
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Arrowhead Metropolitan District January 23, 2019

A regular meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on January 23, 2019, at 3:30 p.m., at the offices of Marchetti & Weaver, LLC, 28 Second Street, Suite 213, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Bob Shafer
- Thomas Svoboda
- Vincent Riggio
- Tom Howard
- Bill Roe (upon appointment)

Also in attendance were:

- Jerry Hensel, Director of Resort Operations, Vail Resorts
- Ken Marchetti, Marchetti & Weaver, LLC (left at 4:30 pm)
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary (via telephone)
- Dan Gallagher, President of Arrowhead Vail Association
- Paul Gorbald, Sr. Manager Guest Transportation, Vail Resorts
- Geoff Dreyer, Upper Eagle Regional Water Authority

Call To Order

The Regular Meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on January 23, 2019, at 3:30 p.m. noting a quorum was present. No conflicts of interest were disclosed.

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, after review, by motion duly made and seconded, it was unanimously

RESOLVED to approve the November 28, 2018, Regular Meeting minutes as presented.

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24-hour Posting

Resolution Mr. Marchetti reviewed the meeting posting notice resolution and explained the resolution was required by state statute each year. Following discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution Regarding Posting Notices for Meetings designating the 24-hour posting location as the Country Club of the Rockies.

Accounts Payable

The Board reviewed the Accounts Payable list included in the packet. Ms. Johnston reported that the report included December and January invoices and that no additional invoices had been received since the report was distributed in the packet. Following discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the updated accounts payable list as presented.

Appointment of Director

Director Shafer introduced Mr. Roe and reported that his resume had been distributed to the Board prior to the meeting. Mr. Roe gave a review of his background and his interest in filling the District board seat vacated by Mr. Rosen. Director Shafer announced that Robert Warner also expressed interest in filling the vacant Board seat and that Mr. Warner's letter of interest was circulated to the Board. Director Shafer reported that he and Mr. Warner had a phone conversation prior to the meeting about the board position, Mr. Warner's interest and his background. Ms. Johnston noted that both candidates were eligible to sit on the Board. General discussion followed and upon motion duly made and seconded, it was unanimously

RESOLVED to appoint Mr. William Roe to fill the vacancy on the Arrowhead Metropolitan District Board of Directors.

Director Shafer, President of the Board of the Arrowhead Metropolitan District, administered the Oath of Office to Director Roe. Director Roe joined the meeting as an acting Director. Following further discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED to elect Director Roe to the office of Assistant Secretary & Assistant Treasurer.

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Parking and Roads

Mr. Hensel reviewed the parking report included in the board packet reviewing the numbers and explaining the significance. Directors Shafer and Howard requested more information on security staff procedures in regard to the parking lot and enforcement and general discussion continued on parking policies, overnight parking, and enforcement options. Mr. Hensel said he would work with his staff and that there were no complaints to date from any residents or owners.

Mr. Hensel reported that the cloud subscription that was included with the speed signs expired at the beginning of January 2019 and the renewal was included in packet along with a report on the benefits of the subscription. Discussion followed on the need for the subscription, possible revenue opportunities to offset the subscription cost, and other options for accessing the data provided by the signs. The Board requested that Mr. Hensel research manual download options and report his findings at the next meeting.

Director Riggio requested additional information on plowing policies. Mr. Hensel reported that they were in the process of changing plowing of the main Arrowhead roads, including Cresta Road, from after 7:00 am to no later than 6:15 am. General discussion on plowing procedures, policies and solutions to address iced over roads continued with the Board requesting an update from Mr. Hensel at the next meeting.

Exhibit E to Vail Resorts Operations

Agreement Mr. Hensel reviewed the Exhibit E to the Vail Resorts Operations Agreement explaining that it covers a percentage of his work vehicle costs. Mr. Hensel confirmed that the reimbursement amount was included in the Operations Agreement with Arrowhead for the past several years however the special Agreed Upon Procedures audit revealed that the Exhibit was missing. Discussion on the Exhibit continued with questions on the CPI increase and how the amounts were calculated. Mr. Hensel said the breakdown included with the Exhibit in the packet was a summary and he would provide a detailed schedule with actual costs for the next meeting.

Transportation Report

Mr. Gorbald reviewed the transportation report included in the Board packet explaining that the on-demand rides are up and inter-village rides are down most likely due to Arrowhead lift opening later in the season last year. Mr. Gorbald reviewed the requests for the 7:30 am shuttle start noting there was a demand for

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the service and recommended that the service be continued throughout the remainder of this season.

Mr. Gorbald reviewed that on-demand app usage was lower in Arrowhead than other communities due to unforeseen dead zones in the cellular service causing negative impacts to the guest experience and effecting accuracy of shuttle arrival time updates. Mr. Gorbald reported that they have been doing cell phone signal testing to find a solution. General discussion ensued on cell service issues within Arrowhead and possible solutions and options to improve service overall. The Board requested to continue discussion of this issue at the next meeting.

Operations Report

Mr. Hensel reported that Eagle River Water and Sanitation District (ERW&S) will be doing a reconditioning of the water tank in Arrowhead and will be limiting irrigation water availability in May and October. No restrictions will be made to residential domestic (in door) water usage.

Arrowhead at

Vail Update Mr. Gallagher introduced himself as the new president of the Arrowhead at Vail Association and reported the following:

1. Committee process with AVA have around 110 people on 8 or 9 committees with new chairmen of the committees. Dan will provide details of committees as soon as it is finalized.
2. They put money in for a “gate study” with \$20,000 budgeted to look at new technology. Public safety committee (Coby Kenney, replacement for Jim Clancy) is looking at this
3. Short term rental regulations, working on policy, need to send proposed policy to community before it can be adopted by the Board. They are getting a bid from the company that Beaver Creek and Bachelor Gulch uses to monitor short term rentals.
4. Lighting Study – looking at areas that may not be safe and also looking at lighting aesthetics. Considering LED technology as they are evaluating this.
5. Econ Development – Bob S will report on this later in the meeting.
6. Chad Hollingsworth, a new AVA board member, has experience in short digital communications as opposed to the current eight-page newsletter and was working to produce a more consolidated, readable newsletter.

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**Economic
Development
Update**

Director Shafer presented the Agreement to Develop Marketing, Communications, and Community Building Strategy prepared by District counsel noting that the Board approved the expense with the budget. After review and discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Agreement with Arrowhead at Vail Association as presented.

**Financial
Statements**

Director Shafer and Mr. Marchetti reviewed the financial statements noting the District ended 2018 favorably and added to the fund balance. General discussion on specific line items on the financial statements and or year-end ensued.

Action Log

The Board reviewed the current action log. Mr. Hensel reported that the tennis area lighting was installed and snow was being removed as needed from the area.

**Future
Meetings**

The Board confirmed the next regular meeting would be February 27, 2019, starting at 3:30 p.m.

UERWA

Mr. Dryer reviewed the November and December minutes included in the packet expanding on the Drought Contingency Planning, CDOT West Vail Pass Project Open House, and on-going discussions on possible consolidation of ERWSD and UERWA.

**Executive
Session**

By motion duly made and seconded it was unanimously

RESOLVED to enter into executive session at 5:30 p.m. pursuant to C.R.S. §24-6-402(4)(e), Determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators.

The board adjourned from executive session at 6:00 p.m.

Adjournment There being no further business to come before the Board, by motion duly made and seconded, it was unanimously

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RESOLVED to adjourn the Regular Meeting of the Arrowhead Metropolitan District Board of Directors this 23th day of January, 2019.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting

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Minutes of the Regular Meeting Of the Board of Directors Arrowhead Metropolitan District February 27, 2019

A regular meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on February 27, 2019, at 3:30 p.m., at the offices of Marchetti & Weaver, LLC, 28 Second Street, Suite 211, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Bob Shafer (via telephone)
- Thomas Svoboda
- Vincent Riggio
- Tom Howard
- Bill Roe (via telephone)

Also in attendance were:

- Jerry Hensel, Director of Resort Operations, Vail Resorts
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary
- Dan Gallagher, President of Arrowhead Vail Association
- Mike Trueblood, Senior Director of Village Operations, Vail Resorts
- Koby Kenny, Director of Security, Vail Resorts

Call To Order

The Regular Meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on February 27, 2019, at 3:30 p.m. noting a quorum was present. No conflicts of interest were disclosed.

Consideration Of Agenda

There were no changes to the agenda.

Introductions of Vail Resorts

Employees

Director Shafer introduced Mr. Trueblood and Mr. Kenny to the meeting participants. Mr. Kenny explained he was the new Director of Security for Arrowhead and gave his background with Vail Resorts. Following Mr. Kenny, Mr. Trueblood introduced himself to the Board and reviewed his background that has led to him being the Director of Village Operations for Beaver Creek.

Mosquito Control

Director Howard reviewed the background on the mosquito control that Arrowhead Metropolitan District has been participating in for over a decade.

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Mr. Marchetti explained that Edwards Metropolitan District administered the mosquito control agreement with Vector Disease Control and the cost is split among the Arrowhead, Lake Creek, Berry Creek (Singletree) and Edwards metropolitan districts. After discussion, the Board requested that an intergovernmental agreement to document mosquito control cost sharing be prepared for consideration by the Board and that the Public Notice for Service Plan Update be published as recommended.

Minutes The Board reviewed the minutes included in the Board packet noting that the date under Future Meetings should be 27, not 28. After review, by motion duly made and seconded, it was unanimously

RESOLVED to approve the January 23, 2019, Regular Meeting minutes with the noted change.

Accounts Payable

Ms. Johnston 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 updated accounts payable list as presented.

Arrowhead at

Vail Update Mr. Gallagher reported the following activity for the Arrowhead at Vail Association:

1. A short-term rental company was being considered to assist in determining the number of units and scope of rentals in Arrowhead.
2. A lighting study consultant was hired.
3. AVA approved contributions for bus service on July 4th and Labor Day/Oktoberfest weekend to extend transportation service throughout the community.
4. AVA was subsidizing Thursday Afternoon Club (ThAC) during the summer in conjunction with the economic marketing. Additional advertising was anticipated to increase attendance and participation.
5. A request for people interested in serving on the AVA Board of Directors would be sent out to the community later this year.
6. The Strategic Planning Committee is developing strategic tasks and is requesting feedback from the Metro Board. Mr. Gallagher will email the list to Ms. Johnston for distribution to the Board prior to the next meeting.

