel reported:

- Landscaping - The East Gate is mostly complete. The Board commented that it looks much better and more elegant. Additional work will be done at the Eaglebend and McCoy gates.

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- Lighting project – AVA lights are all installed. There are three poles at the top of Cresta Road to be installed by the weekend. The Village is still waiting on fixtures.
- EV Charging Stations – the chargers are ordered and installation has been pushed back due to delays in the Purchase Order being issued. There was general discussion on who would use the chargers, the fees that would be charged, potential operating costs and if revenue that will come back to the District will cover the costs. Discussion continued on parking limits and charging rates. The Board asked Mr. Hensel to research comparison rates for review at the next meeting.
- Transportation – the shuttle driver is back and on track to provide service for July fourth to Vail and Beaver Creek and that additional transportation could be added for some Bravo concerts. The Board asked Mr. Hensel to confirm the schedule and present to the Board for review.
- Trails – The AVA Ute trail connector is complete. Signs are in process of being installed. The Apache and Midspring connectors are in process and the Castle Peak gate project is on hold but expected to be worked on next year.
- Summer Parking – There is no overnight parking permitted with few exceptions such as contractor equipment for multiday projects. Short term parking is available at the Maintenance facility to keep from having vehicles stored in the parking lot.
- Electric usage is down about 70% with the installation of the new lamp posts and light fixtures. There was general discussion on encouraging water conservation throughout the community.

#### **Financial**

Mr. Marchetti reviewed the preliminary financial statements in the packet reporting that sales tax was still strong, expenses are coming in within budget, and the paving overlay project was projected to come in under budget. There was general discussion on upcoming projects and roundabout financing options. The Board requested that Mr. Hensel work with Alpine Engineering to develop a plan for the 2023 paving recommendations and also to check with Frontier if they would be interested in constructing the roundabout. The Board asked Mr. Marchetti to research bank interest rates and pricing for a potential bond issue for funding the roundabout project. Discussion continued on the sales tax drop for April and that the comparison with last year is comparable.

Ms. Johnston reviewed the options for investment of District funds. There was general discussion on CDs versus Treasuries and long term vs short term investment timeline. Following discussion, the Board directed Management to invest the \$240,000 matured CD funds into a new 5-year term CD and to invest \$500,000 of new funds in a 12-month term Treasury or two CDs, whichever had the higher interest rate at time of purchase.

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#### Legal Engagement

**Letter** Ms. Johnston explained that the Board had approved continuing with Collins Cole Flynn Winn Ulmer as general counsel when the Collins Cockrel Cole firm split in January. CCFWU sent their engagement letter for consideration however it was too late to be sent to the Board in advance of the meeting. The Board requested that Ms. Johnston send the engagement letter to the Board via email with a comment deadline by June 30. Following discussion, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to accept the Letter of Engagement for general counsel to the District from Collins Cole Flynn Winn Ulmer pending Board review of the engagement letter via email.

#### Future

**Meetings** The July 27 meeting was cancelled. The next meeting was confirmed for August 24, 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 22nd day of June 2022.

Respectfully submitted,



Beth Johnston  
Secretary for the Meeting