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## RECORD OF PROCEEDINGS

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### Minutes of the Meeting of the Board of Directors Arrowhead Metropolitan District September 28, 2022

A meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on September 28, 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 (Zoom)
- Steve McPhetridge
- Vincent Riggio (Zoom)

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 and Marla Coleman, representative of Arrowhead at Vail Association (Zoom)
- Geoff Dreyer, AMD representative for UERWA (Zoom)
- George Gregory, Chaiman UERWA, Board member ERWSD
- Bob Warner, ERWSD AMD representative

#### **Call To Order**

The meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on September 28, 2022, at 2:59 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** Arrowhead Association update was moved to after Public Input and Eagle County Hazard Mitigation discussion was added after the Action Log.

**Public Input** Director Shafer introduced the District Board and other District supporting staff. Mr. Dreyer gave background on Mr. Gregory's position with Upper Eagle River Water Authority (Authority) and personnel changes within Eagle River Water and Sanitation District (ERWSD). Mr. Gregory reviewed the unification process, timeline, what Authority members may be against Unification and why, the amount of water available in the Authority for future development and potential solutions including Unification. Currently, the Authority is using water in excess of the Water Rights that were conveyed to the Authority by the Contracting Members.. Mr. Gregory gave clarification on how Unification would work and that it does not have to be a unanimous vote of all Authority members. Mr. Gregory supports Unification due to the Authority running out of water for future development. Mr. Warner gave background on the water systems in the Eagle Valley and development of the Authority. General discussion continued on how the District would be represented if it chose Unification, the potential split of the Authority if some members chose Unification, and recommendation to extend the current pause until early 2023. Mr. Gregory recommends the District working with Mr. Dreyer to determine the best course of action for the District.

#### **Arrowhead Association**

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

- There have been public comments about the state of the wetlands and the Riverdance ponds
- Restatement of fees
- Landscape updates are in progress
- Upper Mud Springs trail extender is on hold because the easement required from the McCoy Creek Cabins HOA was denied.
- Budget is being completed. The Association is ending 2022 on solid financial footing and conserving reserves for future projects.
- Colorado HB22-1137 Resolution Policies were adopted.

**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 August 24, 2022 meeting as presented; and

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**FURTHER RESOLVED** to approve the minutes of the September 7, 2022 Work Session as presented.

#### **Accounts**

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

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

#### **Eagle Valley Trails**

**Support** There was general discussion on support and amount of donation to the Eagle Valley Trails (EVT) with the suggestion that any support should be contingent on EVT applying for grant funding. The Budget committee suggested a \$50,000 donation for both 2023 and 2024 and that those amounts were added to the budget for the respective year. Director Horton volunteered to work on the letter of support to be sent to EVT.

#### **Road Cut Permit**

**Application** Mr. Hensel reviewed the road cut permit application received for the new home construction at 308 Arrowhead Dr. He met with the construction group to review the project. The water tap is on the opposite side of the new home site and water lines need to be installed across the full width of Arrowhead Drive. The applicant is requesting full closure of the road for three days. There was general discussion on the length of the time, impact of a full closure on the community, and alternatives to a full closure of the road including bypassing the road cut via a temporary road in the lot easement. Mr. Hensel explained that there was limited time available in the current year for the road cut to be completed since proper asphalt patching was dependent on sufficiently warm temperatures. Discussion continued on the road cut policy and responsibility for patching. The Board requested that Mr. Hensel follow up with Alpine Engineering to confirm the price per square foot charged for the deposit. Following discussion, and upon motion duly made and seconded, it was unanimously

**RESOLVED** to approve the Road Cut Permit Application submitted for 308 Arrowhead Drive pending confirmation by Mr. Hensel on the community impacts and determination of closure length and method.

Subsequent to the meeting, the Applicant requested that the road cut permit be put on hold until Spring 2023.

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**Action List** The Board reviewed the action list in the packet and the Board requested Ms. Johnston update the completed items as discussed. Director Horton reported that several letters in support of the Eagle County RTA were published in the Vail Daily as well as a letter questioning where the tax dollars would be going. There was general discussion on the RTA, how the money would be used, potential projects and the short timeline from conception to ballot.