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Transportation

Report Mr. Hensel reviewed the transportation ridership report noting the increased information available from the new app. Mr. Hensel stated that numbers overall were up mostly due to the good snow year. Mr. Hensel also reported that the Vail Express bus was getting increased ridership possibly due to the reminder being sent out by AVA on Mondays. Director Shafer inquired on the top 3 pick-up and drop off locations listed on the report. Mr. Hensel noted that the three locations were actually the same location and Mr. Gorbald was working to clear these and other discrepancies up. Mr. Trueblood requested feedback on the app and Mr. Hensel reported that Vail Resorts was still working with the cell phone companies to improve service for Arrowhead.

Parking and Roads

Mr. Hensel reviewed the parking lot report included in the packet. Director Shafer requested that the prior year numbers be included on future reports. Mr. Kenny reviewed the prior year numbers for January and February for the Board. Director Howard requested that the permit parking only sign be removed when spaces in the parking lot opened up.

Mr. Hensel reviewed the updated plowing goals and procedures for Arrowhead roads including that plowing was to be completed by 7:00 a.m. so roads would be cleared before 8 a.m. and that straight plows were being used to avoid throwing snow into driveways. General discussion ensued on plowing procedures and alternate uses for Arrowhead Metro plows.

Exhibit E to Vail Resorts Operations Agreement

Agreement Ms. Johnston confirmed that the updated Exhibit E and related cost schedule had been distributed via email and hard copy to meeting attendees. Mr. Hensel reviewed the updated cost schedule noting that the CPI had been deleted and that more accurate numbers had been used to determine the actual vehicle operating and maintenance costs. The updates resulted in a decreased monthly cost and Arrowhead would be credited the difference on the next month's invoice. Ms. Johnston noted that Mr. Collins had reviewed and accepted the new exhibit for the Operations Agreement.

Long Range Plan And Financial Statements

Statements Mr. Marchetti briefly reviewed the long-range forecast noting that the Assessed Valuation was currently projecting an overall increase of 15% but more information will be available from the Assessor on May 1, 2019 and that implementation of a sales tax in 2020 could result in a mill levy decrease pending

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continuation of current conditions. Mr. Marchetti then reviewed the financial statements included in the packet.

Public Notice for Service

Plan Update Following review of the Public Notice to Update the Service Plan, the Board directed the notice to be published in the next available edition of the Eagle Valley Enterprise.

Consumer Data Privacy Policy

Due to time constraints, the Board tabled this item until the next regular meeting.

UERWA The Board reviewed the January minutes included in the packet. Director Shafer requested more information on the water tank maintenance plan, the requested water shut offs and potential impacts to the Arrowhead community. Mr. Hensel explained it was his understanding that the water would not be shut off but that the Authority was requesting owners to voluntarily cut back on usage for the requested time periods. Mr. Hensel reported he was working closely with UERWA and ERWSD on dates and that the water authority would be sending out all communications to owners. The Board requested this topic be kept on the agenda for next meeting for discussion with Mr. Dreyer.

Action Log The Board reviewed the action log included in the packet. Mr. Hensel reported on item 8 that the light was not yet fixed due to frozen water in the conduit caused by damage during construction.

Future Meetings

The Board confirmed the next regular meeting would be March 27, 2019, starting at 3:30 p.m.

Adjournment There being no further business to come before the Board, by motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Regular Meeting of the Arrowhead Metropolitan District Board of Directors this 27th day of February, 2019.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting

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Minutes of the Regular Meeting Of the Board of Directors Arrowhead Metropolitan District March 27, 2019

A regular meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on March 27, 2019, at 3:30 p.m., at the offices of Marchetti & Weaver, LLC, 28 Second Street, Suite 211, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Bob Shafer
- Thomas Svoboda
- Vincent Riggio (via telephone)
- Tom Howard
- Bill Roe (via telephone)

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, representative for Arrowhead Vail Association
- Geoff Dreyer, Upper Eagle Regional Water Authority representative

Call To Order

The Regular Meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on March 27, 2019, at 3:30 p.m. noting a quorum was present. No conflicts of interest were disclosed.

Consideration

Of Agenda There were no changes to the agenda.

Public Input There was no public input.

Encroachment

Agreement Mr. Hensel reported that he met with the landscaper for the Wilson's and reviewed the items addressed in the easement agreement. Discussion on the encroachment agreement continued with Mr. Hensel confirming that all items were set back sufficiently from the road to allow proper snow removal. Following discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the Encroachment License Agreement for 56 Riverbend Ct, Unit A as submitted.

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

RESOLVED to approve the February 27, 2019, Regular Meeting minutes as presented.

Accounts Payable

Director Shafer reviewed the Accounts Payable list included in the packet and reviewed the accounts payable process for the Board. Following discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the updated accounts payable list as presented.

Arrowhead at

Vail Update Director Shafer introduced Ms. Loosbrock to the Board. Ms. Loosbrock reported the following activity for the Arrowhead at Vail Association:

1. A lighting study consultant was engaged and is working with Mr. Hensel to identify areas for improvement. Mr. Hensel gave a report of progress so far explaining that the District would be responsible for any changes or improvements to the Parking Lot lights and the streetlights on Cresta Road. The Board requested that a District representative join the Lighting Committee and Director Riggio volunteered.
2. AVA is waiting for the proposal from the short-term rental compliance vendor.
3. AVA is working to enhance transportation within the Arrowhead community by contracting to use the District buses for various summer events with AVA reimbursing the District for all costs of the buses use. Once the dates are finalized, a proposal will be presented to the District.
4. The Public Service Committee is discussing enforcement and compliance with DRC rules for parking and potential fines.

Director Shafer presented the Strategic Planning Committee reports and Tasks included in the packet and stated that the Committee was soliciting feedback. General discussion continued and Director Riggio agreed to attend the committee meetings to represent the District.

Transportation Report

Mr. Hensel reviewed the transportation report included in the board packet reporting that ridership for the Vail Bus had increased significantly since AVA started sending out reminders. Ridership of the intervillage shuttles was down

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from last year and Mr. Hensel supposed that more people were skiing back and forth between Arrowhead and other mountain areas due to the good snow on the mountains. The Board discussed feedback received on the bus service so far this season and noted that positive, if any, feedback was received.

Mr. Hensel reported that the app was getting more use however it was still limited in Arrowhead due to spotty cell service. General discussion continued on the cell service in Arrowhead. Mr. Hensel reported that Verizon has increased coverage on the current cell towers and will be coming out to scout other possible areas to add pods and towers to further increase coverage. Discussion continued on possibly adding a tower to the water tank at the top of Arrowhead.

Parking and Roads

Mr. Hensel reviewed the parking lot report noting that less cars were being parked since they were more closely following the parking lot agreement and reserving spaces so Arrowhead owners and residents would not be turned away. General discussion continued on enforcement of overnight parking restrictions.

Discussion turned to staffing and use of plow trucks. The Board discussed requests received for new sidewalks since Arrowhead was originally planned as a pedestrian community. General discussion continued on the potential cost to build and then maintain any sidewalk improvements with a general consensus that no District money should be spent.

Mr. Hensel reported that the roads were being cleared and sweeping was anticipated for the spring.

Financial Statements

Mr. Marchetti reviewed the Financial statements included in the packet noting that very few variances were recorded so far. Mr. Hensel introduced the new bus proposal and Ms. Johnston confirmed that the proposal and letter was distributed via email and via hardcopy to participants at the meeting. Mr. Hensel confirmed that the new bus would replace one of the older buses and that the new bus was the same as the other Arrowhead busses except it had an upgraded chassis. Mr. Hensel confirmed that \$60,000 was budgeted for the bus purchase. The Board reviewed the letter accepting the proposal and Director Shafer signed the letter as presented.

Consumer Data Privacy Policy

Mr. Marchetti reviewed the Consumer Data Privacy Policy Resolution included in the board packet explaining that a state statute required Districts to adopt a policy

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to handle private data. Following discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution Adopting A Customer Data Privacy Policy.

UERWA Mr. Dreyer addressed the water tank maintenance plan reporting that a communication was sent out last week and they were finalizing the phase 1 scope of the project. Mr. Dreyer explained that irrigation could not start in the spring until phase 1 of the project is completed on May 28. Mr. Hensel reported that the tank was currently empty and work could start as soon as possible. Discussion continued on confusion with the communication sent out and the potential for phase 1 to take longer than anticipated. Director Shafer inquired if the District was responsible for sending notification of the tank maintenance to Arrowhead residents and Mr. Hensel confirmed that ERW&S was taking care of all communications.

Mr. Dreyer then reviewed the minutes of the Authority included in the packet expounding on the Quarterly Financial Report, The Drought Contingency Planning, Legislative Update, and the Settlement with the Traer Creek Resort Properties.

Action List The Board reviewed the Action item list contained in the board packet. Discussion on the progress of the action items was had and the Board requested Mr. Hensel present options for the speed sign data, Ms. Johnston to review moving up the Bond refunding due to the recent drop in interest rates, and that the guardrail stain be moved to 2020 with a 4-year stain cycle.

Director Shafer reviewed the new section of the Action list titled Future Meeting Discussion Topics explaining that it was to assist with meeting efficiency by allocating certain topics to future meetings.

Future Meetings The Board cancelled the April regular meeting and confirmed the next regular meeting would be May29, 2019, starting at 3:30 p.m.

Executive Session By motion duly made and seconded it was unanimously

RESOLVED to enter into executive session at 5:17 p.m. pursuant to C.R.S. §24-6-402(4)(e), Determining positions relative to matters that may

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be subject to negotiations, developing strategy for negotiations, and instructing negotiators.

The board adjourned from executive session at 6:08 p.m.

