
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors Copper Mountain Consolidated Metropolitan District March 28, 2014

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on March 28, 2014 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:

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

Staff in attendance was:

- Dave Erickson, District Manager
- Mike Koenig, Public Works Director
- Ricky Clover, Utility Plant Operator
- Dave Arnesen, Director of Cable Services
- Gary Curmode, Fire Chief
- Dan Moroz, Code Compliance Officer
- Missy Stabile, Clerk-Treasurer

Also in attendance was:

- Gary Rodgers, Copper Mountain President and General Manager
- Chris Colman, Copper Mountain Director of Planning & Development
- Dave Glissmann, Copper Mountain Manager of Finance
- Peter Siegel, Copper Mountain Resort Association Executive Director
- Mike Rothberg, Tetra Tech
- Jim Reis, POLA President
- Bob Bloch
- Scott Randolph
- David Nassar
- Zach Nassar
- Ed Byrne, Attorney

**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 March 28, 2014, at 8:31 a.m. noting a quorum was present.

**Old Business
Minutes**

The Board reviewed the minutes of the February 28, 2014 Regular Board Meeting. Corrections were made to line 73: "Gary Rodgers" was replaced with "Xcel Energy"; line 128: "District" was added before "collects"; and line 168: "in regards to the damaged clarifier at the Wastewater Treatment Plant" was added after "provider". Upon motion duly made by Director Anuta and seconded by Director Steele it was unanimously

AGREED to approve the minutes of the February 28, 2014 Regular Board Meeting with revisions.

**Financial
Report**

A Preliminary Financial Report for February 28, 2014 was prepared by Robertson & Marchetti, P.C. and provided to the Board for review prior to the meeting.

RECORD OF PROCEEDINGS

Copper Mountain Consolidated Metropolitan District March 28, 2014 Meeting Minutes

Ms. Stabile reported on behalf of Mr. Weaver that savings in payroll are related to Fire Department vacancies and expected to net an overall savings in salaries at year end. Operating expenses are tracking favorably for every department and there are small savings in several line items. Capital funds are over by \$30,000 for clarifier repairs but offset a little by savings in engineering and legal services. Clarifier repairs are forecasted to be at a net cost of \$60,000 after insurance reimbursements.

A draft of the 2013 audit has been received and will be reviewed by District and RMPC staff. An updated draft will be presented to the Board for approval at the April meeting.

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

AGREED to accept the February 28, 2014 Financial Statement and cash disbursement report with revision.

Community Updates

Mr. Siegel distributed a draft of the proposed Copper Mountain Sign Program to the Board for review and asked that they get back to him with any comments. The document will be presented to the Summit County Planning Department in June or July. The new sign program identifies three distinct signage zones and proposes that wall signs be proportional to the building façade and that vehicular way finding signs can be much larger than existing code mandates.

The Resort Association approved \$85,000 to increase the capacity of the garbage collection program. An additional specialized garbage collection truck and a tipper for recycling bins will be purchased. Glass will no longer be allowed to come along with other recyclables and must be separated from cardboard and other recyclables.

Mr. Rodgers reported that CMR is communicating with Xcel regarding resort power issues. CMR has filed a letter regarding the Clinton Ditch in response to Climax Mine's motion to release additional Molybdenum into Ten Mile Creek. Mr. Rodgers requested that the District and CMR keep each other posted regarding Climax's motion.

Director Malmgren thanked former Director Bob Bloch for eleven years of service to CMCMD and presented him with a plaque. Mr. Bloch expressed gratitude for his involvement with the District Board and the Copper community.

New Business **Public Hearing on Proposed Water / Sewer Rate Structure**

Director Malmgren formally opened the public hearing regarding the Proposed Equitable Water/Sewer Rate Structure at 8:58 a.m.

Mr. Rodgers stated that although he felt progress has been made, there are unresolved issues with the proposed rate structure and asked that the Board not adopt the proposed rate structure as it stands. He commented that CMR was not opposed to the rate structure proposed last fall, just the tap fees. He felt the system was more equitable last year and that there is now an increased burden on commercial customers. CMR supports the CEU concept but questions the calculations and formula discrepancies and would like the Board to allow additional work on the system.

Attorney Ed Byrne, representing Nassar Development (ND), stated that it is critical to allow a meeting with ND to take place prior to adopting a new rate structure. From ND's perspective, the rate system proposed last summer looked more equitable and new proposals are moving away from equity. There are a number of issues ND would like to address in an informal work session.

RECORD OF PROCEEDINGS

Copper Mountain Consolidated Metropolitan District March 28, 2014 Meeting Minutes

Director Malmgren recessed the Public Hearing at 9:12 a.m. until April 25, 2014.

**Public Comment on
Proposed Water /
Sewer Rate
Structure**

The Board announced that the resolution would not be adopted at this time due to public comments.

Director Anuta stated that he would not adopt the resolution as presented because Appendix A is opinion and not fact. He suggested that the resolution include a table that defines the rate per customer class. He further suggested that rates be raised under the current system rather than waiting until a new system is adopted. The District needs to raise water rates and can no longer introduce a revenue neutral rate.

