
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Arrowhead Metropolitan District January 29, 2020

A regular meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on January 29, 2020, 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
- 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 (via telephone)
- Randy Smith, President of Arrowhead at Vail Association

Call To Order

The Regular Meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on January 29, 2020, at 3:30 p.m. noting a quorum was present. No conflicts of interest were disclosed.

Consideration

Of Agenda Director Roe requested that the Operations Plan discussion be moved up on the agenda.

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 November 20, 2019 as presented.

Accounts Payable

Director Shafer and Ms. Johnston reviewed the Accounts Payable list included in the packet which included all payables since November as well as the remaining 2019 capital purchases such as the bus. Ms. Johnston confirmed that

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all known 2019 invoices have been received and entered. 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:
- Ms. Guerriero would attend the March or April meeting and Mr. Shimanowitz may join as well.
 - Remove Guardrail Stain from long term items for 2020 and add to 2021 budget.
 - Remove the Sawatch Drive lighting and add AVA Lighting Study

Director Shafer introduced the 2020 Priorities Discussion outline included in the packet explaining that it was a general overview of non-routine items on which the Board is working. Director Shafer reviewed each project and general discussion was had by the group. Director Shafer referred to the email sent to the Board in mid-January regarding the transportation meeting and indicated that more work was needed to be sure staffing levels were adequate for future years. Discussion moved to Directors Shafer and Riggio volunteering to attend the Route 6 crossing working committee meetings, Director Roe has volunteered for the lighting study committee, and Director Riggio will continue to work on the cycling safety plan. Mr. Marchetti suggested that the District include Edwards Metropolitan District in any discussions about the Route 6 crossing.

2020 Operations

Plan Director Roe reviewed the background for creating the Operations Plan to supplement the AMD Service Plan. Director Roe reviewed the plan and some items that still required some updates. Director Roe reviewed section VI and requested the other attendees review the list to be sure nothing was missed. General discussion continued on suggestions for the Plan and gathering the remaining the exhibit items.

AVA Update Mr. Smith reviewed the following activity for Arrowhead at Vail Association:

- AVA has set their priorities and objectives for 2020
- The Association ended 2019 in a good financial position due to good budget adherence and increased revenue, mostly from transfer tax
- Website changes are in process and include increasing security and moving more information to the website, such as the owner directory
- The Social Media program had great results for 2019 and the expectations for 2020 are even higher with increased traffic and better reporting and demographics

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- AVA is increasing interactions with the Vail community with events such as the Vail Grail.

Operations Update

Mr. Hensel reviewed the two transportation schedules included in the packet noting on the Ridership report that the evening shuttles have about 20 people per night and the Vail Express buses had good ridership so far. The second report included the actual rides noting that the Village Connect door to door service is about 10% over 2018. General discussion continued on cell phone service and how to increase evening service ridership.

Director Shafer reviewed the meeting that he had with Mr. Hensel and Mr. Gorbold regarding the service issues around the 2019 holiday season. It was determined that buses were short throughout the two-week busy period due to Vail Resorts being short staffed, increased ridership demand, and buses not being able to be run as scheduled. Since the meeting, additional staff was hired so all buses should be run per the service agreement for the remainder of the season. After reviewing the service shortages, around \$16,000 was billed for transportation service not provided and Vail Resorts has agreed to reimburse the District 60% of the service shortage. General discussion continued on providing the level of service as agreed and how to be sure it is achieved in the future.

Mr. Hensel reported that the roads are in good shape and crack sealing will be done in the spring. The parking lot paving project Invitation to Bid has been sent out and four vendors are expected to submit bids. The bids are expected to be presented for approval by the Board at the February 26 meeting. Completion of the project is expected to be the beginning of May. General discussion continued on the project scope, bid process, project timeline, alternative parking options while the work was being done and cost share options. Director Riggio asked if the Parking Lot and Upper Cresta Road paving could both be done in 2021 and if there would be any material savings. Jerry is to research this and report to the Board at the February meeting.

Discussion moved to the quality of snow removal this season and the changes that were made to decrease costs. Mr. Hensel reported that some weeks there was overtime required and cautioned that a big snow cycle could present some challenges in keeping up. Mr. Hensel then reviewed the progress with registering short-term rentals in Arrowhead thorough Host Compliance noting that they expected 90% of the units to be identified and registered by summer.

Financial

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Statements Mr. Marchetti reviewed the financial statements included in the packet reporting that expenses for year end were under the 2019 forecast and the bond closing went as expected. General discussion followed on where the evening shuttle service had been budgeted for 2020.

**Sales Tax
Implementation**

Director Shafer reviewed the Sales Tax Implementation Plan included in the packet. General discussion continued on timing and intended recipients of notifications of the sales tax. Mr. Hensel suggested that Host Compliance may be able to assist in notifying registered short-term rentals of the sales tax.

**Future
Meetings**

The Board confirmed that the next regular meeting would be February 26, 2020, 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 January, 2020.

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 26, 2020

A regular meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on February 26, 2020, 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
- Tom Svoboda (via telephone)
- Vincent Riggio
- 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
- Randy Smith, President of Arrowhead at Vail Association (via telephone)
- George Coleman, Arrowhead Resident
- Geoff Dreyer, UERWA representative
- Amy Vogt, Communications and Public Relations, ERWSD
- James Wilkins, Director of Finance, ERWSD

Call To Order

The Regular Meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on February 26, 2020, 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.

ERWSD

Presentation Mr. Wilkins and Ms. Vogt introduced themselves and explained the presentation was to review capital projects and necessary rate increases. Mr. Wilkins explained that infrastructure was being replaced to bring aging facilities up to current standards. Mr. Wilkins then reviewed the increasing operating costs to historical rates and the rate increases compared with rates from other local water Districts. General discussion continued on the allocation of water and sewer

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rates and the Water and Sanitation District's current debt. Mr. Wilkins then reviewed the Water Smart management tool available on the website.

Public Input Mr. Coleman thanked the District Board for their work in the Arrowhead community.

UERWA

Update

Mr. Dreyer reviewed the minutes included in the packet highlighting the Avon Water Treatment facility upgrade, the Traer Creek tank update, Redistricting following census and the Water Authority's water rights appraisal.

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 January 29, 2020 as presented.

Accounts

Payable

Director Shafer and 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 accounts payable list as presented.

Action List

The Board reviewed the action list. General discussion was had on:

- Director Roe completed the Operations Plan for 2020 and Ms. Johnston will distribute to the Board for review and comment prior to the March meeting.
- Ms. Johnston gave an update on the May 5th election reporting that two self-nomination forms have been received and the deadline for submission is Friday February 28.
- Director Riggio reported that he will be meeting with Public Safety to finalize the cycling safety plan. The proposed final plan will be distributed to the Board prior to the March meeting for review and comment.

AVA Update Mr. Smith reviewed the following activity for Arrowhead at Vail Association noting that there was no meeting in January:

- Winter and summer Arrowhead maps for hiking and biking trails are still in development.
- The lighting study is progressing and it is anticipated that specifics on costs and products for the District will be ready soon.

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- There is rumor that the Tennessee Pass railway that runs through the valley may become active again. There was general discussion on impacts to the Arrowhead community.
- The Vail Recreation District is requesting that Arrowhead host a race in their running series in the summer.
- Mr. Hensel updated the District on the current reported short-term rental numbers that have fluctuated between 132 to 190 listings.