Adjournment There being no further business to come before the Board, by motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Regular Meeting of the Arrowhead Metropolitan District Board of Directors this 27th day of March, 2019.

Respectfully submitted,

/s/Beth Johnston

Beth Johnston
Secretary for the Meeting

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Minutes of the Regular Meeting Of the Board of Directors Arrowhead Metropolitan District May 29, 2019

A regular meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on May 29, 2019, at 3:30 p.m., at the offices of Marchetti & Weaver, LLC, 28 Second Street, Suite 211, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Bob Shafer
- Vincent Riggio (via telephone)
- Tom Howard (via telephone)
- Bill Roe

The following Director was absent and excused:

- Thomas Svoboda

Also in attendance were:

- Jerry Hensel, Director of Resort Operations, Vail Resorts
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary
- Paul Gorbald, Director of Transportation, Vail Resorts

Call To Order

The Regular Meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on May 29, 2019, at 3:38 p.m. noting a quorum was present. No conflicts of interest were disclosed.

Consideration

Of Agenda There were no changes to the agenda.

Public Input There was no public input.

Sawatch Drive

Lighting

Mr. Hensel reviewed the background on the request for additional lighting on Sawatch Drive between the Country Club of the Rockies clubhouse and the Seasons at Arrowhead. Discussion continued on who is responsible for providing lighting to the area in question. Following discussion, the Board tabled the issue pending completion of the Arrowhead at Vail lighting study.

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Edwards Riverpark

Development Director Shafer introduced the Edwards Riverpark Development explaining that it was a new development submitted for review that could potentially compete with Arrowhead. General discussion continued on the development status, likelihood of being approved, and the suggested tax rate and service plans. Director Shafer suggested that the District continue to following the approval process.

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

RESOLVED to approve the March 27, 2019, Regular Meeting minutes as presented.

Accounts

Payable Director Shafer and Ms. Johnston reviewed the Accounts Payable list included in the packet, highlighting non-recurring payments for April and May. Following discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the accounts payable list as presented.

Action List Director Shafer reviewed the action list and gave background of the updates and the new placement on the agenda. Director Shafer requested that the action list be used as a tool through-out the meeting while reviewing each item in detail.

Arrowhead at

Vail Update Director Shafer and Mr. Hensel reported the following activity for the Arrowhead at Vail Association (AVA):

1. Bill Hughes is the new General Manager for Country Club of the Rockies and Pentti Tofferi has moved into a Director of Membership position as he moves toward retirement.
2. Lots of activities have been scheduled for the summer and the AVA will publish an events calendar.
3. Tennis is getting several upgrades, including a new ball machine.
4. The digital marketing campaign has been very effective so far and the social media postings are generating awareness of Arrowhead.
5. The lighting study is still underway.
6. Landscaping and summer projects are underway.
7. AVA is financially sound and has hit the 1st quarter RETA projections.
8. An Arrowhead community map is being developed.

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9. Host Compliance will aid AVA with short term rental compliance and can assist with sales tax compliance if desired.

Transportation

Report

Mr. Gorbald reviewed the transportation report included in the board packet noting the final season numbers and comparison to prior year. Mr. Gorbald reported that Arrowhead was fully transitioned from Dial-A-Ride to the Village Connect App and reviewed the successes and challenges encountered during the transition. The Board discussed the half-hour earlier start of the buses and whether the service should be continued next season. Mr. Gorbald reported that overall 2018-2019 was a successful transportation season. Discussion continued on the effects on service if the bus fleet was reduced by one bus and Director Howard will meet with Mr. Hensel and Mr. Gorbald on this topic. The Board requested that Mr. Hensel and Mr. Gorbald prepare a revised schedule of service and estimate on the effect on services if the fleet were reduced for the next meeting.

Mr. Hensel and Mr. Gorbald presented the proposal for summer bus service requested by AVA noting that they were still working out the logistics on how the schedule would work. There was discussion on the requested service, cost, and an agreement with AVA. The Board asked Mr. Hensel to prepare a letter from AVA outlining the agreed terms for consideration by the District at the June meeting.

Parking and Roads

Mr. Hensel reviewed the parking lot report explaining it was a three-season comparison of the parking lot and gate counts. Discussion continued on the use of the parking lot and the designation of resident and public spaces.

Director Shafer reviewed the background on the request to add sidewalks discussed at the March meeting. Discussion continued with a general consensus that additional sidewalks are not a financially viable option for the community and that no District money should be considered or spent at this time. The possible exception that may be considered in the future would be a designated walk or trail from Highway 6 to connect to the CCR sidewalk.

Mr. Hensel reported that an iPad could be used to download the data from the speed signs and the cost would be approximately \$800. Following discussion, the Board decided to table this discussion until such a time that it felt the information would be useful.

Mr. Hensel reviewed the Warranty Review and Acceptance letter for lower Cresta Road paving done in 2017 included in the Board packet explaining the he had

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completed the site visit with Alpine Engineering and they deemed that the work was acceptable. During the site visit, several areas were identified as needing patching or other asphalt work. Mr. Hensel said Alpine Engineering was preparing an update to the 10-year Roads Capital report completed in 2018 and would present the report at the June meeting.

Director Howard reported that he had observed the Sawatch Drive gate left open for extended periods of time and that several maintenance trucks failed to stop at the stop signs causing safety and security issues within the community. Mr. Hensel said it was not the policy to leave the gates open and would follow up with the offending parties to rectify the situation. General discussion on potential liability was had.

Mr. Hensel reported that winter operations were wrapping up and summer operations were progressing as expected. One Arrowhead truck had recently been repaired due to an accident in December 2018. The employee involved in the accident had been let go due to failing the tests required by Vail Resorts.

Service Plan Review

Director Roe reported his review of the Arrowhead Service Plan by giving a background of the Service Plan and suggesting that it should be updated into a working document that the District reviews annually. Director Roe distributed a Scope of Services Draft Outline to meeting participants. Ms. Johnston distributed the document via email to meeting participants attending via telephone conference. Director Roe reviewed the outline and encouraged discussion and feedback. Mr. Marchetti commended Director Roe on the Scope of Services outline and suggested that the Board consider creating a supplementary working document to the Service Plan explaining the legal requirements involved with updating the Service Plan. General discussion continued and Director Shafer requested that all Board members review the outline and send any comments to Director Roe for further discussion during the next meeting.

Financial Statements

Mr. Marchetti reviewed the Financial statements included in the packet noting that the preliminary assessed valuations had been received and the Residential Assessment Rate was decreased to 7.15% instead of the anticipated 6.85% resulting in an estimated overall increase to the projected 2020 Assessed Valuation (AV). Discussion continued on the vendor bidding process for various work done for the District. Mr. Hensel explained that multiple bids were gotten and sometimes required depending on the work and the amount in question however, given the demographics of the valley, it was challenging to obtain multiple bids from qualified vendors especially in an urgent situation.

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Arrowhead Metropolitan District Board of Directors May 29, 2019 Meeting Minutes

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

RESOLVED that a best effort be made to obtain multiple bids for all planned expenditures over \$7500.

Sales Book & RAR

Mr. Marchetti reviewed the sales book noting that sales prices compared to the Assessor's values to date are flat.

Draft 2018 Audit

Director Shafer introduced the draft audit and requested that an audit committee be convened to review the audit with Dan Cudahy before the June meeting. Directors Shafer and Riggio agreed to be on the audit committee.

Bond Refunding

Mr. Marchetti distributed an updated Request for Proposal (RFP) for the bond refunding to meeting participants; Ms. Johnston distributed the update via email to telephone participants. Mr. Marchetti reviewed the RFP suggesting that the Board consider a September 3, 2019, closing date. Mr. Marchetti reviewed the refunding process explaining that the RFP would be sent to the list of banks in the proposal and once proposals were received, they would be analyzed, tabulated and a recommendation made to the Board. Discussion continued on issuing tax-exempt versus taxable bonds, callability of the bonds, and including additional banks. The Board requested that Mr. Marchetti update the RFP as discussed and distribute for proposals.

Update on Public Notice for Cont. of Services

Ms. Johnston relayed that Mr. Collins reported that no comments or injunctions were filed in relation to the 45-day Notice regarding Mosquito Control Service and Business Development Services published on March 7, 2019. The Notice published is hereby incorporated into these minutes for the record:

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Arrowhead Metropolitan District Board of Directors May 29, 2019 Meeting Minutes

PUBLIC NOTICE
ARROWHEAD METROPOLITAN DISTRICT

Notice is hereby given pursuant to Subsection 32-1-207(3)(b), C.R.S., as amended, that the Board of Directors of the Arrowhead Metropolitan District provides Notice that it intends to continue to provide Mosquito Control Services pursuant to §32-1-1004(2)(b) C.R.S. and Business Development Services pursuant to §32-1-1004(9) C.R.S. and any person who objects must bring an action to enjoin.

Any action to enjoin such activity as a material departure from the Service Plan must be brought within 45 days from publication of notice.

ARROWHEAD METROPOLITAN
DISTRICT

By


Thomas P. Svoboda, Secretary

cc: Eagle County District Court
Board of County Commissioners

Published one time on: 5/31/2019
Published in: Eagle Valley Enterprise

Mosquito Control

Agreement Ms. Johnston reviewed the Mosquito Control Services agreement included in the packet. Following discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Intergovernmental Agreement for Mosquito Control Services by Edwards Metropolitan District et al.

UERWA

The Board reviewed the minutes from the UERWA. Mr. Hensel gave an update on the water tank project reporting the tank was currently full, the interior floor was installed, the remaining interior work would be completed in the fall, and the exterior would be completed throughout the summer season.

Future Meetings

The Board confirmed the next regular meeting would be June 26, 2019, starting at 3:30 p.m.

