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# RECORD OF PROCEEDINGS

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## Minutes of the Regular Meeting of the Board of Directors Copper Mountain Consolidated Metropolitan District February 24, 2017

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on February 24, 2017 at 8:30 a.m., at the Copper Mountain Metro District Building, 0477 Copper Road, Copper Mountain, Summit County, Colorado, in accordance with the applicable statutes of the State of Colorado.

**Attendance** The following Directors were present and acting:

- Ben Broughton
- Tom Malmgren
- Karl Anuta
- David Steele

Staff in attendance was:

- Bryan Webinger, District Manager
- Robert Martin, Public Works Director
- Gary Curmode, Fire Chief
- Missy Stabile, Clerk-Treasurer

Also in attendance was:

- Eric Weaver, Marchetti & Weaver
- Michael Lund, Stifel

### **Call To Order**

The Regular Meeting of the Board of Directors of Copper Mountain Consolidated Metropolitan District was called to order by Director Malmgren, on February 24, 2017, at 8:30 a.m. noting a quorum was present.

### **Old Business Minutes**

No minutes to approve.

### **Community Updates**

Bryan Webinger, District Manager, reported on behalf of Peter Siegel, Copper Mountain Resort Association Executive Director that a timing issue with the lights and new electronic billboard on Copper Road has been addressed and are now functioning properly.

### **Public Comment and Concerns**

No public comments and concerns.

### **Financial**

Eric Weaver, Marchetti & Weaver, highlighted two recommendations from the auditors: Emergency Response Fee report included in Fire Department monthly report and FPPA contribution reconciliation.

Upon motion duly made by Director Anuta and seconded by Director Broughton it was unanimously

**AGREED** to receive the preliminary draft of the 2016 audit.

Mr. Weaver introduced Michael Lund, the District loan underwriter from Stifel. Mr. Weaver met with Bryan Webinger and Tom Malmgren to discuss the advantages and disadvantages of moving forward with the NBH Bank proposal and not pursuing a CWRPDA loan program. Advantages include: 30 day period to issue the debt as opposed to upwards of 90 days in a negotiated underwriting. This both assures we are able to make timely payment to contractors as well as reduces our risk of interest rate increases given the instability in the markets due to the Presidential election and unknown changes to tax rates, etc.; Do not have to go through the process of getting rated and then insured which saves

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## RECORD OF PROCEEDINGS

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### Copper Mountain Consolidated Metropolitan District February 24, 2017 Meeting Minutes

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both time and money. The assumption that we can get rated and insured, may be challenging due to the limited size of our system/user base. If the rating doesn't come in as we hope, then the NBH deal is clearly the best option and we have wasted a lot of time and money, plus exposed ourselves to increases in interest rates; Roughly ten hours of staff and accountant time as opposed to 60+ hours; If any type of renegotiation is ever warranted only one party to deal with instead of multiple mutual fund companies. Disadvantages include: Due to tax rules, we would not be able to issue through the CWRPDA and hence would not get our issuance costs paid for. However the costs of the issuance that we would now have to pay for go down substantially and this overall increase is already built into the overall cost differential discussed above; the increased annual cost discussed above, (which to put this into relative terms is less than 0.4% of the annual water/sewer budget).

Mr. Weaver and Mr. Lund recommend the District proceed with issuing the bonds with NBH Bank due to the advantages and removal of uncertainty outweighing the potential cost savings.

Upon motion duly made by Director Broughton and seconded by Director Anuta it was unanimously

**AGREED** to authorize the District to send a Conditional Call Notice to current 2004 and 2005 water resource bond holders.

Upon motion duly made by Director Anuta and seconded by Director Broughton it was unanimously

**AGREED** to proceed with NBH Bank financing.

Mr. Weaver explained that the Colorado Gallagher Amendment enacted in 1982 established guidelines in the Colorado Constitution for determining the actual value of property and the valuation for assessment of such property. It states that valuations of residential property and commercial property must be assessed in a 55% to 45% ratio respectively. These ratios have become unbalanced in the past two years and the state will align the ratio by dropping the percent collected on residential properties. This will result in an approximately 17% decrease in tax collections and could have a significant impact on the District's budget. Preliminary assessment evaluations will be distributed in May and will be further scrutinized.

#### **New Business**

A contract to construct a well house, additional piping and related and appurtenant facilities was awarded to RN Civil Construction at the February 10, 2017 Board Meeting.

Upon motion duly made by Director Anuta and seconded by Director Broughton it was unanimously

**AGREED** adopt Resolution 2017-02 authorizing the President of the Board of Directors to sign contracts.

#### **Staff Updates**

Rob Martin, Public Works Director, reported that an EQ Basin pump is down and repairs are being coordinated.

Mr. Webinger reported that a Century Link outage over President's Day weekend affected service at Copper Mountain.

Gary Curmode, Fire Chief, reported that two firefighters and a representative from Fleet Maintenance will be traveling to Ohio to inspect the new pumper apparatus next week. The pumper is expected to arrive on site in early March.

Mr. Webinger reported that the Fire Marshal is now sending formal notice of violations to Copper Resort with a follow-up timeline. The Board expressed that it is not an objective to shut buildings down but to make them safe.

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### Copper Mountain Consolidated Metropolitan District February 24, 2017 Meeting Minutes

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**Other  
Business**

There was no other business to come before the Board.

**Recess  
Meeting**

The Regular Meeting of the Board of Directors was recessed by Director Malmgren at 9:39 a.m.

**Reconvene  
Meeting**

The Regular Meeting of the Board of Directors was reconvened by Director Malmgren at 9:46 a.m.

**Executive  
Session**

Director Anuta moved that “the Board of Directors for the Copper Mountain Consolidated Metropolitan District enter Executive Session pursuant to §24-6-402(4)(e), C.R.S. for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators concerning the potential consolidation of Copper Mountain Fire Department, Lake Dillon Fire Rescue and Summit County Ambulance Service. Those present at the outset of the executive session shall be members of the Board of Directors as present at this meeting; Bryan Webinger, District Manager; Gary Curmode, Fire Chief; and Eric Weaver, Marchetti & Weaver.”

Upon the Motion duly made and seconded by Director Broughton, Director Malmgren declared, “The Motion passes on a vote of 4 in favor and 0 opposed. The time is now 9:47 a.m., and the Board will go into executive session.”

**Return to  
Open Session**

Director Malmgren stated, “The time is now 10:38 a.m., and the executive session has been concluded. The participants in the executive session were Thomas J. Malmgren, Karl Anuta, Ben Broughton, David Steele, Bryan Webinger, Gary Curmode and Eric Weaver.

“For the record, if any person who participated in the executive session believes that any substantial discussion of any matters not included in the motion to go into the executive session occurred during the executive session, or that any improper action occurred during the executive session in violation of the Open Meetings Law, I ask that you state your concerns for the record at this time. Seeing none, we will proceed with the agenda for the open meeting.”

Upon motion duly made by Director Anuta and seconded by Director Broughton it was unanimously

**AGREED** to authorize the District Manager and Fire Chief to continue exploration of a combined Summit County Emergency Service Authority between Lake Dillon Fire Rescue, Summit County Ambulance and Copper Mountain Fire Department.

**Other  
Business**

There was no other business to come before the Board.

**Adjournment**

There being no further business to come before the Board, by motion duly made by Director Broughton and seconded by Director Anuta, it was unanimously

**AGREED** to adjourn the Regular Meeting of the Copper Mountain Consolidated Metropolitan District Board of Directors.

Director Malmgren adjourned the Regular Meeting of the Copper Mountain Consolidated Metropolitan District Board of Directors the 24<sup>th</sup> day of February, 2017, at 10:39 a.m.

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**RECORD OF PROCEEDINGS**

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**Copper Mountain Consolidated Metropolitan District February 24, 2017 Meeting Minutes**

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Respectfully Submitted,

BY:           *Thomas J. Malmgren*          

Thomas J. Malmgren  
President of the District

ATTEST:           *Karl Anuta*          

Karl Anuta  
Vice President of the District