Mr. Rothberg explained that the current rate structure is not equitable between customer classes which is why there is a need to introduce a new system that is equitable. Tap fees provide necessary capital for future needs. The District only has a certain amount of capacity left and that remaining amount will be purchased through tap fees. The new system must be equitable among classes and collect necessary capital through tap fees.

Mr. Rodgers requested a work session with all interested parties be scheduled prior to the April Board meeting. A public work session was scheduled for April 11, 2014 at 1:00 p.m. in the Metro District Building.

David Nassar asked the Board if there can be a discussion about paying tap fees when the certificate of occupancy is issued rather than when the building permit is issued. The Board confirmed that a conversation about when tap fees are collected can take place but that the scheduled work session needs to be devoted to the proposed rate system. The rules and regulations can be addressed once a new rate system is adopted.

**CHUBB
Agreement**

Mr. Erickson reported that the District attorney has committed to drafting a CHUBB policy – versus a CHUBB Agreement – regarding insurance company access to locations within wildfire evacuation zones as designated by the Incident Command Center, or other authorized entity, at a wildfire incident scene. The draft is expected in mid-April.

**Fall Line Property
Management
Lawsuit**

Mr. Erickson reported that District special counsel is moving forward with the lawsuit against Fall Line Property Management and that Pattern Interrogatories have been filed in the County Court. If Mr. Schmidt does not respond on behalf of Fall Line Property Management, a bench warrant for the arrest of Mr. Schmidt may be issued.

**CMR “Key
Properties”
Transfer**

Mr. Rodgers stated that discussions regarding the transfer of identified properties from CMR to the District will resume after the close of the ski season. CMR will submit a proposal to its parent company Powdr Corp.

Mr. Koenig stated that the District also needs to confirm the purchase of property from the state highway department.

**Manager’s Job
Performance**

Director Steele proposed the Board go into an executive session at the April Board meeting to discuss the Manager’s 2013 job performance evaluation and 2014 performance plan.

RECORD OF PROCEEDINGS

Copper Mountain Consolidated Metropolitan District March 28, 2014 Meeting Minutes

Staff Reports

- **Water and Wastewater Director:**

Mr. Koenig confirmed that the Water Department is aware of the Climax motion to release additional Molybdenum into Ten Mile Creek and that it is monitoring the situation. He explained that Climax is proposing that current standards are incorrect and is asking for an increase in allowable molybdenum in agricultural and drinking water applications.

Mr. Koenig recommends residents run the water in their properties after long absences to flush any lead that might have leached into their water pipes. This can be achieved by opening all faucets in the property and letting them run for a few minutes.

The first of two damaged clarifier units has been replaced and is working well. The second clarifier unit will arrive in mid-April and will be installed after the ski season but prior to spring run-off.

The project to locate curb stops in Woods, Legends and Masters will resume this spring. Associated costs will be the responsibility of the homeowner or the HOA. The District did not install the curb stops and does not own them.

Cable TV/HSIS:

Mr. Arnesen reported that the cable system is running well and that recent issues have been caused by subscriber equipment rather than the cable system facilities. The FCC has accepted a report from the District identifying 1533 cable customers.

If Xcel does any trenching this summer to address power issues at Copper or the county plans repairs to Copper Road, Mr. Arnesen recommends looking at the opportunity to bury fiber optic cables.

CMFD:

Chief Curmode announced that CMFD will participate in a county wide wildland fire exercise on May 30 and 31. Forty-six calls were received since last month and he welcomed any questions from the Board.

Mr. Moroz reported that Climax is planning on opening their new water treatment facilities in August. He also reported that capital improvements planned for the summer by CMR may be on hold and the remodeling of The Edge has been delayed.

District Clerk-Treasurer:

Ms. Stabile reported that Self-Nomination and Acceptance forms were filed by Karl Anuta and Ben Broughton for the two four-year seats available on the Board. Ted Kravec, Scott Randolph and Stan Sprinkle filed forms for the single two-year seat available. A polling place election will take place on Tuesday, May 6, 2014 at the Metro District Building.

New election legislation in 2014 has made any previously kept Permanent Mail-In Voter lists obsolete. Anyone wishing to receive an absentee ballot must complete a new application for an absentee ballot. The Board instructed Ms. Stabile to contact individuals on previous Mail-In Voter lists and provide them with instructions to obtain an application for an absentee ballot.

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 Steele, it was unanimously

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

RECORD OF PROCEEDINGS

Copper Mountain Consolidated Metropolitan District March 28, 2014 Meeting Minutes

Director Malmgren adjourned the Regular Meeting of the Copper Mountain Consolidated Metropolitan District Board of Directors the 28th day of March, 2014, at 10:45 a.m.

Respectfully Submitted,

BY: *Thomas J. Malmgren*
Thomas J. Malmgren
President of the District

ATTEST: *Karl Anuta*
Karl Anuta
Vice President of the District