Adjournment There being no further business to come before the Board, by motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Regular Meeting of the Arrowhead Metropolitan District Board of Directors this 29th day of May, 2019.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Arrowhead Metropolitan District June 26, 2019

A regular meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on June 26, 2019, at 3:30 p.m., at the offices of Marchetti & Weaver, LLC, 28 Second Street, Suite 211, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Bob Shafer
- Vincent Riggio (via telephone)
- Tom Howard (via telephone)
- Bill Roe
- Thomas Svoboda

Also in attendance were:

- Jerry Hensel, Director of Resort Operations, Vail Resorts
- Dan Gallagher, President Arrowhead at Vail Association
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary
- Geoff Dreyer, Upper Eagle Regional Water Authority

Call To Order

The Regular Meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on June 26, 2019, at 3:33 p.m. noting a quorum was present. No conflicts of interest were disclosed.

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. After review, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the May 29, 2019, Regular Meeting minutes as presented.

Accounts

Payable

Director Shafer reviewed the Accounts Payable list included in the packet explaining that he and Director Riggio reviewed and approved the invoices. Mr. Hensel explained the charges incurred for the cracked drain pan at 310

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Arrowhead Metropolitan District Board of Directors June 26, 2019 Meeting Minutes

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

RESOLVED to approve the accounts payable list as presented.

Action List Director Shafer reviewed the action list noting that several items were completed.

Arrowhead at

Vail Update Mr. Gallagher reported the following activity for the Arrowhead at Vail Association (AVA):

1. The short-term rental regulations are complete and will be sent to owners for comment. A contract was signed with Host Compliance and they are reporting more units than early surveys indicated.
2. The ice cream social was a success with good attendance.
3. The first Thursday Afternoon Club is being held 6/27.
4. A new village to village trail will be complete by Friday and another trail is being considered for fall.
5. The lighting study first draft was received for review. The long-term project is expected to be done over the next three years.
6. A landscaping architect study for a replacement plan is being considered, leading to a general discussion on design review fees and streamlining the application process.
7. The initial rapid start to the social media campaigns has dropped off and AVA is encouraging more posting on the social media platforms.
8. AVA is continuing to move towards electronic voting.
9. The CCR access easement under the tunnel is no longer on the table so AVA is starting dialogue with CDOT for safer pedestrian access from Highway 6.
10. AVA is reviewing its management agreements.

Transportation

Report Mr. Hensel reported that he, Mr. Gorbold, and Director Howard met to discuss transportation options and that Director Howard would be reporting on their meeting later. Mr. Hensel presented the signed letter from AVA accepting financial responsibility for the Summer 2019 bus usage.

**Parking and
Roads**

Ms. Johnston confirmed that the updated Capital Road Plan was distributed to meeting participants via email and also hardcopy at the meeting. Mr. Hensel reported that Alpine Engineering reviewed the 10-Year Capital Road Plan completed in 2018 and determined that there were no changes needed. Mr.

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Arrowhead Metropolitan District Board of Directors June 26, 2019 Meeting Minutes

Hensel reviewed the road patching work identified by Alpine Engineering and that an additional area identified along Riverdance Road would be included. Mr. Hensel reviewed the two patching bids noting that Alpine Engineering recommended Mountain Maintenance to complete the work since they use infrared patching. Mr. Hensel described the difference between regular patching and infrared patching and reported that the work had been started so it could be finished prior the Independence Day holiday. Mr. Hensel and Director Shafer would do a site visit once the road work and patching was completed. General discussion continued on the road study and road life.

Mr. Hensel reviewed the water tank project relaying that the water tank was full and painting continued on the exterior. The tank would be drained in the fall for the interior work to be completed. Mr. Hensel reported that the roads and cinders had been swept and the guardrails repaired as necessary. The new truck was on order and the old bus had been sold at auction.

Service/Operations

Plan Review Ms. Johnston confirmed that the Draft AMD 2019 Operations Plan was distributed to meeting participants via email and via hard copy. Director Roe reviewed the background of the service plan. Under counsel advisement, Director Roe and Mr. Marchetti recommended not formally amending the Service Plan but to produce a working operations plan that can be updated by the District annually. Director Roe reviewed the general design of the Operations Plan noting that it included all of the items originally identified in the Scope of Services Outline but in a different order. Director Roe distributed an AVA/District Summary of Services document and the Board discussed overlapping services and the ability to provide telephone service and how that may relate to the current cell service coverage issues. Director Roe shared his vision for the Operations Plan was to assist with the on-boarding of new directors and to provide a comprehensive document that the District could distribute to the public for increased understanding of the District's and AVA's roles. General discussion on the Plan continued. Director Roe reviewed the next steps and requested that comments and feedback on the Plan be sent so the draft could be updated prior to the next meeting.

Financial Statements

Mr. Marchetti reviewed the Financial statements included in the packet noting that no major variations to the budget were anticipated so far.

Draft 2018 Audit

The audit committee, Directors Shafer and Riggio, stated that they had met with Dan Cudahy from McMahan and Associates to review the draft audit reporting

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Arrowhead Metropolitan District Board of Directors June 26, 2019 Meeting Minutes

that there were no issues found, internal controls were good, the District was well funded with a \$2 million reserve, and that the net position improved, all indications that the District was in good financial shape. The audit committee requested verbiage be included about the Gallagher Amendment's effect on the District and also about Vail Resorts audit done fall of 2018. These recommended changes have been incorporated into the audit report. Following discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Audited Financial Statements ending December 31, 2018 as presented in the packet.

Bond Refunding

Mr. Marchetti distributed an updated Request for Proposal (RFP) for Bond Counsel for the 2019 bond refunding explaining that it requested bond counsels to provide an opinion on refunding of the bonds. Mr. Marchetti reviewed the background on the outstanding bonds in relation to the roads and advised it was in the best interest of the District to obtain counsel that would give a determination that the refunding bonds could be tax-exempt if the roads were opened to the Arrowhead public but not necessarily the general public. Mr. Marchetti then reviewed the RFP for the banks that included taxable versus non-taxable options as well as callable options at various dates so that all of the road bonds could be wrapped into a single refunding in the future, if desired.

Sales Tax

Mr. Marchetti reviewed the sales tax work sheets included in the packet noting that they had been updated from the previous year to include the current Assessed Valuation and additional taxable items such as online purchases and construction materials. General discussion was had, with the Board requesting the worksheets be updated to include different tax rates and mill levy rates. Discussion continued on how to present the sales tax to the community. Following discussion, the Board decided to schedule a special sales tax work session meeting for July 31, 2019, at 3:30 pm.

Online Meeting Notice

Posting

Mr. Marchetti reviewed HB 19-1087 which goes into effect August 2, 2019, and allows Districts to post notice of meetings on their website, no longer requiring posting within the District. Following discussion, and upon motion duly made and seconded, it was unanimously

RESOVLED to approve the Resolution Authorizing Online Notice of Public Meetings.

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Arrowhead Metropolitan District Board of Directors June 26, 2019 Meeting Minutes

UERWA Mr. Dreyer reviewed the minutes included in the packet, highlighting the restructuring update and its challenges. Mr. Dreyer also updated the Board on the Traer Creek Water Tank.

Future Meetings The Board confirmed the next regular meeting would be July 24, 2019, starting at 3:30 p.m. and that a special sales tax work session would be held July 31, 2019 starting at 3:30 p.m.

Executive Session By motion duly made and seconded it was unanimously

RESOLVED to enter into executive session at 5:45 p.m. pursuant to C.R.S. §24-6-402(4)(e), Determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators.

The board adjourned from executive session at 5:53 p.m.

Adjournment There being no further business to come before the Board, by motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Regular Meeting of the Arrowhead Metropolitan District Board of Directors this 26th day of June, 2019.

Respectfully submitted,

/s/Beth Johnston

Beth Johnston
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Arrowhead Metropolitan District July 24, 2019

A regular meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on July 24, 2019, at 3:30 p.m., at the offices of Marchetti & Weaver, LLC, 28 Second Street, Suite 211, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Bob Shafer
- Vincent Riggio
- Tom Howard (via telephone)
- Bill Roe
- Thomas Svoboda

Also in attendance were:

- Jerry Hensel, Director of Resort Operations, Vail Resorts
- Randy Smith, representative for Arrowhead at Vail Association
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary
- Geoff Dreyer, Upper Eagle Regional Water Authority

**Call To
Order**

The Regular Meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on July 24, 2019, at 3:34 p.m. noting a quorum was present. No conflicts of interest were disclosed.

Consideration

Of Agenda Director Riggio requested adding Cresta Road Safety under Operations.

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 June 26, 2019, Regular Meeting minutes.

**Accounts
Payable**

Director Shafer reviewed the Accounts Payable list included in the packet explaining that he and Director Riggio reviewed and approved the invoices. By motion duly made and seconded, it was unanimously

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Arrowhead Metropolitan District Board of Directors July 24, 2019 Meeting Minutes

RESOLVED to approve the accounts payable list as presented.

Action List Director Shafer reviewed the action list.

Arrowhead at

Vail Update Mr. Smith reported the following activity for the Arrowhead at Vail Association (AVA):

1. The short-term rental comment period is in progress. Board to consider feedback received at their August meeting. Host Compliance is moving forward with identification of STR within Arrowhead.
2. Lighting study is on-going and under evaluation.
3. AVA is evaluating the Vail Resorts contract and negotiations are expected to be complete by the end of the fiscal year.
4. The social media efforts are being reviewed, outreach is continuing and seems successful so far.

Transportation

Report Mr. Hensel reported that the summer buses have been popular and successful, especially for the Bravo concerts. Mr. Hensel said that the transportation success depends on communication and outreach to the community. General discussion continued on transportation procedures and enhancements.

Parking and Roads

Director Shafer and Mr. Hensel completed a site visit to evaluate the asphalt patch work in Riverdance and determined it looks good. Mr. Hensel said that Alpine Engineering sets the overall paving schedule and it seems to be on par with the observable conditions of the roads.

Other

Operations Mr. Hensel gave an overview of projects currently going on in Arrowhead including the key valve replacement and sewer connection at the new property on Glen Eagles. Additional work being done around the community includes staining, painting, and other general maintenance.

