

**MINUTES OF THE 2019 ANNUAL MEETING**  
**OF THE MEMBERS**  
**BACHELOR GULCH VILLAGE ASSOCIATION**

The 2019 Annual Member Meeting of Bachelor Gulch Village Association (the “Association”) was held on December 26, 2019, at The Ritz-Carlton Hotel, Bachelor Gulch Village, Avon, Colorado. Board Members present were Nadia Guerriero, Gary Shimanowitz, Brian Kushner and George Bigley. Mike Trueblood, Association Manager, and Lisa Mayers, acting attorney for the Association, were also present.

**Call to Order and Verification of Proper Notice and Quorum**

Nadia Guerriero, President of the Association, called the meeting to order at 4:05 p.m. Carol Floyd verified proper notice was given and quorum was reached by electronic vote, mailed in proxies, and members present.

**Introductions**

Nadia Guerriero introduced herself and gave a brief overview of her background. Before accepting the position of Vice President and COO of Beaver Creek Resort in May, she was at Northstar California Resort for twelve years, and General Manager of the resort for the last three years. She spoke about Beaver Creek’s strong reputation for luxury and guest service. She and her team are committed to the brand promise to be the world’s best luxury family resort, and the journey to achieving a net promoter score of 80. Having grown up in Colorado and learned to ski at Eldora, she said she is very happy to be back. Nadia introduced Board members and other staff.

**Approval of Minutes of 2018 Member Meeting**

**Brian Kushner moved to approve the December 19, 2018 Annual Member Meeting Minutes. Gary Shimanowitz seconded the motion and it was unanimously approved.**

**Black Hills Rate Case**

Jim Tarpey, legal counsel with Ireland Stapleton representing the Association in the Black Hills Energy (“Black Hills”) rate case, joined the meeting via conference call to provide an update. He explained that an inquiry began a year-and-a-half ago in regard to rate disparities between Black Hills and Public Service Company in Bachelor Gulch. Black Hills filed a rate case with the Public Utilities Commission (“PUC”) in 2019 proposing a rate increase of \$2.5M and consolidation of rates throughout all service areas. Several agencies intervened as well as the Association and Vail Resorts. The hearings have been completed and the matter is pending the Administrative Law Judge’s (“ALJ”) decision. Once the ALJ issues their decision, there will be an opportunity for interveners to file an exception with the PUC in January and February. The PUC must make their decision by March 1. If Black Hills is granted the consolidation and rate increase, rates in Bachelor Gulch will decrease. If Black Hills does not get the consolidation, rates will likely increase. Mr. Tarpey explained the predecessor of Black Hills and the Public Service Company service areas were designated before Bachelor Gulch ski area was developed. Each utility company has developed their systems over time at different costs. For this reason the rate disparity will have no bearing on the case.

**Association Description**

Lisa Mayers described the Association as a non-profit corporation under Colorado Law. Property owners become members of the Association based on ownership of property and are subject to the covenants recorded against their property. The Association oversees functions and services as described in the Declaration.

**Election of Directors**

Lisa Mayers stated Brian Kushner was the only candidate for the Multi-family Class B Board position. She noted that online voting ended at noon today. She opened the floor to nominations and offered the opportunity for anyone who had not voted to submit a ballot. Hearing none, Carol Floyd confirmed an affirmative vote to re-elect Brian Kushner to the Board. Ms. Mayers announced Commercial ownership reappointed George Bigley to the Commercial Class C position.

## **Financial Report**

Mike Trueblood reported \$4.192M in total revenue for FY19, a negative variance to budget of \$164K. Real estate transfer assessments (“RETA”) came in approximately \$400K below budget. This was offset by favorable amounts in civic assessments and other revenue. Expenses were favorable by \$46K. Capital improvements included Tennis Center landscaping, trail improvements, a new security vehicle, and the start of bus shelter enhancements. Mike gave an overview of the FY20 budget. \$4.25M in total revenue reflects a 3% increase in civic assessments, RETA budgeted flat, and a slight decrease in Design Review fees. He spoke about the effort to manage expenses prudently with a \$39K (1%) increase in budget for total expenses to cover CPI increases. \$160K in capital improvements are planned for next year including improvements to the Tennis Center office and roof, additional signage and trail improvements, continuation of bus shelter enhancements, and wildland fire mitigation.

## **Other Business**

**Wi-Fi – Cell Coverage:** Mike Trueblood informed members of a recent partnership with Vail Resorts IT Department to get a fiber connection to Zach’s Cabin and to retain Resort Internet to set up a network similar to Spruce Saddle and Talon’s Restaurant. It has been tested and is working well.

**Bachelor Gulch Metro District (“BGMD”) Update:** Paul Jardis said BGMD will assist with moving snow for snowcats to use on skiways. Paul spoke about BGMD’s mill levy rate of 12 mills in comparison to 14.19 in Beaver Creek, 17 in Arrowhead, 23.5 in Cordillera Valley, 59 in Red Sky Ranch, 63 in Cordillera Ranch, and 87.89 in Cordillera Summit. Over the years, the Association has contributed \$18.5M to reduce debt. In total, \$45M in debt has been paid. Current debt is \$7.6M. Paul thanked the Association for their support.

**Village Connect:** Bonnie Kivel spoke about the challenge of transportation to Children’s Ski School over the holiday period. She suggested a reservation system or a dedicated ski school bus during this peak period. Mike Trueblood said he will look into the feasibility of adding transportation during a 45 minute time span in the morning and afternoon. Ms. Kivel also mentioned her experience of deviation from the direct route to Beaver Creek on Village Connect. Paul Gorbald responded that when two pick-ups are within close proximity, the bus may diverge from the direct route to use the resources they have within the community in the most efficient manner.

**Zach’s Cabin:** Comments were made in regard to perceptions of diminished food quality and increased prices at Zach’s Cabin compared to other on-mountain restaurants. Mike Friery, Director of Food and Beverage, said they have reviewed pricing and intend to make adjustments as soon as possible. It was mentioned there are too few food choices. Mike said he will speak with the chef in regard to the menu. Nadia thanked everyone for their feedback.

**Grooming:** Concern was expressed in regard to grooming conditions compared to previous years. Nadia Guerriero said there have been no changes in grooming and that she and Gary Shimanowitz will monitor this. A question pertaining to staffing levels was raised. Gary said they have the same number of employees and machines as in years past.

**There being no further business, Brian Kushner moved to adjourn the meeting. Gary Shimanowitz seconded the motion and the meeting was adjourned at 5:01 p.m. The mountain report followed.**

## **Mountain Report**

Gary Shimanowitz, Vice President of Mountain Operations, said the mountain has received 107” of snow to date vs. 93” last year, noting 42” came in October this year. November was very warm and snowed 31”. The resort was able to open four days early with Gold Dust and Haymeadow runs. On the scheduled opening day, November 27<sup>th</sup>, the mountain opened top to bottom with 3,340 vertical feet. World Cup was well received by the athletes and officials. 34” of snow has been received in December, and 1,500 acres of terrain is currently open. All runs and skiways in Bachelor Gulch are open. Snowmaking will resume after the holiday season.

Respectfully submitted,  
Carol Floyd, Secretary for the Meeting