
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting Of the Board of Directors Edwards Metropolitan District October 21, 2010

A Regular Meeting of the Board of Directors of the Edwards Metropolitan District, Eagle County, Colorado, was held on October 21, 2010 at 12:00 p.m., at the Classroom of the Eagle County Health Service District Building, 1055 Edwards Village Blvd., Edwards, Eagle County, Colorado, in accordance with the applicable statutes of the State of Colorado.

Attendance The following Directors were present and acting:

- Bill Simmons
- Todd Williams
- Tracy Erickson
- Becky Bultemeier
- Terry Benedickt

Also in attendance were:

- Fred Eggleston, Xcel Energy
- Scott Sones, Sones Landscape Architecture Group Inc.
- James Collins, Esq., Collins Cockrel & Cole
- Ken Marchetti, Robertson & Marchetti, P.C.
- Cissy Olson, secretary for the meeting

Call To Order

The Regular Meeting of the Board of Directors of Edwards Metropolitan District was called to order by Director Williams on October 21, 2010, at 12:05 p.m. noting a quorum was present.

Conflicts of Interest

It was noted that a Disclosure of Potential Conflict of Interest Statement had been executed by Tracy Erickson, and filed with the Board and Colorado Secretary of State at least seventy-two hours prior to the meeting in accordance with statute, indicating that he is General Manager of the Homestead Homeowners Association, which is the homeowners association for a community within the District's boundaries. After Director Erickson had summarily stated for the record the fact and nature of his private interests and had further stated that the determination to participate in voting or take any other action on any contract or other matter in which he may have a private interest would be made in compliance with Section 24-18-201(1)(b)(V), C.R.S., on an ad hoc basis, the Board turned their attention to the agenda items. Director Erickson's Disclosure of Potential Conflict of Interest Statement was incorporated into the record of the meeting.

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Edwards to Minturn Gas Line Replacement

Xcel Energy is planning to replace 7.8 miles of 6-inch high-pressure natural gas line with a 16-inch pipe beneath the westbound lane of Highway 6 between Edwards and Minturn in order to meet future customer demand and improve natural gas reliability in the region. Construction is scheduled to begin in June 2011 and will continue until October 2011. Mr. Eggleston reported that they are considering day time construction adjacent to residential areas and nighttime construction adjacent to businesses in order to have the least amount of impact on businesses and residents.

At 12:20 Mr. Eggleston left the meeting.

I-70 Interchange Landscape Design

Mr. Sones gave a brief presentation using renderings of the I-70 roundabout interchange landscape design. Construction of the landscaping is planned to be done in phases and will include a mixture of native grasses, wildflowers, and other low maintenance trees and plants. Phase I of the landscape construction includes the centers of the 3 main roundabouts located near the I-70 interchange.

Berry Creek Metropolitan District has committed to landscaping the northeast side of the north roundabouts. Berry Creek Metropolitan District also has an irrigation tap located in this vicinity which could be used to irrigate the center of the roundabouts; however it would not be appropriate for Berry Creek to be responsible for the cost of the irrigation water for the roundabout landscaping. Mr. Marchetti reported that the north traffic circle landscaping and irrigation on the northwest side is anticipated to cost approximately \$75,000. The Board discussed the type of vegetation currently under consideration and how to fund the project.

Mr. Sones left the meeting.

ECA/Edwards Area

Financing

Eagle County Engineering Department has re-examined the Singletree and Beard Creek sidewalk extensions and found that if the retaining wall and lighting were to be removed from project then the cost is anticipated to be reduced to approximately \$240,000. The County is willing to commit \$60,000 towards constructing the sidewalk extensions. County Commissioner Fisher has scheduled a meeting with the Vail Valley Medical Center to find out if the Medical Center would be willing to contribute to the project since the sidewalks will benefit pedestrians using their facilities. Mr. Marchetti presented a cost sharing plan between Berry Creek, Eagle County, the Medical Center, and the District.

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Mr. Marchetti reported that ECA has an opportunity to receive partial funding towards the Spur Road Phase II improvement design. The County is interested in matching funds up to \$250,000 with CDOT and the ECA Member Districts in order to continue the Edwards Spur Road Phase II design phase. Mr. Marchetti reported that if Edwards were to proceed with the County's proposal of up to \$250,000, ECA would need to receive approval from all its underlying members and that agreeing to the proposal would be conditioned on CDOT's matching participation up to \$250,000. Further, CDOT and the County are requiring a commitment from Edwards prior to adding the Spur Road project to the State transportation improvement list. Mr. Marchetti presented the District's 2011 budget which would provide a method of funding transportation improvements over the next two years.

2011 Preliminary

Budget

Mr. Marchetti reviewed the District's September financial statements and the 2011 preliminary budget. The budget reflects that the District will be able to again temporarily decrease the current mill levy rate from 1.691 to 1.515. Mr. Marchetti and the Board discussed the preliminary budget, the I-70 landscaping, and funding for the Spur Road Phase II improvement design.

The meeting was published as a public hearing for the District's 2011 budget and opened up to public comment. There being no public input the public input was closed. The Board discussed the preliminary 2011 budget and by motion duly made and seconded it was unanimously

RESOLVED to adopt the resolution to approve the 2011 budget, appropriate funds and set the mill levy at 1.515, as presented.

At 1:20 p.m. Director Erickson left the meeting.

Minutes

The Board reviewed the August 19, 2010 Regular Meeting minutes. By motion duly made and seconded it was unanimously

RESOLVED to approve the August 19, 2010 Regular Meeting minutes as presented

UERWA/EMD Joint

Resolution

In 1996 Upper Eagle Regional Water Authority (UERWA) agreed to reimburse CVC Investors for portions of their costs incurred in constructing the water lines and related facilities in Cordillera Valley Club which have since been transferred and conveyed to UERWA who now operates and maintains it as part of its regional water distribution system. Access to the water tank location above Cordillera

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Valley Club developed into a legal dispute between UERWA and the Cordillera Valley Club Property Owners Association (CVCPOA) and Metro District (CVCMD) because of issues surrounding the conveyance of access easements by the CVC developer.

Mr. Collins presented a draft resolution between the District and Upper Eagle Regional Water Authority stating that the terms and provisions of the Agreement with CVC Investors were not fulfilled as evidence of CVC Property Owners Association and Metropolitan District in denying UERWA access to the easements. The Resolution maintains that no further payments shall be made to CVC Investors or its successors under the terms of the Agreement until UERWA has recovered all costs expended in enforcing the obligations of the Agreement. The Board and Mr. Collins discussed the implications of the Resolution and it was agreed that the District would receive a letter of indemnification from Upper Eagle River Water Authority in the event a claim or challenge were to occur from CVC Investors or their successors. After further discussion and by motion duly made and seconded it was

RESOLVED to approve the Joint Resolution Concerning Payments to Cordillera Valley Club Investors pursuant to the Cost Recovery Agreement Dated June 15, 1996 contingent on receiving an indemnification letter from the Upper Eagle River Water Authority in the event a claim or challenge were to occur from the Developer or their successors for any past or future Cost Recovery payments that the District could be liable for owing.

Directors Bultemeir, Simmons, and Williams voted aye and Director Benedickt abstained.

Mr. Collins left the meeting.

Edwards Community Authority Update

Mr. Marchetti gave a brief presentation of the Edwards Community Authority overlapping district concept noting that the Lake Creek Metropolitan District would rather see an increase in Edwards's sales tax as opposed to increasing property taxes as a means for future funding improvements in Edwards. The Board discussed the funding option, holding an election, and the concept of redesigning the remainder of the Spur Road Phase II.

Mr. Marchetti presented a draft Resolution document for a Funding Commitment to fund Edwards Spur road Phase II engineering design costs for expenditure in 2012

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and 2013. After further discussion and by motion duly made and seconded it was unanimously

RESOLVED to approve the Resolution to Document Funding Commitment to Fund Edwards Spur Road Phase II Engineering Design Costs for Expenditure in 2012 and 2013.

Directors Bultemeir, Simmons, and Williams voted aye and Director Benedickt abstained

Eagle River Preserve

Update Director Bultemeier reported that no Eagle River Preserve meetings have been scheduled lately and there is no new update.

Eagle River Watershed

Update The District received a telephone call from Melissa Macdonald who is the executive director of the Eagle River Watershed (ERWS). Ms. Macdonald called to provide an update of the 2011 restoration process and to request additional funding in the amount of \$15,000 for Phase 3. The Board invited Ms. Macdonald to a future meeting to present her request.

Accounts

Payable The Board reviewed the September accounts payable list and by motion duly made and seconded it was unanimously

RESOLVED to ratify the September accounts payable list as presented.

The Board reviewed the October accounts payable list and by motion duly made and seconded it was unanimously

RESOLVED to approve the October accounts payable list as presented.

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 Edwards Metropolitan District Board of Directors this 21st day of October, 2010.

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Respectfully submitted,



Secretary for the Meeting