Road Safety Director Riggio relayed several recent bicycle versus car interactions that have occurred in Arrowhead, specifically on Cresta Road. Director Riggio continued that he researched possible solutions including requiring permitting all bicycles and providing an educational brochure to visitors to reduce some of the liability in case of an incident. General discussion continued on what has been done in the past and what more may need to be done. Additional discussion identified the potential problems and determined that any solutions would need to include controlling access so everyone must pass through main gate, providing education

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to users, and enforcement. Mr. Marchetti provided that a reasonable access fee could be charged to users. The Board suggested that a joint meeting with Public Safety, AVA, and representation from the District should be held to address the issues and brainstorm possible solutions.

Discussion continued on potential incidents with vehicles and golf carts crossing the roads, especially by the guard gates. Suggestions include installing seasonal speed bumps on the cart paths wherever cart paths cross over roads. General discussion continued on additional possible enhancements, such as clearing landscaping around the transition points.

CDOT Meeting

Director Svoboda gave background on the meeting with Colorado Department of Transportation (CDOT) on pedestrian safety crossing Highway 6. Director Svoboda reported that CDOT's recommended solution was to construct a round-about at the main entrance to Arrowhead to control traffic speeds and provide pedestrian access since crosswalks and signage is not permitted on highways with speed limits of 50 mph and above. Discussion continued on other options including a pedestrian bridge or tunnel. The board requested more research into costs and grant possibilities and Mr. Marchetti suggested coordinating with Edwards Metropolitan District and Eagle County since they are currently constructing a round-about at the Spur Road- Highway 6 intersection and are planning other improvements to Highway 6 in the Edwards area.

Lighting Study Update

Director Roe attended the lighting study meeting and gave background on the District's responsibility on lighting in Arrowhead including the parking lot and Cresta Rd. Mr. Smith stated the original scope of the study included identification of dark areas within the community and recommendations for updates to existing lighting including compliance with dark sky initiatives. Director Roe distributed the draft report to participants. Director Roe said that the District needs to work with AVA on the project so that it is seamless to residents and guests and suggested that AVA and the District obtain at least one other proposal for installation in addition to the proposal from the company that completed the study.

Service/Operations

Plan Review Director Roe reviewed the operation plan and detailed the inputs for the plan. Director Roe said that one major item that still needs addressed is the overlap of service items with AVA. Director Riggio suggested that a joint meeting between AVA and the District be held to determine how the entities could split the work to

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Arrowhead Metropolitan District Board of Directors July 24, 2019 Meeting Minutes

provide the best service. Director Roe distributed a list of additional items needed for the plan and discussion continued on next steps.

Financial Statements

Mr. Marchetti reviewed the Financial statements included in the packet noting that there were no major budget variations. General discussion continued on the assessed valuation projections and the increase to general administrative expenses. Director Shafer noted that Contingency could be used to pay for any road safety solutions that were implemented this year.

Bond Refunding

Mr. Marchetti updated the Board on the current status of the Bond RFP. Mr. Marchetti reported that most of the banks would not require a bond rating nor would such a rating make a significant difference to offered interest rates. Mr. Marchetti also suggested that the bond closing date be pushed back from September to December since the current bonds cannot be called until December 1 and to avoid the District paying interest on two bonds during the overlap period. The Board agreed with the recommendations. Mr. Marchetti reviewed the timeline stating that he would be sending out the RFPs to bond counsel and banks with an expectation of having responses tabulated for Board review at the August meeting.

Sales Tax

Director Shafer went over the items included in the packet and that this topic was being discussed in detail at the special meeting on July 31.

UERWA

Mr. Dreyer reviewed the minutes included in the packet. Mr. Dreyer reviewed in detail the Lead and Copper Sampling update explaining that hard water buildup actually protects pipes, the challenges on administering any potential compact calls on the 1922 Colorado River Water Compact and the risk assessments on the Climax and Eagle mines. Mr. Dreyer then gave an overview of the Bolt Lake reservoir and discussions with the Town of Minturn.

Future Meetings

The Board confirmed that a special sales tax work session would be held July 31, 2019 starting at 3:30 p.m. and the next regular meeting would be August 28, 2019, starting at 3:30 p.m.

Adjournment There being no further business to come before the Board, by motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Regular Meeting of the Arrowhead Metropolitan District Board of Directors this 24th day of July, 2019.

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Arrowhead Metropolitan District Board of Directors July 24, 2019 Meeting Minutes

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Beth Johnston". The signature is written in a cursive style with a large initial "B".

Beth Johnston
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Special Meeting Of the Board of Directors Arrowhead Metropolitan District July 31, 2019

A special meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on July 31, 2019, at 3:30 p.m., at the offices of Marchetti & Weaver, LLC, 28 Second Street, Suite 211, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Bob Shafer
- Vincent Riggio
- Tom Howard (via telephone)
- Thomas Svoboda

The following Director was absent and excused:

Bill Roe

Also in attendance were:

- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary

Call To Order

The special meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on July 31, 2019, at 3:30 p.m. noting a quorum was present. No conflicts of interest were disclosed.

Consideration

Of Agenda Director Shafer requested that Director Riggio give a brief update on the road safety meeting.

Public Input There was no public input.

Road Safety Meeting

Update Director Riggio gave an update on the Road Safety meeting earlier in the day that focused on finding solutions to on-going issues with bike, pedestrian and automobile traffic on Cresta Road. Director Riggio reported that Mr. Herbert was tasked with preparing a memo that outlines the creation of an educational brochure for residents and visitors, a permit process for bicycles, and an enforcement plan. Mr. Hensel is already researching possibilities for limiting access and directing traffic to the main gate for entry. General discussion continued with Director Riggio noting that speed bumps were not a reasonable solution due to the pitch of the road and potential liability if there were to be an

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accident. Director Svoboda urged the committee to consider all areas of Arrowhead, not just Cresta Road, in their evaluations.

Sales Tax Director Shafer opened discussion for considering a sales tax in Arrowhead. The Board defined the mission and purpose of imposing a sales tax as 1) to utilize the sales tax to lower property taxes which would enhance overall home and property values in Arrowhead and 2) to cover any potential downturns to property tax revenues due to the Gallagher amendment.

Discussion continued on a reasonable sales tax rate and participants reviewed the models as well as the projection worksheet included in the board packet. The Board reviewed the items included on the projection sheet and requested that the numbers be firmed up and that the models be updated with the most up to date information.

Executive Session

By motion duly made and seconded it was unanimously

RESOLVED to enter into executive session at 4:18 p.m. pursuant to C.R.S. §24-6-402(4)(e), for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators as it relates to potential alternative uses for the skier parking lot.

The board adjourned from executive session at 4:26 p.m.

Election Resolution & Ballot Language

The board reviewed the proposed ballot language and resolution included in the packet. The Board requested that, based on prior discussion, that the maximum sales tax rate should be 5.0% instead of 5.5%. Discussion continued on how to reach out to residents and provide educational materials about the potential sales tax. The Board decided to send out a communication via email in mid-August with educational materials as well as an invitation to attend a Town Hall meeting in Arrowhead on August 28, 2019. The Board requested that the educational materials be concise and transparent.

Continuation By motion duly made and seconded, it was unanimously

RESOLVED to continue this Special Meeting of the Arrowhead Metropolitan District Board of Directors to August 13, 2019 at 9:30 a.m.

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Arrowhead Metropolitan District Board of Directors July 31, 2019 Meeting Minutes

at the offices of Marchetti & Weaver, 28 Second St, Ste 213, Edwards,
CO.

Respectfully submitted,



Beth Johnston

Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Continued Special Meeting Of the Board of Directors Arrowhead Metropolitan District August 13, 2019

The Special meeting on July 31, 2019, of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was continued on August 13, 2019, at 3:30 p.m., at the offices of Marchetti & Weaver, LLC, 28 Second Street, Suite 211, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Bob Shafer
- Vincent Riggio (via telephone)
- Tom Howard
- Thomas Svoboda
- Bill Roe

Also in attendance were:

- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary
- Jerry Hensel, Operations, Vail Resorts

Call To Order

The continued special meeting held July 31, 2019, of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on August 13, 2019, at 9:30 a.m. noting a quorum was present. No conflicts of interest were disclosed.

Consideration

Of Agenda There were no changes to the agenda.

Public Input Director Shafer reviewed the letter sent by Ms. Fisher to the Arrowhead at Vail Association (AVA) and District boards opposing the short-term rental regulations being proposed. General discussion continued on providing more education to owners on the sales tax and how to provide that education to owners and residents. Director Shafer said he would respond to Ms. Fisher and address her concerns.

Sales Tax Director Shafer reviewed the letter on the Proposed Local Sales Tax Plan included in the packet explaining that the focus was to highlight the mill levy reduction and other points as discussed at the last work session. Director Roe suggested adding an additional page or paragraph to let Arrowhead residents know what the District provides and how it pays for those services. Mr. Hensel explained that there is confusion in the community on what the sales tax covers and why it is being

RECORD OF PROCEEDINGS

Arrowhead Metropolitan District Board of Directors August 13, 2019 Meeting Minutes

imposed. Director Howard discussed his concerns with sending the Items Subject to Sales Tax page with the letter, adding a dollar amount to the mill levy, and other suggestions. General discussion on the letter resulted in changes to wording to clarify points. Director Shafer will update the letter and would distribute it to the Board for review. Once finalized, the letter would be submitted to Mr. Collins for final review before having AVA send it via email to Arrowhead owners and residents by Monday August 19.

Discussion continued on how to present the sales tax education to the participants at the Town Hall meeting or interested public and how best to answer any questions.

The Board reviewed the Sales Tax Projection scenarios sheet and requested that the 3% scenario be removed, that the mill levy rate for the 5% sales tax scenario be updated to 14.0 mills from 15.5 and that the short-term rental assumptions and calculations be updated. Director Shafer reviewed the financial models and discussion continued on how to add the sales tax to the budget. The Board requested that the model be updated with the change in the sales tax projections for review at the next meeting.

Ballot

Language

The Board reviewed the draft ballot. Mr. Marchetti explained the purpose of the projected revenue on the ballot and how it was determined and why it differs from the projection sheet.

Calendars

Director Shafer confirmed that Broken Arrow was booked for the Town Hall meeting on August 28, 2019 starting at 5:00 p.m. The location of the regular meeting would be moved to somewhere in Arrowhead and Director Shafer would confirm the location by Friday, August 16 so ample notice of the location change could be posted in the District and online.

