

**BACHELOR GULCH VILLAGE ASSOCIATION**  
**Board of Directors Meeting**  
**via Videoconference**  
**July 19, 2023**

A meeting of the Bachelor Gulch Village Association ("the Association") Board of Directors was held on July 19<sup>th</sup> 2023. In attendance via videoconference were Board members Brian Kushner, Kristi Kennedy, Dan Ramker, and Paul Gorbald. Also in attendance were Lee Hoover, Association Manager; Dana Miller, Sr. Financial Analyst; Lisa Mayers, Association Attorney; Koby Kenny, Director of Public Safety; Steve Nusbaum, Sr. Manager of Design Review Administration, Jerry Hensel, Director of Base Area Operations; Mike Leeds, President of Bachelor Gulch Metro District; Dan Dickhardt, General Manager of The Ritz-Carlton, Bachelor Gulch; Jennifer Smith, Robert Green, Greg Weiss, Vanessa Heinecke, Jim Stanard, Joel Ettinger, and Bonnie Kivel, property owners; and Carol Floyd, Secretary for the meeting.

Dan Ramker called the meeting to order at 2:31p.m. Lee Hoover verified the presence of a quorum and that proper meeting notice was given.

**Appointment of Bobby Murphy**

Lee Hoover announced Bobby Murphy, COO of Beaver Creek Resort, has been appointed to the Association Board. Formalities will take place at the next meeting when he is present.

**Appointment of Kristi Kennedy to fill the Class-A Vacancy**

Lee Hoover stated Nick Nichols has resigned from his position on the Association Board. Lee expressed appreciation for his service. Nick's term ends at the end of this year. The Board may appoint a Director to fill this vacancy in the interim. Brian Kushner shared gratitude for Nick's nearly three terms on the Board, his counsel and advocacy for making Bachelor Gulch the best it could be.

**Brian Kushner moved to appoint Kristi Kennedy to the Class-A Board position vacated by Nick Nichols for the remainder of the term ending December 31, 2023. Paul Gorbald seconded the motion and it was unanimously approved.**

**Election of Officer**

**Brian Kushner moved to appoint Kristi Kennedy Secretary of the Board. Paul Gorbald seconded the motion and it was unanimously approved.**

**Approval of Board Meeting Minutes**

**Paul Gorbald moved to approve the March 31, 2023 Board of Director Meeting Minutes as presented. Brian Kushner seconded the motion and it was unanimously approved.**

**Public Input**

**Pickleball and Tennis:** Greg Weiss asked that the Bachelor Gulch tennis facility not be disturbed by the addition of pickleball. Brian Kushner said there are three options: 1) do nothing 2) find an appropriate place with level land to build pickleball courts or 3) convert one tennis court into three pickleball courts. Greg said the existing ten parking spaces would not be sufficient if pickleball were incorporated at the tennis facility. Brian suggested utilizing Village Connect. Bonnie Kivel spoke about the beautiful pickleball facilities at Beaver Creek and Arrowhead with very little parking. She voiced her opinion that Bachelor Gulch should have their own pickleball courts noting Beaver Creek charges non-residents, restricts hours of play, and cannot accommodate the demand. Jim Stanard spoke in favor of building pickleball courts in another location and expressed apprehension of degrading the tennis program if an existing court were converted to pickleball. Joel Ettinger suggested tracking court usage to analyze the feasibility of converting one tennis court into three pickleball courts. He added there should be pickleball in Bachelor Gulch to remain a luxury, elegant community by offering the opportunity for people to enjoy the fastest growing sport in the country. Bonnie estimated there are as many pickleball players as tennis players in the community. Brian Kushner

talked about the importance of participation in the recent homeowner survey providing the best source of information on the desires of the community. Dan Ramker thanked everyone for their input.

Trails: Dan Ramker said a Trail's Committee is being formed and will meet next week to discuss current state, future state, outcomes, and responsibilities of the committee. They will look at enhancing the experience in Bachelor Gulch. Brian Kushner thanked Dan for taking a leadership role in chairing this committee. Kristi Kennedy commented on the participation of homeowners on Elkhorn and Daybreak Ridge and good overall representation.

Settler's Pond: Bonnie Kivel asked for an update on Settler's Pond. Lee Hoover reported the fountain is repaired and operating. A company has been hired that specializes in ponds and water quality. They completed treatment for algae yesterday and will return on August 3<sup>rd</sup> to assess if further treatment is needed.

### **Design Review**

Steve Nusbaum stated construction activity has been steady, but less than the prior few years. As discussed in previous Board meetings, the Design Review Board ("DRB") would like to revisit a resolution that would allow the Board to appoint an alternate member to the DRB. Steve spoke about DRB vacancies. Mike Leeds would like to move on from his position on the DRB to focus on his Bachelor Gulch Metro District ("BGMD") Board role. Linda Mossman is also considering leaving her position on the DRB. DRB has been looking at additional homeowners to replace those positions once they become vacant. Mike Leeds said he would like to stay on as Chair of DRB for a period of time once the vacancies are filled and an alternate is appointed to ensure a smooth transition. Kristi Kennedy asked about the process for removal of dead trees on skiways, Vail Resorts property, and home owners' property. Dan Ramker advised to contact himself regarding trees on skiways and Vail Resorts property. Steve Nusbaum explained any tree removal requires DRB approval and a minimal application fee. That fee would be waived if the application is accompanied by a wildfire analysis from Eagle County or the Eagle River Fire Protection District. Steve said these applications are generally staff approved in a matter of days.

### **Public Safety**

Koby Kenny said fire mitigation is underway in Bachelor Gulch. Eagle Valley Wildland ("EVW") is working on finishing projects to then move into the maintenance phase. Lee Hoover added there has been great collaboration between the Association, BGMD, and EVW. He will ask Hugh Fairfield-Smith to give an update this fall on the work completed and next steps. Brian Kushner asked about a noise complaint on June 23<sup>rd</sup> at 11:45 p.m. on the Activity Report. Koby responded the noise complaint pertained to guests on The Ritz-Carlton patio. Public Safety responded asking the patrons to disperse and go inside.

### **Financial Update**

Dana Miller reviewed the financials as of June 30, 2023, noting it was the end of the third quarter for the Association. \$13M is in First Western Trust ("FWT") including \$1M in the operating account, \$7M in the reserve, and \$5M invested in treasuries. Dana noted the Money Market accounts are sweep accounts that are FDIC insured and in compliance with the Association's investment policy. Yields on the sweep accounts are low. FWT is giving the Association a preferred rate of 2.2% because of the high balances. The treasuries are laddered in five T-bills yielding an average of 4.77% and will mature beginning next month through February 2025. \$745K in remaining funds are invested with three banks to maintain FDIC coverage. \$2M in operating equity includes \$1M brought in from prior years, plus a surplus of just over \$1M. Capital equity is \$11.8M year to date. Kristi Kennedy asked if there would be consideration of moving funds currently in lower yield accounts into treasuries if there is no short-term usage plan. Dana answered the 2024 Budget will be presented at the October meeting with a five-year schedule of improvements. Once the 2024 projects are determined, the Board will know how much can be invested for a higher yield. The Income Statement shows year-to-date revenue of \$5M, \$1.5M favorable to budget. Civic assessments are \$960K favorable to budget and real estate transfer assessments ("RETA") are \$586K favorable to budget. Dana noted there is one home listed for \$18.9M and pending for sale in August. If that sales closes, it will generate \$378K in RETA. Expenses are \$304K favorable to budget. The biggest factors are a savings of \$100K in Public Safety with lower staffing levels than budgeted for, and \$112K savings in Transportation because service hours needed were less than budgeted and a rate increase budgeted for October occurred in November. A surplus of a little over \$1M is expected to be maintained for the rest of the fiscal year. Dana reviewed improvement projects and what has been spent year to date. The gatehouse camera upgrade has been completed, some Board directed capital funds were used to increase the contribution for fire mitigation from \$30K to \$100K, and a payment of \$1M was provided to

BGMD to pay down debt. 2023 projects that will be rolled into the 2024 budget will be determined in the final quarter. Mike Leeds expressed gratitude for the Association's contributions over the years and the return to homeowners with lowered mill levies.

### **Other Business**

**Black Hills Update:** Lee Hoover relayed an update from Ireland Stapleton law firm who the Association has been working with to monitor the Black Hills Energy ("Black Hills") rate case. Currently, Black Hills is asking the PUC to approve a utility rate increase for all customers in Colorado. If approved as is, Bachelor Gulch residents would assume an average monthly rate increase of \$6.49 or 5.9%. This is flat with the state-wide increase of 6% and less than the central I-25 corridor region increase estimated at 13.8%. It is more than the eastern plains and southern Colorado by 3.7% where Black Hills is reluctant to raise rates too high on lower income customers. Lee said Bachelor Gulch residents are in a decent position comparatively across the state. Residential customers are faring well compared to commercial business customers' increase of 11.10%. If there are any considerations for the Board or actions to be taken, Lee will involve Ireland Stapleton. Brian Kushner asked if a decision has been made whether the Association will be an interloper, and Lee answered Ireland Stapleton will advise if this becomes necessary.

**Survey Update:** Lee Hoover reported the homeowner survey has been completed. RRC Associates ("RRC") will provide final results in the next few weeks. Lee would like to hold a work session with the Board in four to six weeks. RRC will give a formal presentation at the October Board meeting. 315 responses were received of which 128 came from Timbers property owners. Kristi Kennedy thanked Vanessa Heinecke with Bachelor Gulch Residents Association for her help in promoting participation in the survey.

**Eagle County Short-term Rental Licensing:** Lee Hoover spoke about conversations with the Eagle County CFO regarding a short-term rental licensing program the County Commissioners are exploring for unincorporated Eagle County. Lee noted this would include Bachelor Gulch. Bachelor Gulch currently works in collaboration with BGMD and a third-party vendor to track and ensure the appropriate tax revenue is collected for short-term rentals. It is to be determined if this process will flow through Eagle County where they would collect all revenue and disperse to the various associations.

### **Operational Update**

Jerry Hensel informed the Board of a structural issue that was identified and has been stabilized on the deck area at the Tennis Center. Repairs will be made as well as landscaping improvements in the fall.

**The Board entered Executive Session at 3:27 p.m. to discuss matters with legal counsel.**

**The Board exited Executive Session at 3:48 p.m.**

**There being no further business, Brian Kushner moved to adjourn the meeting at 3:48 p.m.**

Respectfully submitted,

Carol Floyd  
Secretary for the Meeting