#### **Eagle County Hazard**

**Mitigation** Mr. Marchetti reviewed the invitation from Eagle County to participate in the Hazard Mitigation Plan (HMP). He explained there was no cost to participate in the HMP except the actual costs to develop the District's plan. A contingent letter of intent to participate was submitted by the September 23 deadline but can be withdrawn if the District decides not to participate. Participation in the MHP would allow the District to apply for federal grant funds in the event of an emergency. More research is needed to prepare a hazard plan and determine if participation would benefit the District.

#### **UERWA**

**Update** The Board reviewed the minutes of the UERWA in the packet.

#### **Roundabout**

**Update** Director Shafer reviewed the letter from Eagle County stating that they would not be providing financial support for the Roundabout. Director Riggio is still working with Sarah Mercer to identify alternative funding options from other sources which may require non-funding support from the County.

#### **Operations**

**Report** Mr. Hensel reported:

- The staff is ramping up for the winter, the speed humps will be pulled up, and snow removal equipment is being serviced.
- Transportation staffing is on track. Vail Resorts has the District's requests for desired winter service levels. Beaver Creek is still in negotiations on their contract and once that is finalized, the District's agreement and service levels will be determined. Pay rates were raised to be competitive with other transportation systems. General discussion continued on the current status of transportation and fallback plan with Arrowhead Property Management for evening service.
- Construction on the EV charging stations will start September 29 with installation to take about two weeks. Charging rates are still being determined.
- Mr. Hensel spoke with Dick Laughlin earlier in the week about the request for an additional street light. Mr. Hensel explained to Mr. Laughlin that the

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District did not install streetlights outside of intersections and provided options for additional light in the area of concern including adding a light to this street marker.

- Mud Spring expansion trail will not be completed as originally envisioned because the McCoy Creek Cabins HOA voted against the easement allowing the trail to cross their property.
- Trailside HOA appreciates the speed humps but wants a long term solution to eliminate nonresident bicyclers from access Cresta Road. Trail uses are not adhering to the one way designation on Ute Trail. Director Horton reported that the Association Trail Committee is working on additional and more permanent signage for the trail.
- The neighbors of the Riverdance ponds and wetlands sent a letter complaining about the cattails and lack of maintenance of the area. Mr. Hensel explained that Aqua Sierra has not been properly maintaining the area this past summer and has a meeting this week with the owner of Aqua Sierra to walk the area and determine what needs to be completed to fulfill their annual contract.

**Financial** Mr. Marchetti reviewed the preliminary financial statements in the packet reporting that items are tracking as expected and there are no concerns at this time.

**2023 Budget** Mr. Marchetti stated the meeting had been published as the public hearing to consider the 2023 Budget. Director Roe reported on the budget committee work session earlier in the month and had the following suggestions:

- Keep the mill levy rate the same for 2023 to build a reserve that could be used with grant funding to pay for the Roundabout without issuing new debt.
- The anticipated bump in Assessed Valuation in 2024 would allow the use of cash for the roundabout project and also lowering the mill levy.
- Funds were included in 2023 for extending the roundabout CDOT permit and other general development costs as needed.
- General discussion continued on the roundabout funding, construction timeline, cost, mill levy reduction, and public outreach.
- The Board requested that the roundabout be referred to as the Highway 6 Safe Crossing Project going forward.

Mr. Marchetti reviewed the ending fund balance projections for 2024 through 2026. The Board requested that the \$500,000 Arrowhead Association funding for landscaping be included in the budget. Discussion turned to deaccelerating some of the road overlays and reverting back to the former 10 year overlay plan. The Board requested that Mr. Hensel work with Alpine Engineering to determine a reduced overlay plan in an effort to keep the ending fund balance around the desired \$2 million. Following discussion, the Board requested that the discussed changes

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be worked into the 2023 Budget and that the public hearing be continued to the next regular meeting.

#### **Audit Engagement**

**Letters** The Board reviewed the engagement letter from McMahan 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 2022 audit; and

#### **Future**

**Meetings** The next meeting was confirmed for October 26, 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 28th day of September 2022.

Respectfully submitted,



Beth Johnston  
Secretary for the Meeting