Lot Attendant

Booth

Mr. Hensel asked the board to consider allowing Vail Resorts to install an attendant booth in the parking lot for use during inclement weather, especially in the winter. The booth would be sufficient for one person and would not take away a usable parking space in the lot. The Board indicated their approval for such a structure and purpose to be installed in the lot.

Adjournment There being no further business to come before the Board at this time, and, by motion duly made and seconded, it was unanimously

RECORD OF PROCEEDINGS

Arrowhead Metropolitan District Board of Directors August 13, 2019 Meeting Minutes

RESOLVED to adjourn the Special Meeting of the Arrowhead Metropolitan District Board of Directors this 13th day of August, 2019.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Arrowhead Metropolitan District August 28, 2019

A regular meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on August 28, 2019, at 3:30 p.m., at the Country Club of the Rockies, 646 Sawatch Drive, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Bob Shafer
- Vincent Riggio
- Bill Roe (via telephone)
- Thomas Svoboda

The following Director was absent and excused:

- Tom Howard

Also in attendance were:

- Jerry Hensel, Director of Resort Operations, Vail Resorts (via telephone)
- Dan Gallagher, representative for Arrowhead at Vail Association
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary

Call To Order

The Regular Meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on August 28, 2019, at 3:30 p.m. noting a quorum was present. No conflicts of interest were disclosed.

Consideration

Of Agenda Director Shafer requested adding a discussion on the Town Hall meeting under agenda item #8.

Public Input There was no public input.

Road Cut

Application Mr. Hensel reviewed the background for the road cut application submitted for 38 Riverbend Drive explaining that a misunderstanding led to the contractor starting the road cut prior to submitting an application to the District. Mr. Hensel explained that once the contractor was made aware of the application process, they expedited submission of the application and all applicable payments. Ms. Johnston confirmed that the road cut fee and deposit had been remitted and the road cut application was reviewed and approved via email by Director Shafer. Mr. Hensel reported that the road cut was complete and Alpine Engineering

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Arrowhead Metropolitan District Board of Directors August 28, 2019 Meeting Minutes

inspected and approved the completed project. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to ratify the Road Cut Permit Application for 38 Riverbend Drive.

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 for the following meetings as presented:

Regular meeting on July 24, 2019

Special meeting on July 31, 2019

Continuation of Special Meeting on August 13, 2019

Accounts Payable

Director Shafer reviewed the Accounts Payable list included in the packet explaining that he and Director Riggio reviewed and approved the invoices. General discussion on the list continued and Mr. Hensel reported that he oversaw the mudslide cleanup. 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.

Arrowhead at

Vail Update Mr. Gallagher reported the following activity for the Arrowhead at Vail Association (AVA):

1. The short-term rental regulations were approved and moving forward with some objections from certain members of the community. General discussion on rates and monitoring by Host Compliance.
2. AVA contracted with McDowell Engineering to do traffic monitoring studies at the Arrowhead entrance to continue researching the feasibility of pedestrian improvements and a potential roundabout on Highway 6.
3. Lighting Innovations returned to complete an in-depth study of lighting on Cresta Road and other areas. Once the additional studies are complete, they will update their study report.
4. AVA is meeting with contractors to develop a landscape plan and get enhancement ideas.
5. The Ute Trail return loop is expected to be completed by fall.
6. AVA approved funds for phase II of the social media campaign.
7. RETA is significantly ahead of budget for the year.

RECORD OF PROCEEDINGS

Arrowhead Metropolitan District Board of Directors August 28, 2019 Meeting Minutes

Road Safety Mr. Hensel gave an update on the road safety meeting and reported that a potential plan was presented. The draft plan was emailed to Director Riggio and Mr. Hensel for review. Mr. Hensel said that he would forward the plan to Ms. Johnston for distribution to the remainder of the Board for further discussion at the September meeting.

Mr. Hensel reported that he received the following estimates in conjunction with the road safety plan:

1. Lane striping \$1,300/mile for double yellow, approx. \$3,500 to complete Cresta Road
2. 22' temporary speed bump \$1,600 for use at main road exit
3. Pedestrian gates estimate from Vail Manufacturing \$6,500-\$7,500 per gate, no site visit was completed.

Director Shafer told the Board that Cordillera has a sign posted at their front gate addressing bicyclists and suggested the committee check with Cordillera to review their bike and road safety plan.

Other

Operations Mr. Hensel reported that the new truck had arrived and was undergoing final inspection before being delivered. Mr. Hensel reported on the mudslide that covered parts of Cresta Road noting that cleanup was extensive and expected to cost approximately \$3,500 for equipment rental and labor to clean up the road, drop drains, and possibly the ditch.

Service/Operations

Plan Review Director Roe reviewed the operation plan noting that he received the additional information to update the 2019 plan. Director Roe said he needs to meet with Mr. Hensel to get the roster of projects for 2019 and 2020 and once that information is received, a draft of the plan can be reviewed. General discussion continued on other outstanding items and the District still needed to meet with AVA to determine overlap items. Director Roe said he would follow up with Mr. Gallagher and he and Mr. Hensel would meet before the September meeting.

Financial Statements

Mr. Marchetti and Director Shafer reviewed the financial statements included in the packet noting that there were no major budget variations. General discussion continued on specific ownership tax, cash, assets and bond cost of issuance.

Bond Refunding

Mr. Marchetti reviewed the bid summaries for Bond Counsel and Bank proposals received in response to the Request for Proposals sent out. Mr. Marchetti

RECORD OF PROCEEDINGS

Arrowhead Metropolitan District Board of Directors August 28, 2019 Meeting Minutes

reviewed the differences in interest rates between tax-exempt and taxable options noting that the callable rates on the tax-exempt bonds were similar to the taxable rates, although the rates were floating until locked in closer to the closing. Mr. Marchetti explained that none of the Banks would quote for refunding the 2011 bonds as they were too far into the future. Mr. Marchetti suggested that the Board consider non-callable taxable bonds issued by Chase.

Mr. Marchetti then reviewed the bond counsel responses explaining that if the board decided to go with the taxable bonds, separate bond counsel may not be necessary since a tax-exempt opinion would be moot. Mr. Marchetti then explained that certain banks may only work with certain bond counsel so the amount could vary depending on the Bank that the Board decided to use.

Following discussion and review of the responses from the banks and bond counsel, there was direction from the Board to proceed with the JP Morgan Chase proposal for non-callable taxable bonds to refund the remaining 2009 bonds with bond counsel fees not to exceed \$18,000. Updates will be provided in the September and October meetings with formal action to adopt a bond resolution and related bond documents to be taken at the November meeting in anticipation of a December 2 closing.

Town Hall Meeting

Director Shafer started a general discussion on the format, progression and expectations of the upcoming Town Hall Meeting.

Future Meetings

The Board confirmed that the next regular meeting would be September 25, 2019, starting at 3:30 p.m.

Continuation By motion duly made and seconded, it was unanimously

RESOLVED to continue this Regular Meeting of the Arrowhead Metropolitan District Board of Directors to August 28, 2019 immediately following the adjournment of the Town Hall Meeting, approximately 6:15 p.m. at Broken Arrow Restaurant located at 142 Arrowhead Circle, Edwards.

The August 28, 2019, Regular meeting was reconvened and continued this same day at the Broken Arrow Restaurant, 142 Arrowhead Circle, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

RECORD OF PROCEEDINGS

Arrowhead Metropolitan District Board of Directors August 28, 2019 Meeting Minutes

Attendance The following Directors were present and acting:

- Bob Shafer
- Vincent Riggio
- Thomas Svoboda

The following Directors were absent and excused:

- Tom Howard
- Bill Roe

Also in attendance were:

- Beth Johnston, Marchetti & Weaver, LLC, recording secretary
- Ken Marchetti, Marchetti & Weaver, LLC (via telephone)

**Call To
Order**

The continued regular meeting held August 28, 2019, of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer at 6:30 p.m. noting a quorum was present. No conflicts of interest were disclosed.

**Election
Resolution**

Following the Town Hall meeting, the Board engaged in general discussion of the comments and questions received from the attendees. The Board discussed the ballot language and requested that additional language should be included related to the Board's ability to adjust the mill levy. Ms. Johnston explained that any changes to the ballot or resolution language would need to be vetted by District counsel. Following discussion, the Board requested that District counsel be consulted on the requested additional ballot language.

Continuation By motion duly made and seconded, it was unanimously

RESOLVED to continue this Regular Meeting of the Arrowhead Metropolitan District Board of Directors to August 30, 2019 at 4:00 p.m. at the offices of Marchetti & Weaver, 28 Second St, Ste 213, Edwards.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Continued Regular Meeting Of the Board of Directors Arrowhead Metropolitan District August 30, 2019

The Regular meeting on August 28, 2019, of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was continued on August 30, 2019, at 4:00 p.m., at the offices of Marchetti & Weaver, LLC, 28 Second Street, Suite 211, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Bob Shafer
- Vincent Riggio (via telephone)
- Tom Howard
- Thomas Svoboda
- Bill Roe

Also in attendance were:

- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary
- Jim Collins, Collins Cockrel and Cole, general counsel (via telephone)

**Call To
Order**

The continued Regular meeting held August 28, 2019, of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on August 30, 2019, at 4:00 p.m. noting a quorum was present. No conflicts of interest were disclosed.

Public Input There was no public input.

**Educational
Materials**

Director Shafer reviewed the town hall meeting attendance, discussion topics, and overall outcome of the meeting noting that there was still some confusion in the community. General discussion continued on the need to provide additional education to the community and the Board reviewed the educational documents included in the packet and timing for sending out the educational materials.

**Support of
Sale Tax
Resolution**

The Board reviewed the Resolution and general discussion on the resolution ensued. After discussion and by motion duly made, it was unanimously

RESOLVED to approve the Resolution in Support of Sales Tax Issue with a minor punctuation change to Whereas item 1.

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Ballot

Language

The Board reviewed the draft ballot. Mr. Marchetti explained that the projected revenue on the ballot was increased due to an additional commercial restaurant being placed in the District's boundaries thereby potentially increasing the sales tax collected within the first year. The Board consulted with Mr. Collins regarding the ballot language. Following discussion and by motion duly made, it was unanimously

RESOLVED to approve the ballot language as shown in the election resolution which is incorporated herein by this reference.

Election

Resolution

The Board reviewed the Election Resolution included in the packet. After discussion and by motion duly made, it was unanimously

RESOLVED to approve the Resolution Calling for a November 5, 2019 Special Election Authorizing an Election to Seek Voter Approval to Levy a Sales Tax Pursuant to Section 32-1-1106, C.R.S. and Appointing a Designated Election Official, a copy of which is incorporated herein by this reference.

Adjournment There being no further business to come before the Board at this time, and, by motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Regular Meeting of the Arrowhead Metropolitan District Board of Directors this 30th day of August, 2019.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Arrowhead Metropolitan District September 25, 2019

A regular meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on September 25, 2019, at 3:30 p.m., in the conference room of Marchetti & Weaver, LLC, 28 Seconds St, Suite 213, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Bob Shafer
- Bill Roe
- Thomas Howard (via telephone)

The following Directors were absent and excused:

- Tom Svoboda
- Vincent Riggio

Also in attendance were:

- Jerry Hensel, Director of Resort Operations, Vail Resorts (via telephone)
- Dan Gallagher, representative for Arrowhead at Vail Association
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary
- Geoff Dreyer, Upper Eagle Regional Water Authority

Call To Order

The Regular Meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on September 25, 2019, at 3:35 p.m. noting a quorum was present. No conflicts of interest were disclosed.

Consideration

Of Agenda Director Shafer said that Mr. Smith could not attend and the presentation on the social media plan would be postponed.

Public Input There was no public input.

Road Cut

Application Mr. Hensel reviewed the background for the road cut application submitted for 201 Aspen Meadow Drive explaining that additional safety measures were requested and a revised application was submitted. Ms. Johnston confirmed that the road cut fee and deposit had been remitted. Following discussion and upon motion duly made and seconded, it was unanimously

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Arrowhead Metropolitan District Board of Directors September 25, 2019 Meeting Minutes

RESOLVED to approve the Road Cut Permit Application for 201 Aspen Meadow Drive.

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 for the following meetings as presented:

Regular meeting on August 28, 2019

Continuation of Regular Meeting on August 30, 2019

Accounts

Payable

Director Shafer reviewed the Accounts Payable list included in the packet pointing out that the large expense is for the new truck which is included in the capital budget. General discussion on the list continued 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.

Arrowhead at

Vail Update Mr. Gallagher reported the following activity for the Arrowhead at Vail Association (AVA):

1. Nadia Guerriero gave a presentation on the future of Beaver Creek. Mr. Gallagher will circulate the presentation to the District Board.
2. The AVA Board adopted a Resolution supporting the District's Sales Tax question and encouraging people to vote yes.
3. The board is addressing several maintenance issues including irrigation of common areas, off-leash dogs on the front lawn in front of the lift, and the need for more regular trail maintenance.
4. The Ute Trail is complete.
5. AVA's RETA revenues are forecasted to be over budget by the end of the year.
6. The nominating committee suggested Mary Pat Rapp and Mark Noble as candidates for the AVA Board.
7. Capital Projects are being reviewed and enhancements are being planned over a 2- to 3-year timeline.
8. The Arrowhead trail map is still being developed.
9. AVA is working with Village Transportation to develop a trial winter evening service between Arrowhead and Beaver Creek. They are

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Arrowhead Metropolitan District Board of Directors September 25, 2019 Meeting Minutes

continuing to work with Vail Property Management regarding service to Edwards.

10. There was a meeting with Carrie McDowell, transportation consultant, to review the traffic studies which showed 60% of traffic on Highway 6 in Arrowhead is over 55 mph posing a safety risk for pedestrians crossing Highway 6. General discussion continued on best solutions for pedestrian safety crossing Highway 6 including grade separated crossings, traffic signals and potentially a round-about.

Following discussion on the traffic study, the Board requested that Mr. Hensel contact Alpine Engineering for a conceptual level evaluation of cost for construction of a round-about and an underpass tunnel.

Road Safety Mr. Hensel reviewed the road and bike safety materials included in the packet. Mr. Hensel reported that pedestrian gates could be installed at the east Arrowhead gates with a code lock for entry for approximately \$5000-\$6000. General discussion continued and further discussion was tabled until Director Riggio is available, Vail Resorts Public Safety has been consulted, and AVA is more engaged in the process.

Mudslide Update Mr. Hensel reviewed the mudslide letter include in the packet reporting that cleaning of the drains was on-going and additional costs of up to \$5000 is anticipated. General discussion continued on options to recoup costs and potential mitigation for future slides.

Transportation Rate Breakdown Mr. Hensel distributed the transportation hourly rate breakdown memo to meeting participants. Ms. Johnston confirmed that the memo was distributed via email prior to the meeting. Mr. Hensel reviewed what made up the hourly rate calculation and reviewed rates charged by other transportation operators. General discussion on the rate continued with Mr. Hensel confirming that Beaver Creek and others that contracted with Vail Resorts paid the same rate as the District.

Other Operations Mr. Hensel reviewed the Ewing trucking proposal for road salt-sand and heavy equipment for snow removal. Upon review, the Board approved the proposal pending inclusion of an annual appropriations clause. Additional discussion continued on which vendors would be subject to the Arrowhead sales tax, if it passes in November.

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Arrowhead Metropolitan District Board of Directors September 25, 2019 Meeting Minutes

Service/Operations

Plan Review Director Roe distributed and reviewed the draft 2019 Operations Plan. General discussion was held on the plan and remaining outstanding items required to complete the report including updating the water system section.

Financial Statements &

2020 Budget Mr. Marchetti stated the meeting had been published as the public hearing to adopt the 2020 Budget. Mr. Marchetti reviewed the 2019 forecast and the proposed 2020 budget for the District. Mr. Marchetti explained that two 2020 proposed budgets were prepared, one with a lower mill levy and sales tax revenue and another with a higher mill levy and no sales tax revenue. Following review and discussion, the Board requested that a budget committee consisting of Directors Roe and Shafer be formed to perform a more in depth review of the budget. The 2020 Budget hearing for Arrowhead Metropolitan District was continued to the next regular meeting when the budget committee will present their findings and recommendations..

2019 Audit Engagement Letter

Mr. Marchetti reviewed the engagement letter from McMahan and Associates included in the packet noting that they completed the District's audit for the past three years and that they were engaged at that time as the low bidder of a public request for proposal process. Following discussion and by motion duly made and seconded, it was unanimously

RESOLVED to engage McMahan and Associates to perform the 2019 Audit.

Legal Update The Board reviewed the legal update included in the packet.

UERWA Mr. Dreyer reviewed the minutes from the August 29, 2019 UERWA meeting included in the Board packet, noting

1. The owners of the Eagle River Village Mobile Home park rejected the deal proposed for connection to the UERWA system.
2. The Board approved a water system impact fee increase.
3. An amended 2018 budget and the 2018 audited financial statements were approved
4. A 10-year capital improvement Water System Master Plan will be developed
5. There is an updated water rights appraisal

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Mr. Dreyer reviewed the Arrowhead water tank project progress reporting that construction is ahead of schedule.

**Future
Meetings**

The Board confirmed that the next regular meeting is scheduled for October 30, 2019, starting at 3:30 p.m.

Adjournment There being no further business to come before the Board, by motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Regular Meeting of the Arrowhead Metropolitan District Board of Directors this 25th day of October, 2019.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Arrowhead Metropolitan District October 30, 2019

A regular meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on October 30, 2019, at 3:30 p.m., in the conference room of Marchetti & Weaver, LLC, 28 Seconds St, Suite 213, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Bob Shafer
- Bill Roe (via telephone)
- Thomas Howard
- Tom Svoboda
- Vincent Riggio (via telephone)

Also in attendance were:

- Jerry Hensel, Director of Resort Operations, Vail Resorts
- Paul Gorbold, Transportation Director, Vail Resorts
- Randy Smith, representative Arrowhead at Vail Association (via telephone)
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary

Call To Order

The Regular Meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on October 30, 2019, at 3:35 p.m. noting a quorum was present. No conflicts of interest were disclosed.

Consideration

Of Agenda There were no changes to the agenda. Ms. Johnston explained that several packet items had been received or updated since the original distribution of the packet so an addition to the packet was prepared. Ms. Johnston confirmed that the packet addition was distributed via email as well as via hard copy to meeting participants.

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 regular meeting on September 25, 2019.

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Arrowhead Metropolitan District Board of Directors October 30, 2019 Meeting Minutes

Accounts

Payable Director Shafer reviewed the Accounts Payable list included in the packet and, following discussion and by motion duly made and seconded, it was unanimously

RESOLVED to approve the accounts payable list as presented.

Transportation

Agreements Paul Gorbold reviewed the transportation agreements included in the packet pointing out changes from the previous season including an extra Tuesday Vail shuttle and additional evening service. Director Howard confirmed that six buses would be available for use for the 2019-2020 season but the oldest bus would be sold in spring 2020 bringing the fleet to five buses for 2020-2021. Director Shafer reviewed the dates in Exhibit A explaining that some of them were inconsistent and suggested alternative language to avoid incorrect dates in the future. General discussion continued on the added evening service scheduled to run between Arrowhead and Beaver Creek and how the service would work. Additional discussion ensued on communication and promotion of the transportation options to the Arrowhead community. Following discussion, and upon motion duly made and seconded, it was unanimously,

RESOLVED to approve the transportation Agreement with Vail Resorts for the Arrowhead shuttle subject to correction of the dates in Exhibit A; and;

FURTHER RESOLVED to approve the Intervillage Transportation System Agreement as included in the packet.

Action List The Board reviewed the action list.

Arrowhead at

Vail Update Mr. Smith reported the following activity for the Arrowhead at Vail Association (AVA):

1. The lighting study is moving forward
2. So far, about 100 licenses for short term licenses have been issued through Host Compliance. They are still within the 30-day grace period for registering.
3. Social media marketing has been slow during the off season but is expected to pick up with the recent snow storms. They are expecting to integrate skier code and safety education with the social media marketing.