Transportation

Reports Mr. Hensel reviewed the Transportation report included in the Board packet noting the year over year ridership numbers. General discussion was had on AVA's communication efforts and corresponding increase in ridership as well as the timeline for the 2020-2021 season contract.

Parking Lot Paving

Project Mr. Hensel reviewed the background of the bid process for the Parking Lot Paving Project and the summary of bids included in the Board packet explaining that the District's engineering firm Alpine Engineering, was handling the process. General discussion ensued on possibly postponing the project until 2021 to combine it with the Upper Crest Road paving project and save on mobilization costs. Mr. Hensel explained that Alpine Engineering was concerned about an area in the parking lot that may jeopardize the pavement integrity if the paving was delayed resulting in the need for greater subgrade work that could cancel out any potential savings of combining the projects. Mr. Hensel reported that there was the potential to negotiating mobilization savings if the District chose United for the project however, there was no way to determine how much savings could be realized.

Discussion continued on contacting another engineering firm for a second opinion. The Board tasked Mr. Hensel with determining the cost to repair the area in the parking lot so the full paving could be delayed until 2021 as well as the savings if the Parking Lot and Upper Cresta Road paving projects were combined. The Board tabled further discussion and review of the bids until the March meeting.

Highway 6 Crossing

Director Shafer reviewed the Highway 6 Crossing committee meeting. Director Shafer reported that the committee determined that this is a safety issue with three basic concerns identified that needed to be addressed and that a roundabout was the best solution to address all identified concerns. Director Shafer then reviewed other entities that could potentially assist with the construction costs estimated to be \$1.3 to \$1.5 million for a round-about. General discussion ensued on what was

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best for the Arrowhead community for safety and fiduciary goals given the primary goal of safety for Arrowhead pedestrians and cyclists did not necessarily require solving future traffic problems on Highway 6. The Board suggested that the committee move forward with contacting possible cost partners such as Eagle County and Edwards Metropolitan District to determine potential funds available.

Financial

Statements Mr. Marchetti reviewed the financial statements included in the packet.

Sales Tax Implementation

Ms. Johnston reviewed the sales tax implementation plan noting that the draft Resolution was included in the packet. General discussion continued on which businesses would receive notification and how deliveries into the District would be monitored.

Resolution Setting Initial

Sales Tax Ms. Johnston introduced the draft Resolution Setting Initial Sales Tax included in the packet. General discussion on the Resolution ensued on the resolution, the sales tax rate, and the mention of tax on marijuana. Following discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolution Setting the Initial Sales Tax at 5%.

Future Meetings

The Board confirmed that the next regular meeting would be March 25, 2020, 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 26th day of February, 2020.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Special Meeting Of the Board of Directors Arrowhead Metropolitan District April 22, 2020

A special meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on April 22, 2020 at 3:30 p.m. via electronic Zoom meeting <https://us04web.zoom.us/j/662376387>, Phone Only US 1 253 215 8782, Meeting ID: 662 376 387, 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
- Tom Svoboda (via telephone)
- Vincent Riggio
- 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
- Randy Smith, President of Arrowhead at Vail Association
- George Coleman, Arrowhead Resident
- Geoff Dreyer, UERWA representative
- Paul Gorbald, Vail Resorts
- Mike Trueblood, Vail Resorts

Call To Order

The special meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on April 22, 2020, at 3:35 p.m. noting a quorum was present. No conflicts of interest were disclosed.

Consideration

Of Agenda Mr. Hensel requested that Transportation discussion be moved to the top of the agenda.

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 February 27, 2020 as presented.

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Accounts

Payable

Director Shafer and 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 accounts payable list as presented.

Transportation

Director Shafer introduced Mike Trueblood and Paul Gorbald, thanking them for all they and their staff did to get the mountain closed and keep Arrowhead safe in the wake of the COVID-19 crisis. Mr. Trueblood gave background on the mountain shutdown process and explained how Vail Resorts was going to address the disruption in transportation services and related billing. Mr. Trueblood reviewed the service hours that were scheduled per the Transportation Agreement and the actual hours that were provided. Mr. Trueblood explained that there was no direction in the Transportation Agreement for this type of situation however he is recommending that Vail Resorts provide a 60% credit to the scheduled March and April services. Ms. Johnston confirmed that the March invoices for service were not yet paid. Mr. Trueblood said that the original March invoices would be cancelled and new invoices including the credit would be distributed for March and April. General discussion continued on the formula used to arrive at the credit amount, what was being done for other Districts, and the service agreements for next season. Following discussion, Mr. Trueblood said Vail Resorts would send written confirmation to confirm the final agreement.

Action List

The Board reviewed the action list. General discussion was had on:

- Sales tax implementation was continuing as expected.
- There was one Board seat open after the election was cancelled.

UERWA Update

Ms. Johnston confirmed that the March 26 UERWA meeting minutes summary had been distributed via email to the AMD Board members. Mr. Dreyer reviewed the February and March minutes:

- The Traer Creek Tank would be rebuilt using a new design in the same location with construction expected to be completed in 2022.
- 87 acre feet of Eagle Park Reservoir water owned by Eagle County will be transferred to the UERWA for use for affordable housing developments that conserve water and for projects that promote healthy streams and rivers in the Eagle River basin.
- The Eagle Park Reservoir due diligence application for the remaining portions of conditional water rights was filed with no opposition received.

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- ERWSD and UERWA were focused on Covid-19 and developing crisis plans for continuing operations and water delivery if there was a significant outbreak of the virus. Mr. Dreyer reviewed procedures for delinquent accounts due to hardships related to COVID-19.

AVA Update Mr. Smith reviewed the following activity for Arrowhead at Vail Association:

- The AVA Budget relies on 36% of its revenue from real estate transfer assessments (RETA) which is significantly down for the first quarter with no indication of a rebound until possibly the third quarter. The Finance Committee is looking into cuts and ways to minimize expenses to offset the loss in revenue.
- Reviewed security within Arrowhead.
- Discussion on Vail Recreation District collaborations for the summer.
- The lighting study was progressing however there would be no spending in 2020 and the project will carry over into 2021. The Committee is working on narrowing down the options and materials.

A general discussion on the Season's (Sawatch Drive) lighting issue was had given the delay in the AVA lighting study. Mr. Hensel said there would be a plan for the area within a couple months and that is should be added back to the action log.

Transportation

Reports

Mr. Hensel reviewed the Transportation report included in the Board packet noting the year over year ridership numbers indicating that the night service was successful. The Vail bus numbers were also up over the previous season however it could have been due to owners inviting guests from outside Arrowhead. General discussion continued on the bus service, how it should be run, and potential service changes for next season.

Operations

Report

Mr. Hensel reported for the Board:

- Alpine Engineering would be inspecting the roads for damage and the report would be ready for the May meeting.
- The Parking Lot Paving project is on schedule with paving to be done 5/7 and 5/8, weather permitting. The District requested that United provide a comprehensive COVID-19 compliance plan before starting the project.
- Gate Security was addressing bikers and skiers skinning up the mountain. Gate house staff is no longer accepting any packages or drop offs, and Security is 50% staffed so fewer patrols are being done.

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- One Arrowhead team employee was confirmed positive for COVID-19. The employee is currently in quarantine and no other team members are showing symptoms.
- Street cleanup and landscaping is starting up with a modified work schedule to ensure proper distancing and compliance with current safety guidelines.

General discussion continued on the need for a doggie waste station on Highway 6 between North and South Arrowhead. The Board asked Mr. Hensel to check with Eagle County Trails and report back on options.

Operations Plan

for 2020

Director Roe reviewed the background on the Operations Plan. Director Roe reported that the Plan is complete for 2020 but can be easily adjusted if changes are needed. The Board asked Management to upload the Plan to the website.

Highway 6 Crossing

Director Shafer reviewed the Highway 6 pedestrian access background and the March 9 committee meeting noting the following:

- Eagle County likes the roundabout option and a tunnel could present challenges as the existing gas line would need to be relocated.
- Eagle County would be supportive and wants to keep the process moving forward.
- Funding should not be expected from CDOT, Eagle County may contribute after a plan review, and Edwards Metro District wants more evidence that the roundabout would be a full community benefit.

Mr. Marchetti reviewed the Edwards Metropolitan District meeting presentation and concurred that the reaction was not as positive as that from Eagle County. The Edwards Metro District is interested in knowing how a crossing would benefit the entire Edwards Community and suggested that representatives from Eagle County and the District attend the next Edwards Metro District meeting to provide more information and support for the plan. General discussion continued on fine tuning the cost and funding allocation. The Board requested that the working group continue moving forward.

Bike Safety

Mr. Howard reviewed the background on the bike safety issue in the community especially on Cresta Road. The Safety group met and provided guidelines that included funneling outside recreationists to the main gate for access to Arrowhead and an education program. Mr. Howard reviewed the material included in the packet on education and also the pedestrian gate proposal that was distributed via email prior to the meeting. Mr. Howard then reviewed Cresta Road specific

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suggestions explaining that District counsel is being consulted. General discussion followed, including a suggestion to place mirrors at all curves on Cresta Road to increase views. The Board requested the committee continue moving forward with input from Randy Smith as AVA's representative and preparation of a full budget for the plan. The Board also requested that District Counsel review at the Cresta Road Agreement to determine right to access Cresta Road.

Financial Statements

Mr. Marchetti reviewed the financial statements included in the packet. Mr. Marchetti reported that the 2020 forecast for sales tax revenue was updated with potential impacts from COVID-19 since short term rentals were expected to be significantly impacted. The transportation lines would be updated once the credits are received from Vail Resorts. Mr. Marchetti then reviewed the potential impacts to property taxes included in the packet. Mr. Marchetti explained that home valuations are based on comparative sales and home sales prices during the period for gathering comparable sales are expected to remain consistent with recent trends. [Subsequent to the meeting Colorado Division of Property Taxation announced that their current projections are that the residential assessment rate will drop by 18% resulting in a corresponding reduction in the overall assessed value for property taxes to be collected in 2022]. Mr. Marchetti also reported that if home values decline that decline will impact the District's 2024 and subsequent budgets.

Draft 2019 Audit

Mr. Marchetti and Ms. Johnston reviewed the draft audit included in the board packet. The Board requested that the audit committee, which would consist of Directors Shafer and Riggio, meet with Dan Cudahy with McMahan and Associates to review the audit in detail and report back to the Board in May.

Sales Tax Implementation

Ms. Johnston reviewed the sales tax implementation plan and progress to date. The Board reviewed the draft letters and communications included in the packet and requested that Ms. Johnston send out the initial notices to identified businesses, short term rentals, and all owners. Discussion turned to the Host Compliance sales tax monitoring module. Mr. Hensel and Ms. Johnston explained that the District would piggy-back the sales tax module on the AVA's current database and that the AVA's term would renew at the end of June. Following discussion, Mr. Smith gave permission for the District to move forward with the piggyback and would provide the list of identified rentals for sales tax

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notice purposes. The Board requested that Management move forward with implementation of the new module with the AVA's renewal

**Future
Meetings**

The Board confirmed that the next regular meeting would be May 27, 2020, 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 special meeting of the Arrowhead Metropolitan District Board of Directors this 22nd day of April, 2020.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Arrowhead Metropolitan District May 27, 2020

A regular meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held on May 27, 2020 at 3:30 p.m. via electronic Zoom meeting <https://us04web.zoom.us/j/662376387>, Phone Only US 1 253 215 8782, Meeting ID: 662 376 387, 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

The following Director was absent:

- Vincent Riggio

Also in attendance were:

- Jerry Hensel, Director of Resort Operations, Vail Resorts
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary
- Randy Smith, President of Arrowhead at Vail Association
- Geoff Dreyer, UERWA representative
- Tom Svoboda, Arrowhead owner and resident, appointed to the Board during meeting
- George Coleman, Arrowhead owner and resident

Call To Order

The regular meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on May 27, 2020, 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, and by motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the special meeting on April 22, 2020 with one change as submitted by Mr. Dreyer.

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Accounts

Payable

Director Shafer and Ms. Johnston reviewed the Accounts Payable list included in the packet noting that the June 1 bond interest payments were included. General discussion was had on the Vail Resorts transportation invoices submitted for March and April. Following discussion and by motion duly made and seconded, it was unanimously

RESOLVED to approve the accounts payable list as presented.

Host Compliance

Agreement

Ms. Johnston review the draft Agreement to Pay letter included in the packet explaining that the letter was based on terms discussed by Director Shafer and Mr. Smith. Mr. Hensel noted that the final amounts for the modules were slightly different and the renewal was in process of being finalized. The Board requested that Ms. Johnston update the amounts and send the letter for signature. Following discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Agreement to Pay Host Compliance Fees letter between the District and Arrowhead at Vail Association, subject to the final amounts of the renewal.

Transportation

Proposal

Director Shafer reviewed the Proposed Amendment to the Transportation Agreement for suspended service in March and April. Director Shafer conveyed that he had completed a thorough audit of service hours which resulted in additional credit to the District. The Board inquired on the adjustment for the December hours and Mr. Hensel confirmed that credit for December would be applied to summer transportation service hours, if any, or next season's agreement. General discussion continued on summer event status and potential reductions in summer service due to cancelled events due to the pandemic.

Action List

The Board reviewed the action list. General discussion was had on:

- Ms. Guerriero would be invited to attend June meeting.
- Mr. Hensel reported that light posts being considered by the Lighting Committee would be installed along the Seasons on Sawatch Drive over the next couple months.
- Mr. Hensel reported that Eagle County was ok with Arrowhead installing doggie waste stations along the recreation path. Mr. Smith said that AVA would install and maintain two stations and the District agreed to split the cost.

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- Cresta Road Agreement was tabled until such a time as Director Riggio can participate in the discussion.

UERWA Update

Mr. Dreyer reviewed the April minutes:

- The late fee waiver and other assistance put in place in response to COVID-19 was extended.
- Operations were centered around pandemic response including preparing backup and processes for essential personnel.
- Avon Waste Water Treatment Facility project is using a Construction Manager at Risk (CMAR).
- Glenn Porzak is making sure that water rights for the Authority are being preserved in the Pando Feeder and Eagle Park Reservoir cases.

UERWA Board

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

RESOLVED to appoint Geoff Dreyer as Designated Representative on the Upper Eagle Regional Water Authority Board through May 2022.

AVA Update Mr. Smith reviewed the following activity for Arrowhead at Vail Association:

- A letter on the financial and summer effects from COVID-19 was being sent to owners with operation and health guidance for the community.
- Newly adopted vision and mission statements and a new brand manual are available on the website.
- Real estate activity is starting to come back, including in Arrowhead.

Operations Report

Mr. Hensel reported to the Board:

- The Parking Lot Paving project is complete and came in on time and under budget. The paving is expected to last 15 years. Positive feedback has been received from the community and CCR.
- Alpine Engineering inspected the roads and identified 9 sections needing attention. Some changes were made to the 10-year capital plan, including Riverdance Road being moved up from 2023 to 2022. General discussion was had on the suggested repairs and available budget. The Board requested Mr. Hensel have all of the suggested repairs completed during the summer.

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- The Riverdance pond circulation pump needs repaired. A backup pump needs to be ordered at an estimated cost of \$10,000. The last pump was replaced in 2013. The Board asked Mr. Hensel to move forward with the pump replacement.
- Spring cinder cleanup was in progress. AVA was starting summer painting including updating the colors from green to black.
- Traffic through the front gate for April was 50% of last year. Public Safety still has limited staff.
- Vail Resorts is slowly bringing employees back and following all health directives for employees. Restaurants were expected to open June 26 and the lifts would open beginning of July coinciding with the move to Eagle County's black diamond status.

Highway 6 Crossing

Director Shafer reviewed the potential roundabout on Highway 6 at the main entrance to Arrowhead to enhance pedestrian and vehicular safety, ingress and egress and the request for Edwards Metro District to participate in funding this roundabout. Director Shafer reported that an Edwards Metropolitan District Board member sent an email to some Arrowhead residents indicating that she is not supportive of Edwards Metro participating in funding this roundabout. This item was pulled from the Edwards Metro meeting agenda while additional information is being gathered. The Board requested that Director Shafer and Mr. Hensel move forward with planning for the project.

Bike Safety

General discussion commenced on the direction the bike safety plan was taking and if the District was responsible for addressing the issue. It was agreed that AVA was responsible for public safety and gate security in Arrowhead so they should be responsible for developing the safety plan. Mr. Smith reported that AVA has a working group developing Rules and Regulations for Arrowhead and the Mountain trails which will be shared with the District once they are more complete. The Board decided to table this matter pending receipt of further information from AVA.

Financial Statements

Mr. Marchetti reviewed the financial statements included in the packet. There was a general discussion on projected sales tax revenue and Mr. Marchetti reviewed the Long-Range Plan included in the packet recapping that the sales tax revenue would offset the mill levy decrease as well as anticipated reductions to the Residential Assessment Rate.

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Draft 2019

Audit

Mr. Marchetti reviewed the draft audit included in the board packet. Directors Shafer and Riggio met with Mr. Cudahy from McMahan and Associates who reported that the District is well run, received a clean audit opinion and there were no issues found. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2019 Audited Financial Statements as presented.

Sales Tax

Implementation

Ms. Johnston reviewed the sales tax implementation plan and stated that first notices had been sent. Ms. Johnston also reported that with Mr. Hensel's assistance notices were being delivered by Gate Security to any business coming into Arrowhead and by AVA Design Review upon approval of any projects. The Board requested that second notice mailings be sent to identified short term rentals and businesses. The Board also requested that specific businesses outside of Arrowhead receive notice of the sales tax.

Board

Director Shafer nominated Mr. Thomas Svoboda to continue his service and fill the vacant Board seat with term expiring May 2023 following the May 5, 2020 election. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to appoint Thomas Svoboda to the Arrowhead Board of Directors until the next election in May 2022.

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

RESOLVED to elect the following officers:

| | |
|----------------|-------------------------------|
| Robert Shafer | President/Chairman |
| Thomas Svoboda | Secretary |
| William Roe | Treasurer |
| Vincent Riggio | Asst Secretary/Asst Treasurer |
| Thomas Howard | Asst Secretary/Asst Treasurer |

Future

Meetings

The Board confirmed that the next regular meeting would be June 24, 2020, starting at 3:30 p.m.

RECORD OF PROCEEDINGS

Arrowhead Metropolitan District Board of Directors May 27, 2020 Meeting Minutes

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 May, 2020.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Meeting Of the Board of Directors Arrowhead Metropolitan District June 24, 2020

A meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held at the regular date and time on June 24, 2020 at 3:30 p.m. via electronic Zoom meeting <https://us02web.zoom.us/j/89823410695>, Phone Only US 1 253 215 8782, Meeting ID: 898 2341 0695, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Bob Shafer
- Tom Svoboda
- Bill Roe
- Thomas Howard
- Vincent Riggio

Also in attendance were:

- Jerry Hensel, Director of Resort Operations, Vail Resorts
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary
- Randy Smith, President of Arrowhead at Vail Association
- George Coleman, Arrowhead owner and resident
- Nadia Guerriero, COO, Beaver Creek Resort
- Mike Trueblood, Director of Mountain Operations, Vail Resorts

Call To Order

The meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on June 24, 2020, at 3:32 p.m. noting a quorum was present. No conflicts of interest were disclosed.

Consideration

Of Agenda Consideration of an Encroachment Agreement was added to the agenda.

Public Input

Director Shafer welcomed the attending public and gave an overview of the District and its functions. Director Shafer introduced the Board and Ms. Guerriero. Ms. Guerriero told the Board of her background and experience prior to being named Chief Operating Officer for Beaver Creek. Ms. Guerriero reviewed her plan for the Resort for the coming season noting their focus on Covid-19, changes to the Village, and changes to operations in response to the Coronavirus pandemic. She also reviewed the services and operations anticipated in Arrowhead. There was discussion on winter operations, lack of communication addressing the Signature Club and the plan for the Club, and how

RECORD OF PROCEEDINGS

Arrowhead Metropolitan District Board of Directors June 24, 2020 Meeting Minutes

Vail Resorts was addressing the challenges the Resort was experiencing prior to Covid-19 including staffing, food and beverage operations and other services. Mr. Coleman urged the Resort and Arrowhead to provide factual communications with a positive focus on operations plans while acknowledging the challenges. Following discussion, the Board thanked Ms. Guerriero for her time and for attending the meeting.

Mr. Trueblood updated the Board on Village Transportation, reporting that limited service would start June 26 with 50% capacity, masks required and other protocols for cleaning and spacing. Mr. Trueblood told the Board that they were already working on the winter transportation agreement and the Arrowhead Agreement would be updated by the end of the summer.

Minutes The Board reviewed the minutes included in the Board packet. Director Riggio questioned the attendance list and Ms. Johnston agreed to review prior to posting the final minutes. By motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the meeting on May 27 2020.

**Parking Lot
Paving Final
Payment**

Director Shafer reviewed the parking lot paving project final payment request included in the packet. Mr. Hensel reported that Alpine Engineering did not have any punch list items and recommended release of the final payment.

**Accounts
Payable**

Director Shafer and Ms. Johnston reviewed the Accounts Payable list included in the packet noting that the final payment for the parking lot paving project was included on the list. Following discussion and by motion duly made and seconded, it was unanimously

RESOLVED to approve the accounts payable list as presented.

Ms. Johnston reviewed the online invoice approval process and the current designated approvers. General discussion was had on which officers should be responsible for approving the invoices. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to appoint the President and Treasurer for approval of invoices and signing payments as required.

RECORD OF PROCEEDINGS

Arrowhead Metropolitan District Board of Directors June 24, 2020 Meeting Minutes

The Board requested that Ms. Johnston update the approvers of the online bill payment system, if needed, and also update signature cards for the District bank accounts as needed.

- Action List** The Board reviewed the action list:
- Mr. Hensel reported that light posts were being ordered for installation along the Seasons on Sawatch Drive over the next couple months.
 - The Cycling Safety is being spearheaded by AVA with District input.
 - Director Howard was added to Future Meeting Item 8 to review the Transportation service agreement.
 - Directors Riggio and Roe volunteered for Budget committee for Future Meeting Item 9.

UERWA Update

The Board reviewed the minutes included in the packet and Director Shafer reported that Mr. Dreyer could address any questions on the next meeting.

AVA Update Mr. Smith reviewed the following activity for Arrowhead at Vail Association:

- Ten properties are under contract so the real estate outlook is improving but still behind budget.
- The lighting study pricing is being reviewed.
- Summer maintenance is in process and the signage is being converted to the new black with gold accents.
- Proposals to update the landscaping were submitted by Ceres but the work would most likely be done in 2021 due to budget constraints.

There was general discussion on the budget and forecast for the remainder of the year.

Cresta Road

Safety Issues Director Shafer reviewed the background of the safety issues on Cresta Road. Ms. Johnston confirmed that the Bicyclist Code and Resolution were distributed to all meeting participants via email prior to the meeting. Mr. Smith reviewed the AVA Resolution Cyclist and Pedestrian Rules and Regulations that is being considered by the AVA Board and reported that the Resolution would be distributed to all homeowners for a 30-day comment period. The Resolution is anticipated to be adopted at the August meeting. General discussion was had on treating all cyclists, road and mountain, equally, having trails be designated one way or alternate day, who should be allowed to access Cresta Road and if further restrictions are needed. It was noted that many Cresta Road residents are in favor of restrictions to non-residents for safety reasons. Director Shafer reviewed the

RECORD OF PROCEEDINGS

Arrowhead Metropolitan District Board of Directors June 24, 2020 Meeting Minutes

letter included in the packet and requested that it be updated, sent for signatures, and sent to Ms. Guerriero.

Operations Report

Mr. Hensel reported:

- Reviewed the updated road plan and repairs for the summer and that two bids ranging from \$46,000 to \$55,000 had been received, which were higher than the initial estimate. The Board authorized an additional \$10,000 for a total not to exceed amount of \$46,000 for the repairs.
- Cresta Road was restriped and the markings refreshed, with double yellow lines striped on all the curves.
- The signage around Arrowhead was being updated to black with gold accents.

Mr. Hensel presented the Encroachment Agreement for 171 River Dance Road that come in after the Board packet was sent out. Ms. Johnston confirmed that the Agreement had been distributed via email to participants prior to the meeting. Mr. Hensel reviewed the area and project stating that it would extend the patio onto District property by the ponds but the rock wall would not be impacted or moved. Mr. Hensel recommended approval of the Agreement and, following discussion and by motion duly made and seconded, it was unanimously

RESOLVED to approve the Encroachment Agreement for 171 River Dance Road as presented.

Highway 6 Crossing

Director Shafer updated the Board on the potential Highway 6 roundabout reporting that not much had happened in June. The committee will move forward with discussions with the Edwards Metropolitan District (EMD) directors as planned and report at the next meeting. The Board requested that Mr. Hensel obtain updated pricing on the roundabout for presentation to EMD. Director Riggio suggested pricing for a single lane and double lane roundabout and the Board authorized up to \$5,000 to obtain the updated pricing.

Mr. Marchetti reported on a potentially related issue regarding June Creek Elementary School being converted to an early childhood learning center and the related traffic impacts on Miller Ranch Road. EMD is concerned about increased traffic on Miller Ranch Road and Highway 6 and has commissioned a traffic study for the area.

RECORD OF PROCEEDINGS

Arrowhead Metropolitan District Board of Directors June 24, 2020 Meeting Minutes

Financial

Statements

Mr. Marchetti reviewed the financial statements included in the packet. It was noted that the forecasted roads maintenance overages would be offset by the Parking lot paving project savings and that all other items are tracking as expected. There was general discussion on sales tax, other forecasted items and refunding options for the 2011 bonds.

Sales Tax

Implementation

Ms. Johnston reviewed the sales tax implementation plan reporting that all notices had been sent and inquiries were being addressed as they came in.

Future

Meetings

The Board confirmed that the next meeting would be July 22, 2020, starting at 3:30 p.m., again anticipated to be held on the Zoom online platform.

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

RESOLVED to adjourn the meeting of the Arrowhead Metropolitan District Board of Directors this 24th day of June, 2020.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Meeting Of the Board of Directors Arrowhead Metropolitan District July 22, 2020

A meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held at the regular date and time on July 22, 2020 at 3:30 p.m. via electronic Zoom meeting <https://us02web.zoom.us/j/86813113569>, Phone Only US 1 253 215 8782, Meeting ID: 868 1311 3569, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Bob Shafer
- Tom Svoboda
- Bill Roe
- Thomas Howard
- Vincent Riggio

Also in attendance were:

- Jerry Hensel, Director of Resort Operations, Vail Resorts
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary
- Randy Smith, President of Arrowhead at Vail Association
- George Coleman, Arrowhead owner and resident

**Call To
Order**

The meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on July 22, 2020, 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 by motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the meeting on June 24, 2020 as presented.

**Accounts
Payable**

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

RESOLVED to approve the accounts payable list as presented.

RECORD OF PROCEEDINGS

Arrowhead Metropolitan District Board of Directors July 22, 2020 Meeting Minutes

Encroachment

Agreement Mr. Hensel reviewed the proposed project at 331 Aspen Ridge Lane and recommended approval of the Agreement as no utilities were currently in the encroached area designated by the Agreement. Following discussion and by motion duly made and seconded, it was unanimously

RESOLVED to approve the Encroachment Agreement for 331 Aspen Ridge Lane as presented.

AVA Update Mr. Smith reviewed the following activity for Arrowhead at Vail Association:

- The July AVA meeting would be held next week.
- The Proposed Rules and Regulations for bicycle traffic in Arrowhead were sent out to owners and comments were expected to be reviewed at the August AVA meeting. Comments received so far included pedestrians should be directed to walk against traffic at all times, increase privacy with further restrictions on general public, and not to implement the Rules at all.
- Real Estate transactions continued to improve with several transactions closed or under contract.

Operations Report

Director Shafer commented that the new sidewalk looked great. Mr. Hensel reported:

- The road repairs were expected to be completed by the end of this week.
- The speed bump in the exit lane of Arrowhead Drive was completed and seems to be effective.
- Striping and refreshing of the crosswalks and golf crossings would be completed next week.
- The battery on the old speed sign cannot be replaced so the sign no longer works. The Board authorized the purchase of a new sign for a price not to exceed \$1200 to replace the old sign.

Mr. Hensel outlined a situation in the Riverdance subdivision explaining that two properties that would access the open space and public ponds via a neighboring property were now being denied that access by the new owner of the property. Mr. Hensel requested permission from the Board to work with Mr. Collins to research access options for the effected properties and develop a suitable solution for all parties. The Board agreed to Mr. Hensel engaging Mr. Collins for a resolution.

RECORD OF PROCEEDINGS

Arrowhead Metropolitan District Board of Directors July 22, 2020 Meeting Minutes

Highway 6 Crossing

Director Shafer and Mr. Hensel updated the Board on the meeting with the CDOT representatives and that they were in favor of proceeding with the construction of a roundabout on Highway 6 at the Arrowhead main entrance however they would not be able to assist financially with the project. CDOT representatives said that more traffic studies would need to be completed to determine if a single or double lane roundabout should be constructed. General discussion on the project continued and the Board agreed to move forward with discussions with Edwards Metropolitan District. Mr. Marchetti informed the Board that the Edwards Metropolitan District was also getting proposals for traffic studies for the Miller Ranch Road and Highway 6 intersection. Further discussion was had on the role AVA should play in the roundabout and other potential funding sources.

Financial Statements

Mr. Marchetti reviewed the financial statements included in the packet noting that things were tracking as expected and most variances so far were favorable. General discussion was had on the sales tax and short-term rental bookings for the summer. Mr. Hensel said that many units that normally short-term rent were currently owner occupied but it was expected that more units would be put up for rent soon.

Action List

The Board reviewed the action list noting that most projects were completed or a couple months out from completion

Future Meetings

The Board discussed cancelling the next meeting currently scheduled for August 26, 2020, starting at 3:30 p.m., to be held on the Zoom online platform. Director Shafer agreed to review the agenda and cancel the meeting if business could be postponed to September.

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

RESOLVED to adjourn the meeting of the Arrowhead Metropolitan District Board of Directors this 22nd day of July, 2020.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Meeting Of the Board of Directors Arrowhead Metropolitan District September 23, 2020

A meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held at the regular date and time on September 23, 2020 at 3:30 p.m. via electronic Zoom meeting <https://us02web.zoom.us/j/84998665522>, Phone Only US 1 253 215 8782, Meeting ID: 849 9866 5522, 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
- Vincent Riggio

Also in attendance were:

- Jerry Hensel, Director of Resort Operations, Vail Resorts
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary
- Randy Smith, President of Arrowhead at Vail Association
- Geoff Dreyer, Representative for UERWA
- Kari McDowell, McDowell Engineering

Call To Order

The meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on September 23, 2020, at 3:30 p.m. noting a quorum was present. No conflicts of interest were disclosed.

Consideration

Of Agenda Director Shafer requested that Director Howard make a presentation on the transportation status during the meeting.

Board

Director Shafer reported that Director Svoboda moved from the District and was no longer eligible to serve on the Board. The seat will remain open until the Board can appoint a replacement.

Kari McDowell, Roundabout Project Update

Director Shafer introduced Ms. McDowell and gave background on the roundabout project. Ms. McDowell gave a recap and timeline of the project so far and reviewed the next steps including a traffic study and access permit application from Colorado Department of Transportation. The traffic study, which is currently underway and would be completed next week, is indicating that a single lane roundabout would be sufficient to accommodate traffic for the next 20+

RECORD OF PROCEEDINGS

Arrowhead Metropolitan District Board of Directors September 23, 2020 Meeting Minutes

years. Director Shafer reviewed the project cost projections for the Design Phase which is anticipated to be about \$135,000 with \$40,000 in 2020 and the remainder to be spent in 2021. Once the design phase is completed, construction cost for the roundabout could be more accurately determined. General discussion continued on project scope, costs, funding options and District commitment to the project.

Mr. Smith reported that Ms. McDowell issued a report for AVA on the Cresta Road safety and movement challenges and possible solutions. Mr. Smith gave a recap of the report reviewing the different solutions recommended by Ms. McDowell including pedestrians should always use uphill, bikes should ride with traffic, different street symbol markings, and edge striping on Cresta Road. Ms. McDowell elaborated on the striping and symbols recommendations and general discussion continued on the proposed recommendations and challenges with implementation.

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 meeting of July 22, 2020 as presented.

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

RESOLVED to approve the accounts payable list as presented.

Action List The Board reviewed the action list in the packet:

- The light pole for the Sawatch Drive request should be installed by 10/15.
- The Golf Cart Crossing signs are installed
- The speed sign is more expensive than originally quoted, more discussion during the Operations report.
- Director Howard is actively working on the transportation agreements and will have more information at the October meeting. Vail Resorts is still in discussions with Beaver Creek Metro District and their transportation agreement will serve as the basis for the Arrowhead agreement. Director Howard said they are anticipating issues with the bus service especially during peak periods and other options need to be explored.

UERWA Mr. Dreyer updated the Board on the following items

- A Bond Parameters Resolution was approved to issue \$30 million in new bonds to be used for capital projects and refunding some of the 2010 Bonds.

RECORD OF PROCEEDINGS

Arrowhead Metropolitan District Board of Directors September 23, 2020 Meeting Minutes

Water rates will be increased. General Discussion continued on the bonds and their use.

- The District was extending late fees waivers and there was general discussion of the effect on the District.
- Backflow testing was in process and as many devices were being tested as possible.
- Updates on CIP Projects including the Avon wastewater treatment plant and Edwards Spur Road Project pipeline replacement.

AVA Update Mr. Smith reviewed the following activity for Arrowhead at Vail Association:

- The lighting project is on-going.
- The board approved a design project to renovate common area landscaping throughout the community, starting this fall.
- Vail Honeywagon is replacing the small recycle tubs with large blue single-stream recycle containers.
- Summer home sales have picked up with RETA forecasted to exceed budget if all properties currently under contract close by the end of the year.
- A Social Media project report was distributed prior to the meeting. The Social Media campaign is designed to change the perception of Arrowhead and familiarize outside people with the Arrowhead brand. AVA is planning to continue the program and encourages the District to continue its partnership and support. General discussion continued on the website versus the social media campaign and the benefit to the District for continued participation. .

Operations Report

Mr. Hensel reported:

- The cost of the new speed sign is \$3,500 not \$1,000 as originally reported. General discussion was had on the need for and benefits of the sign. Following discussion, the Board authorized the increased purchase price of a new sign and replacement battery for a price not to exceed \$3,500.
- Riverdance access – a path was created to avoid trespassing on private property. Since the ponds are on private property, Mr. Hensel is working with Jim Collins on potential liability issues.
- The Vail Resorts Operations Agreement is with VR legal for review.
- The transportation agreement should be done by this week.
- Comcast is installing fiber in the utility right of way and reviewed the map included in the Board packet. General discussion was had on the construction method and clean up after the project completion.
- Verizon did not build the cell tower and there has been minimal communication from the Verizon contacts.
- The road repairs, speed bump, and crack sealing have been completed.

RECORD OF PROCEEDINGS

Arrowhead Metropolitan District Board of Directors September 23, 2020 Meeting Minutes

Financial

Statements

Mr. Marchetti reviewed the financial statements included in the packet. He reported that the State was delayed in getting the Sales Tax reports for July to the District and that the forecast for sales tax was increased slightly based on activity seen in other Districts. There was general discussion on the sales tax reporting timeline, projections for 2020 and 2021, CCR construction impact, and enforcement and outreach for sales tax compliance.

2021 Budget

Mr. Marchetti stated the meeting had been published as the public hearing to adopt the 2021 Budget. Director Roe updated the Board on the 2021 budget meeting and reviewed the budget, service contract estimates, and the projections if the mill levy stayed the same versus was lowered. Director Shafer noted that the recommended marking and striping on Cresta Rd should be included in the budget. General discussion was had on the mill levy rate for 2021 given the uncertainty with the sales tax and Covid-19. Following discussion, the 2021 Budget hearing for Arrowhead Metropolitan District was continued to the next regular meeting.

Gallagher

Repeal

Mr. Marchetti presented the Resolution Supporting Repeal of the Gallagher Amendment included in the packet explaining it related to Amendment B on the November 3 ballot. He explained that if the Amendment does not pass, the Residential Assessment Rate (RAR) would drop and if it passed, the RAR was expected to stay frozen at its current rate of 7.15. General discussion was had on the Amendment and its potential effect on the District. Following discussion, the Board agreed to table the issue indefinitely.

Future

Meetings

The Board confirmed the next meeting for October 28, 2020, starting at 3:30 p.m., to be held via Zoom.

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

RESOLVED to adjourn the meeting of the Arrowhead Metropolitan District Board of Directors this 23rd day of September, 2020.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Meeting Of the Board of Directors Arrowhead Metropolitan District October 28, 2020

A meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held at the regular date and time on October 28, 2020 at 3:30 p.m. via electronic Zoom meeting <https://us02web.zoom.us/j/84901832557>, Phone Only US 1 253 215 8782, Meeting ID: 849 0183 2557, 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
- Vincent Riggio

Also in attendance were:

- Jerry Hensel, Director of Resort Operations, Vail Resorts
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary
- Randy Smith, President of Arrowhead at Vail Association
- George Coleman, owner
- Paul Gorbald, Director of Transportation, Vail Resorts

Call To Order

The meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on October 28, 2020, at 3:35 p.m. noting a quorum was present. No conflicts of interest were disclosed.

Consideration

Of Agenda Director Shafer requested that the Transportation discussion be moved to later in the meeting after Paul Gorbald joined.

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 meeting of September 23, 2020 as presented.

Accounts Payable

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

RECORD OF PROCEEDINGS

Arrowhead Metropolitan District Board of Directors October 28, 2020 Meeting Minutes

RESOLVED to approve the accounts payable list as presented.

- Action List** The Board reviewed the action list in the packet:
- The speed sign has been ordered.
 - The Management Agreement is still in review at Vail Resorts legal.

UERWA The Board reviewed the minutes included in the packet.

- AVA Update** Mr. Smith reviewed the following activity for Arrowhead at Vail Association:
- Test lighting, including light poles and fixtures, will be installed next week in various locations of the community. AVA is requesting feedback from the District Board as well as other owners and residents.
 - The website is being revamped. AVA will let the District know the cost for their page which is expected to be minimal.
 - The 2021 budget has been sent to the Membership.
 - The Policies and Procedures on Cresta Road Safety have been finalized. Suggested striping and markings will be done after the Cresta road paving project is completed in 2021.
 - The Annual meeting will be held on December 22, 2020 via Zoom starting at 4:00 pm. The Board is recommending Tim Muffley and George Coleman to join the Board.

Lighting Project

Director Roe reported that AVA was moving forward with the lighting project in 2021 and that the District should plan to follow suit. Mr. Hensel and Mr. Smith reviewed the changing of the fixtures and surrounding elements. They explained that they were planning to consolidate purchasing and installation to maximize bulk discounts. Director Roe and Mr. Hensel reviewed the estimated budget for the District's portion of the project and that it had been added to the 2021 preliminary budget. Discussion continued on whether the District should proceed with the project in 2021, the projected discount on materials by changing suppliers, and benefit of bulk purchasing. Following discussion, the Board decided to leave the estimated funds in the 2021 budget and reevaluate moving forward with the project in early 2021.

Operations Report

- Mr. Hensel reported:
- A new path was created to provide owners with access to the River Dance ponds. There was still a question on liability and Mr. Collins, the District's attorney, was researching to clarify responsibility.
 - The October snowstorm required one driver to be called out to clear the roads. They are actively searching to fill two positions and all equipment is ready for the season.

RECORD OF PROCEEDINGS

Arrowhead Metropolitan District Board of Directors October 28, 2020 Meeting Minutes

- Matt Wadey with Alpine Engineering is working with the Water District to determine if there is a leak that caused the sinkhole by Riverbend Gate.

Transportation

Agreements Director Howard introduced Paul Gorbald and gave background and a report on the meetings between the District and Vail Resorts regarding winter bus service in Arrowhead. The final agreements were still under negotiation since they are going to be based on the Beaver Creek Metropolitan District agreement. If the agreements were not ready by mid-November, a temporary service letter would be used until the final Agreement was ready. Director Howard and Mr. Gorbald then reviewed the changes to service due to COVID including running the buses at 50% capacity, extra cleaning and sanitizing procedures, and potential shortage of available drivers especially during peak time. They explained the fixed and variable rate structure currently being considered for the new Agreements. They also reviewed how the changes were anticipated to affect service and the proposed adaptations to alleviate service issues including running east-west loops, consolidating service, designating specific bus stops for pick ups, and encouraging alternate means of going to and returning from Beaver Creek. Discussion continued on the need for effective and frequent communication to the Community and Public on the transportation challenges and alternatives available. Further discussion was had on staffing, returning staff versus new hires, and current health mandates.

Roundabout

Update Director Shafer reported that McDowell Engineering had completed the traffic study and would be sending it and the permit request to CDoT. There is expected to be more information by the November meeting.

Financial Statements &

Sales Tax Mr. Marchetti reviewed the financial statements included in the packet. Mr. Marchetti reviewed the sales tax received for July and August. General discussion continued on sales tax collection, projections for the winter considering Vista's closure and how to identify short term rentals. Further discussion was had on the Country Club of the Rockies construction project and the Board requested that Management contact the general contractor at RA Nelson to verify appropriate sales tax is being remitted on project materials.

2021 Budget Mr. Marchetti stated the public hearing to adopt the 2021 Budget had been continued from the September 23, 2020 meeting, and opened the meeting for public comment and discussion. Mr. Marchetti reviewed the preliminary budget included in the packet including the projected sales tax and property tax. General discussion continued on the projected fund balance and a suitable reserve, lowering the mill levy and postponing some capital projects if revenues drop.

RECORD OF PROCEEDINGS

Arrowhead Metropolitan District Board of Directors October 28, 2020 Meeting Minutes

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 2021 Budget as presented with minor adjustments that may occur; and

FURTHER RESOLVED to approve the Resolution to set the Mill Levy at 17.00 with 10.074 mills for operations and 6.926 mills for debt service; and

FURTHER RESOLVED to approve the Resolution to Appropriate Sums of Money for spending in 2021 subject to minor revisions as necessary.

2020 Audit Engagement Letter

Mr. Marchetti reviewed the engagement letter from McMahan and Associates included in the packet noting that there was a minimal increase in the fee. Following discussion and by motion duly made and seconded, it was unanimously

RESOLVED to engage McMahan and Associates to perform the 2020 Audit.

Future Meetings

The Board confirmed the next meeting for November 18, 2020, starting at 3:30 p.m., to be held via Zoom.

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

RESOLVED to adjourn the meeting of the Arrowhead Metropolitan District Board of Directors this 28th day of October, 2020.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting

RECORD OF PROCEEDINGS

Minutes of the Meeting Of the Board of Directors Arrowhead Metropolitan District November 18, 2020

A meeting of the Board of Directors of the Arrowhead Metropolitan District, Eagle County, Colorado, was held at the regular date and time on November 18, 2020 at 3:30 p.m. via electronic Zoom meeting <https://zoom.us/>, Phone Only US 1 253 215 8782, Meeting ID: 849 1578 7807, 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
- Vincent Riggio

Also in attendance were:

- Jerry Hensel, Director of Resort Operations, Vail Resorts
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Marchetti & Weaver, LLC, recording secretary
- Randy Smith, President of Arrowhead at Vail Association
- Geoff Dreyer, UERWA representative
- George Coleman, owner
- Paul Gorbald, Director of Transportation, Vail Resorts

**Call To
Order**

The meeting of the Board of Directors of Arrowhead Metropolitan District was called to order by Director Shafer on November 18, 2020, at 3:31 p.m. noting a quorum was present. No conflicts of interest were disclosed.

Consideration

Of Agenda Director Shafer requested that the Transportation discussion be moved to later in the meeting.

Public Input Mr. Coleman commended the Board on the recent communications to owners on winter transportation and urged the Board to fill the vacant seat so another member could assist with the workload.

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 meeting of October 28, 2020 as presented.

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Aqua Sierra

Agreement Mr. Hensel reviewed the agreement included in the packet noting that the increase was due to a compressor rebuild and addition of fish stocking. Discussion on the agreement continued on fish stocking and possibly splitting some costs with the Riverdance HOA. Following discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Aqua Sierra Agreement for 2021 less \$3230 for fish stocking.

Accounts

Payable Ms. Johnston confirmed that an updated Accounts Payable report was emailed out to all Board members prior to the meeting. Director Shafer reviewed the Accounts Payable list and payables procedure. Following discussion and by motion duly made and seconded, it was unanimously

RESOLVED to approve the updated accounts payable list.

Encroachment

Agreement Mr. Hensel presented the Encroachment License Agreement submitted for 57 McCoy Creek Drive explaining that the owner wanted to build an above ground deck within the Arrowhead maintenance easement area over the Riverdance recirculation pond and there were no foreseeable issues. Discussion continued on limitations of the agreement and potential obstacles to pond maintenance in the future. The Board requested that a list of approved encroachments be included with any new encroachment requests. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Encroachment License Agreement for 57 McCoy Creek Drive as presented.

Bachelor Springs

Parking Spaces

Mr. Dreyer gave background on the Bachelor Springs parking lot and spaces that were conveyed to the District for snow removal. Mr. Dreyer explained that about a year ago, new guest parking spaces were created when the previous spaces were removed for community improvements and that the new spaces needed to be conveyed to the District. Mr. Dreyer stressed that the spaces would not increase snow removal for Bachelor Springs and discussion continued with concerns on snow storage areas. Following discussion, the Board requested that Mr. Dreyer move forward with the next steps for conveyance.

Action List The Board reviewed the action list in the packet:

- Completed projects can be removed.

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- The Management Agreement is still in review at Vail Resorts legal.
- The Board offered several suggestions for following up on DRC projects to ensure sales tax is being collected on construction projects. Mr. Smith suggested requesting and reviewing DRC minutes for approved projects.
- Add paving of pathways on Arrowhead Drive between Aspen Ridge & Aspen Meadow to action list for next spring.
- There was general discussion on Public Safety issues and Mr. Smith reviewed his on-going communications with Public Safety management. The Board requested that Director Riggio be included in any future safety committee meetings.
- Director Roe is working on the 2021 Operations plan and requested a summary of capital projects.

Transportation Service

Director Shafer reviewed the communication sent to owners with the transportation service schedule, capacity limits and COVID protocols. Director Shafer reported that continued outreach and communications would be sent by AVA, the Alpine Club and other methods to ensure the community is informed.

Mr. Gorbald reviewed anticipated transportation service for Arrowhead. Transportation staffing was discussed with Mr. Gorbald indicating that call center volume was a concern so people would be directed to use the Village Connect app as much as possible and evening Beaver Creek service may not be available due to staffing constraints. There was discussion on the evening service and communications to rentals and guests.

Director Howard reported that the transportation agreement was anticipated to be done by early next week. Once it is sent to the District, he requested that Jim Collins review it then work with Director Howard to be sure it is acceptable to the District before sending to the rest of the Board for review.

UERWA

Mr. Dreyer reviewed the minutes included in the packet:

- The UERWA passed a Resolution of Support for Ballot Issue A.
- In person meetings were still on hold.
- The UERWA \$30 million Bond issue was completed.
- Environmental issues surrounding the 3rd lane to I-70 re being considered.

AVA Update

Mr. Smith reviewed the following activity for Arrowhead at Vail Association:

- AVA is sending a community survey next spring if the District would like to add any questions.
- Sixty-six transactions closed through October and 10 more are anticipated to close before the end of the year.

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- Inquiries to improve cell service in Arrowhead are underway however there has been little or no response from carriers so far.
- Ms. Guerriero met with AVA and a response to the Cresta Road letter is in process.

Operations Report

Mr. Hensel reported:

- Maintenance leadership in Arrowhead is changing and some staff positions still need filled.
- The new light pole is installed and some of the test lighting needs to be redirected or shielded.
- All District equipment is serviced and ready to go.
- Vail Resorts intends to run Chair 12 until 4 or 4:30 for uploads from Beaver Creek to Arrowhead and Bachelor Gulch. Snow is being made on the skiways to provide skiable terrain between the resorts and decrease demand on buses.
- Missing water covers on Cresta Road will be replaced.
- Doggie bag stations have been received and will be installed along Highway 6.

Roundabout Update

Director Shafer reported that the traffic study was completed and the permit application was sent to CDOT on November 2. Director Shafer said there would be a meeting with Ms. McDowell and Alpine Engineering to determine next steps and a timeline. The Board requested that Ms. McDowell be invited to the December meeting to give a brief update on the project.

Financial Statements &

Amendment B Mr. Marchetti reviewed the financial statements included in the packet noting there was nothing significant to report. There was general discussion on the Gallagher Amendment repeal and the effect on the District. Mr. Marchetti reported that the Residential Assessment Rate is expected to stay at 7.15% and, if property values increase as projected, the District may be able to further reduce the mill levy if sales tax revenues come in as expected.

Sales Tax

Director Shafer and Mr. Marchetti reviewed the sales tax collections to date and the report included in the meeting packet. Mr. Marchetti reviewed the meeting with the general contractor for the Country Club of the Rockies remodel explaining that they were informing sub-contractors of the correct sales tax rates and agreed to send a list of sub-contractors to the District for monitoring. There was discussion on how to determine if short term rentals are reporting and how to identify them for follow up.

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Future Meetings

The Board reviewed the 2021 Proposed meeting calendar in the packet. After discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the meeting calendar with Regular meetings on the fourth Wednesday of January through September and December and the third Wednesday of October and November.

The Board confirmed the next meeting for December 16, 2020, starting at 3:30 p.m., to be held via Zoom.

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

RESOLVED to adjourn the meeting of the Arrowhead Metropolitan District Board of Directors this 18th day of November, 2020.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting