
RECORD OF PROCEEDINGS

Minutes of the Meeting of the Board of Directors Arrowhead Metropolitan District October 26, 2022

A meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on October 26, 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 (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 Coleman, representative of Arrowhead at Vail Association
- Geoff Dreyer, AMD representative for UERWA
- Tim Gropp, owner (Zoom)

**Call To
Order**

The meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on October 26, 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 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.

Public Input There was no public input.

Minutes The Board reviewed the minutes included in the Board packet. Ms. Johnston reviewed the requested changes submitted since the minutes were distributed in the packet. An additional change to the Eagle Valley Trail Support section to remove “and receiving” in the first sentence was also requested. By motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes for the September 28, 2022 meeting with the changes as requested.

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.

Action List The Board reviewed the Action Log in the packet and the Board requested Ms. Johnston update the completed items as discussed and remove item 2021-18 and 2022-18.

Director Horton reviewed the letter of support for the Eagle Valley Trail she prepared and there was general discussion the support amount and where it was budgeted for 2023 and 2024. Following discussion, the Board approved the letter to be sent to Mr. Sharkey with Eagle Valley Trails. Director Horton than gave an update on the Eagle County RTA reporting that there was information on the question in the election Blue Book. Eagle County has the current ECO Transit budget posted on its website showing the revenues and fund balance. There was general discussion on if the RTA proposal will pass, organization structure, Eagle Air I-70 interchange, and current services offered by ECO Transit.

UERWA Update

Mr. Dreyer distributed a handout of Discussion Points re: Unification to assist in clarifying some discussion from the previous meeting. Mr. Dreyer reviewed:

- Unification does need to be unanimous since a vote for Unification would dissolve the Authority and dissolution requires a unanimous vote.
- Unification is the best way to ensure adequate water for the Authority members.

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- Partial inclusion is an option if not all members agree on Unification.
- ERWSD will not lease additional water to the Authority since they feel they need to protect the water for the District and Vail.
- There are financial implications to the Authority for turning over water rights to ERWSD.

General discussion continued on the next steps and how to proceed including reprojecting water needs for the Authority, review of the Agreements and distribution of Authority assets. Director Riggio inquired if water rights were transferred with the parking lot purchase and how those rights, or lack thereof would impact any potential sale and development of the parking lot parcel.

Arrowhead Association Update

Mr. Coleman updated the Board on the following items:

- Hugh Fairfield-Smith with GEFPD presented fire mitigation plans and work completed. Arrowhead Association budgeted \$60,000 in 2023 for the work.
- The Investment Advisor Report was reviewed and losses were below the benchmark.
- Design Review – a tree removal fee was approved and new compliance rules based on the new law were adopted.
- Public Safety – new entry code system will be implemented once gate motors are replaced. Keyholder agreements have been issued to residents. The 2023 budget includes significant changes to the Gatehouse to make it more welcoming.
- Marketing – the newsletter is in process. Media rollouts with updated website and name are also in process.
- Hiking – Mud Springs HOA denied easement. There will be seeding on the hillside in bare spots done in the spring.
- The 2023 budget has been reviewed by the Association Board and will be presented to the members for their approval at the Annual Meeting on December 26, 2022.
- Nominees for the Board are Peter Blake and Lisa Diaz to replace MaryPat Rapp and Kathy Roe.

There was general discussion on the fire mitigation report, sources of funding, areas that affect Arrowhead, and extensive work done by Trailside HOA. Director Riggio suggested that Arrowhead Association look into the perpetual easement to access BLM land up Cresta Rd and through Mud Springs for a possible trail extension. The Board requested that Mr. Fairfield-Smith be invited to the next Board meeting to present the Fire Mitigation Report to the District.

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Hwy 6 Safety Crossing Update

Director Shafer reviewed the letter from Eagle County stating that they would not be providing financial support for the Roundabout however they were willing to provide letter of support for grants. The Board reviewed the proposed 2023 and 2024 budgets for the Highway 6 Safety Project. Director Riggio reviewed his conversations with Sarah Mercer and current achievements such as identifying contacts and asking Eagle County to be a sponsor for a grant but the District would pay all costs. The next step would be for the District to draft a letter to Eagle County.

Operations Report

Mr. Hensel reported:

- The 2023 paving schedule was revised as requested reducing the anticipated cost from \$650,000 to \$372,000. Additional 2023 road maintenance of approximately \$32,000 was also added to the budget. The 10-Year Road Capital Plan was also revised and no overlays are scheduled for 2024.
- The speed humps were removed in preparation for snow removal operations.
- Guardrails are being offset to provide clear access from the trails to the road. Other work is being done to repair and replace guardrails as needed with a cost of about \$10,000 to be completed in 2022.
- He met with Kendra Holmes with Aqua Sierra to review the wetlands. Ms. Holmes was surprised by the lack of maintenance and work to remove 20% of the cattails has been completed. Owners will be notified of the maintenance issues. There was general discussion on setting up an annual inspection of the area and asking some of the owners to assist.
- EV Chargers – foundations are poured and waiting on installation. The equipment is on site. The State grant was extended two weeks to mid-November.
- Fire Mitigation – Mr. Fairfield-Smith will be invited to the next District meeting. Mr. Hensel reviewed the Arrowhead plan, identified areas of concern based on the simulator, applied for a grant to match funds spent to create defensible space and are waiting on proposals to determine how to proceed. Discussion continued on what mitigation efforts are used, alternative evacuation routes and use of snow making equipment.
- Transportation – Beaver Creek Metro approved their agreements and Arrowhead should be receiving theirs soon. There is not expected to be service for nights or a second Vail bus at this point so conversations have

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commenced with Mr. Dasko with Arrowhead Property Management to share shuttle service.

- Winter staff is hired.

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 was a continuation from the September 28 meeting for the public hearing to consider the 2023 Budget. Director Roe reviewed the mill levy rate staying the same to have funds for the Highway 6 Safety Project with potential grant funding and deceleration of the road overlays to reduce costs. There was general discussion on fire mitigation and the Board requested \$60,000 be added for 2023 under Capital and Non-Routine Expenditure. It was also requested that the interest earnings rate be adjusted to account for the recent increase in rates. General discussion continued on development of the parking lot and the cost prohibitive parking requirement deed restriction making it virtually unsalable. 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 2023 Budget as presented with minor adjustments that may occur; and

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 2023 with revisions as discussed and subject to minor revisions as necessary.

Future Meetings

The Board discussed having one meeting at the end of November to replace the regular November and December meetings. Following discussion, the regular meeting scheduled for November 16 was cancelled and a special meeting for November 30, 2022 at 3:00 pm was added. The December meeting would be reviewed at the November 30 meeting and cancelled if not needed.

The Board reviewed the proposed 2023 meeting calendar setting regular meetings on the fourth Wednesday of January through October and third Wednesdays of November and December. Due to a scheduling conflict, it was requested that the April meeting be moved to the third Wednesday. Upon motion duly made and seconded it was unanimously

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RESOLVED to approve the 2023 Meeting calendar with regular meetings held the fourth Wednesday of the month except April, November and December which will be the third Wednesday of the month.

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 26th day of October 2022.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting