
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors of Bachelor Gulch Metropolitan District April 25, 2018

A Regular Meeting of the Board of Directors of Bachelor Gulch Metropolitan District, Eagle County, Colorado, was held Wednesday, April 25, 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 (via telephone)
- Jennifer Holzworth (via telephone)
- Michael Mossman
- Constance Irons-Malernee (via telephone)

Also in attendance were:

- Debbie Hoffman, Eagle River Water and Sanitation Dist
- Jim Clancy, Director of Resort Services & Public Safety
- Sean Sprague, Bachelor Gulch Metro District, Supervisor
- 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 Update on the pump install from Eagle River Water and Sanitation District was added to the Agenda.

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

RESOLVED to approve the March Meeting minutes with changes.

Eagle River Water and Sanitation Update Ms. Hoffman wanted to give the Board an update on how it was going with the pumps they are replacing. They are using the truck for bypass pumping every day because of demand. They have been monitoring the noise and there have been no complaints she is glad to report. She continues to keep Ms. Crofton and Mr. Berg updated on their progress and expect to be done before the Memorial Day holiday. While they were working on the pumps they discovered the electrical panel at the

RECORD OF PROCEEDINGS

Bachelor Gulch Metropolitan District April 25, 2018 Meeting Minutes

tennis center is for the pumps and the tennis center. They are changing that out now so the accounts will now be separated. Director Mossman stated the tennis pro will be on-site mid-May and they are re-surfacing the courts on May 7th. They will need water and electricity for that. Mr. Sprague asked if they had located a leak? Ms. Hoffman replied there may be an issue they're not sure at this time. They never would have known if they had not been operating the system manually but will continue to investigate. Director Jardis stated the work has been a non-issue and thanked Ms. Hoffman.

Ms. Hoffman left the meeting.

Request by Public Safety for Conduit Use

Mr. Baker is asking for permission to use the two inch conduit that was installed last year during the Gatehouse construction so Comcast can pull a cable to upgrade the "antiquated" system at the Gatehouse. Director Jardis stated that Bachelor Gulch Village Association (BGVA) paid for the conduit so it's theirs to do with as they please. That being said where that conduit intersects with the District's vault is an area of concern. The Board asked Mr. Sprague to find out what Mr. Baker's plans are and what will they be tying into. In other words what will the potential impact be on the District's vault and how are they getting to their conduit? The Board needs an answer as soon as possible. Mr. Clancy added he will help coordinate too.

Public Safety & Report

Mr. Clancy stated he and Ms. Crofton met with Eagle River Fire Protection District yesterday and have been in contact with the engineer at the Ritz regarding what they are permitted to do with open fires in Bachelor Gulch. A joint letter went out from the Bachelor Gulch Village Association and the Bachelor Gulch Residents Association that included the restriction on open fires.

Director Jardis stated he had a general question on sledding because it is something that could be done to enhance the overall experience in Bachelor Gulch. Mr. Clancy said it was prohibited on all properties in Vail Associates' jurisdiction. There is a long documented history of catastrophic incidents and not just in these resorts. They are looking at options though.

Mr. Clancy stated Beaver Creek Public Safety has awards for individuals and Bachelor Gulch Public Safety participates. Ms. Crofton would like to add award information for Public Safety employees to the monthly Report if that is okay. The Board said yes, please do.

RECORD OF PROCEEDINGS

Bachelor Gulch Metropolitan District April 25, 2018 Meeting Minutes

Operations Report

Mr. Berg was absent so Mr. Sprague reported the new truck has been working great. They are taking down the delineators they use in the winter and will not be leaving any up around the Gatehouse.

The sample order of lanterns has arrived and they look very nice. They are well built and are a better quality than what they have now. A new swivel has been added which will work better and hold up well. He also commented on how well the address markers turned out. Mr. Sprague said they will try to get a few up in the next few days but in his opinion this is who we want to do business with.

Mr. Sprague reported on a meeting he had with CenturyLink and Comcast related to the conduits. Since both companies were there at the same time they were able to go over every conduit and cable, piece by piece, and label them. CenturyLink has three conduits and two fiber lines and Comcast has one fiber line plus a normal cable line. Kelly McClernon with CenturyLink agreed the problem in that area is their lines and conduits so she said they will consolidate them. Director Jardis stated the District has asked for new agreements from both CenturyLink and Comcast.

Fairfield and Woods, PC Engagement

Director Jardis spoke at the last meeting about special counsel to help with all matters related to the telecommunications companies. Upon motion duly made and seconded it was unanimously

RESOLVED to approve engagement of special legal counsel with experience in telecommunications and regulatory matters.

Director Jardis reported last fall the Board approved discontinuing the Comcast Franchise Fee effective January 1, 2018. Comcast agreed and were supposed to stop charging the fee to all properties in Bachelor Gulch. It has been months and the District is still getting feedback from owners that Comcast is still charging the franchise fee; despite assurances from their Governmental Affairs Division. It appears now, based on a communication from Mr. Davis of the Governmental Affairs Division, their system thinks some of the properties are in Beaver Creek. The Bachelor Gulch Residents Association sent out an email at Director Jardis' request and asked that if anyone is still being charged the Franchise Fee to contact Director Jardis. Based on feedback from

RECORD OF PROCEEDINGS

Bachelor Gulch Metropolitan District April 25, 2018 Meeting Minutes

the meeting and independent research Director Jardis has found several areas of the District still being charged and some complexes are under bulk agreements. Based on his research he has come up with a rough number of dwelling units receiving Comcast services and it does not coincide with the funds received from Comcast over the years. Director Jardis suspects the number of the units being charged a Franchise Fee does not reflect the number of units Comcast has been remitting fees on. He will continue to update the Board on his investigation.

HB-1181

Mr. Marchetti updated the Board on a bill that was passed which allows out-of-state property owners to vote for Directors and sit on the Board in an advisory capacity. The bill was introduced because some Districts struggle to find enough Board members and some out-of-state owners feel disenfranchised. This bill does not automatically pertain to all Metro Districts though. A Board must opt in for this law to come into effect. Once a Board approves it then the out-of state voter must submit an application to be on a voter list. Director Jardis said it has never been his experience the out-of state voters of Bachelor Gulch felt disenfranchised. He did say however there are properties held by non-natural persons that do not get to vote and that does affect owners in Bachelor Gulch; however this bill does not address that.

Financial Statements

Mr. Marchetti revised the forecast down for sales tax revenue but will re-assess next month. The lack of snow this winter has impacted all the resorts. Property taxes came in early this year because of prepayments due to tax law changes. The revenue will even out as the year goes on.

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 April 25, 2018.

RECORD OF PROCEEDINGS

Bachelor Gulch Metropolitan District April 25, 2018 Meeting Minutes

Respectfully Submitted,

Debbi Beach

Secretary to the Meeting