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4. Two candidates will be taking seats on the AVA board at the Annual meeting in January.

Highway 6

Pedestrian

Alternatives

Director Shafer gave background on the meeting to discuss options for pedestrians and bicyclists to safely cross Highway 6. Five crossing alternatives were identified: a roundabout, a sidewalk to Miller Ranch light and crosswalk, a bridge, a tunnel and widening the CCR tunnel. Mr. Hensel obtained preliminary cost estimates for each option from Alpine Engineering. General discussion followed on the advantages and disadvantages, cost, and anticipated use of each option. The Board decided that additional input from the residents, county, and state was required to assist in determining the best and most affordable option for Arrowhead. Discussion continued on next steps and the need to identify what the crossing is supposed to solve. No action was taken and the issue was tabled for discussion at a later date.

Financial

Statements

Director Shafer and Mr. Marchetti reviewed the forecast and financial statements included in the packet noting the fund balances projected for each budget scenario. Discussion on operating and capital expenses continued.

2020 Budget

Director Shafer reported on the budget committee work session in early October stating that the budget was reviewed line by line. Director Shafer then reviewed the 2020 Budget Key Points and Discussion sheet that was included in the packet. General discussion followed on budget line items amounts and reasoning.

Mr. Marchetti stated the public hearing to adopt the 2020 Budget had been continued from the September 25, 2019 meeting, and opened the meeting for public comment and discussion. The Board reviewed both preliminary budgets included in the packet, one including sales tax revenue if Ballot Issue A passed and another with a higher mill levy rate if it did not pass. Mr. Hensel reviewed the updated parking lot overlay estimate provided by Alpine Engineering that estimated a cost increase of \$12,000. 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 2020 Budget as presented but with the Parking lot overlay increased to \$173,000, Sales Tax Revenue included and a 17 mill levy if Ballot Issue A is passed or 18.5 mill levy and no sales tax if Ballot Issue A fails, and other minor adjustments that may occur; and

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FURTHER RESOLVED to approve the Resolution to set the Mill Levy at 18.50 with 10.074 mills for operations and 8.426 mills for debt service if Ballot Issue A does not pass on November 5, 2019 or to set the Mill Levy at 17.00 with 10.074 mills for operations and 6.926 mills for debt service if Ballot Issue A does pass at the November 5, 2019 election; and

FURTHER RESOLVED to approve the Resolution to Appropriate Sums of Money for spending in 2020.

Bond Refunding

Mr. Marchetti updated the board on the bond refunding progress noting that the interest rates had risen slightly. Mr. Marchetti reviewed the revised Term Sheet Addendum from Chase and reviewed each of the options presented. Following discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve Option 4 from the JPMorgan Chase Term sheet which permits option redemption of the bonds subsequent to December 1, 2027; and

FURTHER RESOLVED to approve Revised Term Sheet with the caveat that the interest rate be adjusted to reflect any movement resulting from the October 30, 2019, Federal Open Market Committee lowering of the Fed Rate; and

FURTHER RESOLVED to authorize the Term Sheet to be executed and the bond team to proceed with preparation of bond documents.

Mr. Marchetti reviewed the updated Bond Counsel engagement letter with the Board noting that Chase required the District to have the documents drawn up by the District's counsel for review by the Bank's counsel. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Bond Counsel Services Engagement letter from Dinsmore & Shohl, LLP.

Parking Agreement with CCR

Ms. Johnston reviewed the Parking Lot costs and Agreement renewal with Country Club of the Rockies explaining that the Agreement called for the District to provide actual costs for the past three years to determine the new Assessment schedule for the next 10 years. General discussion on the renewal terms and options and how the costs were determined continued. Following discussion and

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review, the Board acknowledged the renewal of the agreement through 2029 and approved the new fee schedule as presented.

May 2020 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. Following discussion, and upon motion duly made and seconded it was unanimously

RESOLVED to adopt the Resolution Calling for the 2020 Regular District Election.

UERWA

The Board reviewed the minutes from the UERWA included in the packet.

Future Meetings

The Board reviewed the 2020 Proposed meeting calendar included in the packet. Following discussion, the January and April meetings were moved to the fifth Wednesday of the month. Upon motion duly made and seconded, it was unanimously

RESOVLED to approve the 2020 meeting calendar with requested revisions.

The Board confirmed that the next regular is scheduled for November 20, 2019, starting at 3:30 p.m.

Adjournment There being no further business to come before the Board, by motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Regular Meeting of the Arrowhead Metropolitan District Board of Directors this 30th day of October, 2019.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Arrowhead Metropolitan District November 20, 2019

A regular meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on November 20, 2019, at 3:30 p.m., in the conference room of Marchetti & Weaver, LLC, 28 Seconds St, Suite 213, Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Bob Shafer
- Bill Roe (via telephone)
- Tom Svoboda (via telephone)
- Vincent Riggio

The following Director was absent and excused:

- Thomas 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
- Geoff Dreyer, representative for UERWA

Call To Order

The Regular Meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on November 20, 2019, at 3:31 p.m. noting a quorum was present. No conflicts of interest were disclosed.

Consideration

Of Agenda There were no changes to the agenda.

Public Input There was no public input.

November 5

Election

Update

Director Shafer reviewed the results and turnout of the November 5, 2019, special election and thanked everyone for the work done in regard to the election. General discussion continued on the general feel in the community and the work to be done to implement the sales tax.

Director Shafer introduced the letter to owners included in the packet and asked for feedback. After reviewing the letter, the Board agreed to make one minor

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change to item 1 and have the letter sent by AVA as soon as possible but separately from any other AVA communications. Director Shafer volunteered to oversee distribution of the letter. General discussion continued on communicating the election results and other District business to attendees at the AVA Annual meeting in December.

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 regular meeting on October 30, 2019, with the change that Director Svoboda attended in person and Director Riggio attended by phone.

Accounts Payable

Director Shafer reviewed the Accounts Payable list included in the packet. Mr. Marchetti reviewed the bond payments due at the end of the month explaining that they were the annual principal payments and half of the interest due for the year. 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. General discussion was had on:

- The Bond refunding was on schedule and would close December 9, 2019.
- Service/Operations Plan review – Director Roe is going to have the 2020 service/operations plan draft ready for review by the Board at the next meeting.
- Mr. Gallagher circulated the Traffic Study and reported there would be another committee meeting in January.
- Mr. Hensel confirmed that Ms. Guerriero would be presenting at the District’s January meeting.
- Sawatch Drive lighting – This would be addressed during the lighting study. Mr. Hensel reported that the lighting study has identified 21 lamp posts for which the District is responsible and the estimated replacement cost was \$8,000 to \$10,000 per post although no design has been finalized and the project is expected to last three to four years.

Operations Update

Mr. Hensel reviewed Arrowhead operations with the Board

- The water tank project is on-going with only internal work remaining which is expected to be completed before Thanksgiving.

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- Director Howard has been working with Vail Resorts on a parking lot plan that goes into effect on December 7, 2019. Educational and communications information will be distributed to owners and guests regarding overnight parking in the lot to facilitate more efficient plowing of the lot. All parkers in the lot will be required to have a parking tag to identify any vehicles in the lot.
- Beaver Creek is opening early and the Village to Village bus will start early to coincide with the mountain opening. Carol Floyd will be sending out communications to all owners and residents.
- Operations is staffed, trained and on the winter schedule and the equipment is ready with the new spreader scheduled for installation. Road and parking lot plowing schedules and processes were discussed.

Financial Statements

Director Shafer and Mr. Marchetti reviewed the forecast and financial statements included in the packet noting that the 2020 budget reflected the projected sales tax revenue since the election passed. Mr. Marchetti reviewed the final 2019 forecast and contingency. Director Shafer reviewed the 2020 budget and capital items and discussion continued on the sales tax implementation process.

CD Renewal Rates

Ms. Johnston reviewed the CD rates included in the packet explaining that the current CD matures on December 16 so the rates and options may change slightly. Discussion continued on interest rates, and best term for the funds in the current economic environment. Following discussion, and by motion duly made and seconded, it was unanimously,

RESOLVED to approve reinvesting the maturing funds in a five-year term cd with an interest rate around 2.00% or higher

Bond Refunding

Mr. Marchetti confirmed that the meeting had been noticed for the Board to consider and approve issuance of new bonds. He also confirmed that he had distributed via email updated Bond Resolution documents, term sheet and savings calculation worksheet. Mr. Marchetti reviewed the Bond refinance background and reported that Chase issued an updated term sheet and that a lower interest rate than discussed at the late meeting was locked in with Option 4. The Bond documents are in process and are being reviewed by District General Counsel, Bond Counsel for the District and bank and others on the Bond team. Ken reviewed the bond parameters resolution and the savings calculation noting that the savings and change to taxable bonds was advantageous to the District.

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

RESOLVED to approve the Resolution Authorizing the Issuance of the District's General Obligation Refunding Bonds, Taxable Series 2019, in an amount not to exceed \$2,100,000, and other parameters as included in the Resolution.

Discussion continued on the change in the interest rate and effect on the 2020 and future budgets based on the savings calculation and updated amortization schedule. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve an amendment to the 2020 budget to update the bond interest schedule and 2020 payment amount to \$49,000.

Future Meetings

The Board cancelled the regular meeting on December 18, 2019, and confirmed that the next regular meeting would be January 29, 2020, starting at 3:30 p.m.

UERWA

Mr. Dreyer reported the following activity for the UERWA:

- The UERWA was working with CVC Club Residences on a cash in lieu of water rights agreement and educating owners on water use.
- The budget was approved at the November 21 meeting.
- There were no lead or copper leaching problems in the water supply at this time.

Ms. Johnston reported that she had not received meeting minutes from the Water Authority since September and would follow up with Ms. Hayes.

Adjournment There being no further business to come before the Board, by motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Regular Meeting of the Arrowhead Metropolitan District Board of Directors this 20th day of November, 2019.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting