
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of Bachelor Gulch Metropolitan District January 31, 2018

A Regular Meeting of the Board of Directors of Bachelor Gulch Metropolitan District, Eagle County, Colorado, was held Wednesday, January 31, 2018 at 2:00 pm., in the offices of Marchetti & Weaver, LLC, 28 Second Street, Suite 213, Edwards, Eagle County, Colorado.

Attendance The following Directors were present and acting:

- Paul Jardis
- Dale (Dutch) Stortz
- Jennifer Holzworth (via telephone)
- Michael Mossman
- Constance Irons-Malernee (via telephone)

Also in attendance were:

- Jim Clancy, Director of Resort Services & Public Safety
- Sean Sprague, Bachelor Gulch Metro District, Supervisor
- Dave Berg, Bachelor Gulch Metro District Manager
- Ken Marchetti, Marchetti & Weaver, LLC
- Debbie Braucht, Marchetti & Weaver, LLC, Secretary for the Meeting

Call to Order The Meeting of the Board of Directors of Bachelor Gulch Metropolitan District was called to order by Chairman Jardis, noting a quorum was present.

Consideration of Agenda
No changes were made to the agenda.

Minutes
Upon review and by motion duly made and seconded it was unanimously

RESOLVED to approve the December Meeting minutes with corrections.

Public Safety & Report
The Board wanted to stress because of a recent serious crime in the valley you cannot discount the importance of Public Safety's role. There was discussion of tightening down guest lists and residents calling to allow guest access. A form of identification is required in some communities to add an extra layer of security. The Board believed the community would be in support of increased security measures and asked Mr. Clancy to do a study on look at tightening

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access. There was discussion of other options at the Gatehouse in regards to access lanes and license plate readers.

Mr. Clancy stated he has a meeting mid-March with Anchor Point to look at breaking the community into parcels for wildfire mitigation work. They would in conjunction with the Metro District, Beaver Creek, Bachelor Gulch Village and Arrowhead begin the work this spring. The extreme lack of snow this year has brought up serious concerns for the upcoming wildfire season. The Board said they would be in support of any reasonable plan.

Operations Report

Mr. Berg reported on an accident with the Mack dump truck. They had been having problems with the hydraulics bleeding off overnight so they were taking it to Swift Gulch for repairs when the bed raised on its own and struck the Interstate 70 overpass. The District's truck was the only vehicle involved in the accident and the driver was not injured. The truck however has sustained serious damage. The bed needs to be replaced, the rear axle and some tires exploded. This is coming at the same time there are discussions of replacing the Unimog which is not running. There were discussion of pricing and products from Western Star, Auto Truck Group and OJ Watson. Not having a dump truck to haul snow during the winter leaves the District in a bad position. Because of this the Board and Mr. Berg discussed hiring a subcontractor to haul snow for the next few months. One of the current seasonal employees has his own trucking company and is willing to contract with the District until the District can find a replacement truck. Mr. Berg added because he has been a seasonal employee for years he is familiar with the District and operations so this would be an added benefit and time saving. Upon discussion and by motion duly made and seconded it was unanimously

RESOLVED to hire Yunker Trucking, Inc to haul snow.

Upon further discussion and by motion duly made and seconded it was unanimously

RESOLVED to approve the purchase of trucks subject to the review and approval of Directors Jardis and Stortz the "Equipment Committee" in an amount not to exceed three-hundred fifty thousand dollars (\$350,000).

Mr. Berg discussed the Chevy 3500 which is budgeted to be replaced in 2018. He currently estimates that cost to be approximately sixty two

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thousand (\$62,000) dollars which includes a Cummins engine, a plow and a tommy lift on a Dodge Ram truck. Director Holzworth asked if he is selling the old trucks and Mr. Berg stated he is and parts too. A current employee wanted to buy the 2006 Chevy 3500 but has backed out so Mr. Marchetti wants to buy it if the Board approves. The Board agreed.

Mr. Sprague reported the new Caterpillar 938 Loader has a radar sensor and beeps when it detects someone, for example, behind the loader. Any new vehicle purchases will have these sensors but the older current ones do not. Mr. Berg and Mr. Sprague would propose adding this technology to five (5) vehicles at approximately two thousand two hundred dollars (\$2,200) each. The Board asked them to present a quote to the Equipment Committee for review and upon motion duly made and seconded it was unanimously

RESOLVED to approve the installation of the radar sensors upon review and approval by the Equipment Committee in an amount not to exceed twenty thousand dollars (\$20,000).

457 Deferred Compensation Plan

Mr. Marchetti stated the District's Section 457 Retirement plan doesn't clearly state the District's policy to match the employee's contribution dollar-for-dollar up to 3% of the employee's compensation. In response to Director Jardis' question, Mr. Marchetti stated that this clarification does not put employees at a disadvantage but simply clarifies what the policy is. Upon motion duly made and seconded it was unanimously

RESOLVED to approve the language change in the Employee Handbook to clarify that the District's contribution to the Section 457 plan is a dollar-for-dollar matching contribution in an amount not to exceed 3% of the employee's gross pay.

Section 125 Premium Only Plan

Mr. Marchetti would like to propose adoption of a Section 125 Premium Only Plan for the employee's portion of the health insurance premium. This will provide some tax relief by reducing the employee's taxable gross income. Upon review and by motion duly made and seconded it was unanimously

RESOLVED to adopt the Section 125 Premium Only Plan.

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Copies of the formal resolution adopting the Section 125 Premium Only Plan are incorporated herein by reference and shall be retained in the District's permanent records.

2018 Meeting Calendar

Upon review and consideration of the meeting calendar contained in the Board packet by motion duly made and seconded it was unanimously

RESOLVED to adopt the 2018 Meeting Calendar.

24 Hour Posting Resolution

Each year the Board must designate the location of the 24 hour and regular meeting notices. Upon motion duly made and seconded it was unanimously

RESOLVED to establish the posting locations for the notices of the District's 2018 meetings as follows:

Notices of the meetings of the District's Board of Directors required pursuant to Section 24-6-401, et. seq., C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following location:

Bachelor Gulch Gatehouse

Notices of regular or special meetings required to be posted at three public places within the District and at the office of the County Clerk & Recorder at least 72 hours prior to meetings (2) shall continue to be made pursuant to Section 32-1-902, et. seq., C.R.S.

Update on Franchise Agreement and Conduit Use

Per the Comcast Modification Resolution adopted at the last meeting Comcast agreed that at the end of 2017 they would stop charging customers in Bachelor Gulch the franchise fee. It has in fact not been stopped and they continued to charge it in January. Director Jardis contacted the Comcast representative and they now say it will not be charged by February. There was discussion of reimbursing the fee but that was cost prohibitive. Comcast also agreed to start collecting the District's sales tax in the next month or so.

There was discussion of use of the conduit and can the cables be split when they are doing enhancements. It was reported that Comcast can

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split their cables but CenturyLink has not been asked. The Board asked that CenturyLink be invited to the next meeting to answer some of their questions.

There was discussion of fiber optic needs, costs of installation, capacity and maximum capacity of cables and conduit.

Financial Statements

There was a brief discussion of the Residential Assessment Rate for the next valuation period dropping to 6.11%.

Accounts Payable

An updated list was distributed to the Board. Upon review and by motion duly made and seconded it was unanimously

RESOLVED to approve and ratify the updated accounts payable list.

Adjournment

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

RESOLVED to adjourn the meeting of the Bachelor Gulch Metropolitan District Board of Directors held January 31, 2018.

Respectfully Submitted,



Secretary to the Meeting