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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 January 29, 2016

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on January 29, 2016 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
- Ted Kravec
- Tom Malmgren
- David Steele

Staff in attendance was:

- Sam Parker, District Manager
- Ricky Clover, Public Works Director
- Dave Arnesen, Director of Cable Services
- Gary Curmode, Fire Chief
- Dan Moroz, Fire Marshall
- Missy Stabile, Clerk-Treasurer
- Todd Hebebrand, Assistant Fire Chief
- Charlie Johnson, Captain
- Ross Orton, Paramedic
- Ty Humphries, Firefighter
- Corey Williams, Utility Plant Operator

Also in attendance was:

- Jamie Woodworth, Summit County Ambulance Service Director
- Scott Vargo, Summit County Assistant Manager
- Chris Colman, Copper Mountain Director of Planning
- Graeme Bilenduke, Copper Mountain Director of Development
- Peter Siegel, Copper Mountain Resort Association Executive Director
- Byron Wentzlaff, ResortInternet
- Chris Proctor, ResortInternet
- Mike Rothberg, Tetra Tech
- Kevin Flewell, CNL Copper/Resort Ventures West
- Lee Ann Shaw, Copper Mountain Resort HOA Association Manager
- Kevin Herbig, Village Square HOA
- Jim Reis, Copper Mountain Resort Association, POLA President
- Eric Weaver, Marchetti & Weaver

### **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 January 29, 2016, at 8:30 a.m. noting a quorum was present.

### **Old Business Minutes**

The Board reviewed the minutes of the November 20, 2015 Regular Board Meeting. Upon motion duly made by Director Broughton and seconded by Director Anuta it was unanimously

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**AGREED** to approve the minutes of the November 20, 2015 Regular Board Meeting.

### **Community Updates**

Jamie Woodworth, Summit County Ambulance Service, was invited by Fire Chief Gary Curmode to update the Board on the status of co-staffing Medic 1 at Copper Mountain which began on October 2, 2015. He reported that the Copper Mountain Fire Department has been enthusiastic and cooperative. There have been some growing pains but they are working through the issues. Data will be provided in the near future to make sure the new arrangement is not interfering with the fire department's primary duties.

Peter Siegel, Copper Mountain Resort Association, reported that the Resort Association is making progress with the new sign program and is preparing for the March Ten Mile Planning Commission meeting. The Resort Association continues to work on a community wide Real Estate Transfer Assessment (RETA).

Graeme Bilenduke, Copper Mountain Resort, reported that the Copper Point Townhomes project is moving forward and is on the Ten Mile Planning Commission's March meeting agenda.

### **Public Comment and Concerns**

No public comments and concerns.

### **New Business**

Upon motion duly made by Director Anuta and seconded by Director Broughton it was unanimously **AGREED** to adopt Resolution 2016-01, A Resolution Designating Public Notice Posting Places for Regular and Special Meetings of the Copper Mountain Consolidated Metropolitan District.

Upon motion duly made by Director Broughton and seconded by Director Anuta it was unanimously **AGREED** to adopt the 2016 Board Meeting Schedule which is posted on the District website.

Upon motion duly made by Director Broughton and seconded by Director Anuta it was unanimously **AGREED** to adopt Resolution 2016-02, The Election Resolution for 2016 Regular District Election with Ballot Issue and Appointment of Designated Election Official.

### **Proposed Mill Levy Increase**

A summary of a proposed mill levy increase was discussed. The Board scheduled a Work Session on February 12, 2016 at 8:30 a.m. to continue discussion of a proposed mill levy and sample ballot questions. Jim Reis, POLA President, noted that with such a small tax base, the District needs to explore other ways to meet the needs of the community. Graeme Bilenduke, Copper Mountain Resort, commented that an 11.4 mill levy increase will cost Copper an additional \$260,000 per year and requested that the mill levy increase be reviewed again to make sure the proposed budget is sustainable.

### **GWUDI**

The state has determined that two of the three wells supplying water to the Copper Mountain community are under the direct influence of surface water. Once the formal letter is received from the state, the District will have 18 months to address the determination. Effective immediately, the Water Department will increase disinfection measures by increasing the amount of chlorine in the water supply. The Water Department noted that the community may taste or smell chlorine in the water and stressed that the water is safe to drink. Copper's water quality has been and continues to be superb but state regulations have changed and the District must comply. The District meets all drinking water requirements but surface water is exposed and susceptible to biological contamination if left untreated.

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The Board requested District staff to investigate all opportunities, meet with District water attorneys and proceed with a Tetra Tech engineering study.

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

**AGREED** to proceed with engineering studies related to the GWUDI determination including authorizing up to \$75,000 for the studies.

### **Recess Meeting**

Director Malmgren recessed the regular meeting at 10:11 a.m. The meeting was reconvened at 10:19 a.m.

### **Climax Update**

Gary Curmode, Fire Chief, reported that the Fire Department has responded twice this year to Climax. Climax wants to meet with the county as to why their taxes in excess of \$800,000 annually do not include fire protection. The Board suggested sending a letter to Climax including a proposed cost for District response. Assistant Chief Todd Hebebrand noted that we need to be wary of a pay for service because they may decide to not call 911 in emergency situations.

### **Engine Accident**

On January 17, 2016, the District's two-wheel drive engine was struck by a tanker truck on I-70. The Colorado State Patrol report places liability on the tanker truck. Chief Curmode has been seeking authority to get a replacement engine as soon as possible since the District only has one engine and no back-up for response.

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

**AGREED** to immediately proceed with securing a temporary replacement engine.

### **ResortInternet Update**

Sam Parker, District Manager, reported that an outside cable provider is making unfounded claims against ResortInternet (RI) and the services they are providing to the Copper Mountain community. RI monitors all Copper Mountain properties and the demand for bandwidth has not yet surpassed 1G. RI is updating firmware that should address pixilation and freezing channels. If problems persist, RI will address. RI encourages the Copper community to contact RI customer service if any problems are experienced. Set top boxes and DVRs can be rented directly from RI. Upgrade forms are on the RI website. Currently 90% of the Copper community is on a fiber network which has freed up bandwidth that is available to those properties still on cable modems.

Dave Arnesen, Director of Cable Services, noted that the District would like to see the fiber upgrade project completed by June 1, 2016.

### **Pledge of Allegiance**

It was proposed that the pledge of allegiance be led at the beginning of District Board meetings. The Board consensus was to deny this request since other county entities, such as the Ten Mile Planning Commission, do not do this.

### **Staff Updates**

- Sam Parker presented an easement agreement between CMCMD and Ten Mile Haus to allow fiber access through the Ten Mile Haus property. Director Anuta, attorney for Ten Mile Haus, recused himself from further discussion and any motions to approve. Kevin Flewell, CNL Copper/Resort Ventures West expressed concern that other homeowners associations might have similar access issues and wondered if they are being addressed. The Board suggested that District staff and RI communicate work being done to any buildings and homeowners associations.

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Upon motion duly made by Director Broughton and seconded by Director Steele in the absence of Director Anuta it was unanimously

**AGREED** to approve the Easement Agreement For Underground Fiber Optic Cable and Related Facilities between the Owners Association of Ten Mile Condominiums, LTD and Copper Mountain Consolidated Metropolitan District.

- Ricky Clover, Public Works Director, reported that the temporary Verizon tower has been removed. A Copper Mountain plow hit a hydrant in front of Summit House and Copper Mountain will be billed for repairs. The cost to rebuild the chlorinators to comply with new state regulations will be approximately \$1500. Congratulations were extended to Ed Pankevicius and Corey Williams who recently completed and passed required wastewater exams.
- Sam Parker reported that the District received a letter from Copper Mountain Resort requesting that CMCMD pay a portion of the insurance deductible applied as a result of excavation costs to locate a water leak at The Greens. The Board stated it would be irresponsible to use taxpayer's funds to pay The Greens insurance deductible, nor does the Board have the authority to do so. The Board requested that the District Manager respond with a letter citing District Rules and Regulations regarding responsibility of parties.
- The Board congratulated Chief Curmode on his selection as a 2016 Special District Association Leadership Academy Fellow.
- Missy Stabile, Clerk-Treasurer, reported that Self-Nomination and Acceptance Forms are available on the District website and are due by 5:00 p.m. on Friday, February, 26, 2016. The Xpress Bill Pay online utility payment service is up and running. Several customers have already utilized the service. Anthem Blue Cross Blue Shield and Centura Health have partnered to create a new Mountain Enhancement Plan. The plan will go into effect on February 1, 2016 and the District's health insurance administrator, CHP, will work with Anthem to incorporate the new rate structure into the CHP PPO program. District employees should see savings in medical expenses as a result of the Mountain Enhancement Plan and the District will eventually see savings in future health insurance costs.

### Financial Report

A Financial Report for December 31, 2015 was prepared by Marchetti & Weaver and provided to the Board for review prior to the meeting. Eric Weaver reported that 2015 revenue was higher than expected. Overall, the 2015 budget appears to be positive.

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

**AGREED** to receive the December 31, 2015 Financial Statement and cash disbursement reports as presented.

### **Public Hearing on Proposed 2015 Amended Budget**

Director Malmgren formally opened the public hearing regarding the Proposed 2015 Amended Budget at 12:05 p.m.

Eric Weaver noted the 2015 budget must be amended to explain additional expenses. The District saw increased revenues in 2015 and increased expenses due to wildland deployment.

Director Malmgren closed the Public Hearing at 12:07 p.m.

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Upon motion duly made by Director Broughton and seconded by Director Anuta it was unanimously **AGREED** to adopt Resolution 2016-3, A Resolution to Amend the Copper Mountain Consolidated Metropolitan District 2015 Budget.

### **Refinancing District Loans**

Eric Weaver reported that he received a refinancing proposal from Stifel. The District needs to approach banks for refinancing and Stifel will broker the deal. Stifel will only get paid if a deal closes. If not successful, Stifel can negotiate a sale of the bonds. Refinancing the current bonds will save the District approximately \$35,000 to \$40,000 annually.

The new GWUDI situation may change the circumstances of a loan. The District needs to get on the state list between April and June for potential State Revolving Funds to finance a new water plant if necessary.

The Board requested that language in the Stifel proposal be amended to read that the District will not owe any money unless a deal is accepted and closed.

Upon motion duly made by Director Anuta and seconded by Director Broughton it was unanimously **AGREED** to engage with Stifel with an amended proposal if the District cannot secure its own funding.

### **Marchetti & Weaver Engagement**

Upon motion duly made by Director Anuta and seconded by Director Broughton it was unanimously **AGREED** to accept the engagement letter presented by Marchetti & Weaver, LLC for 2016 financial services.

### **2015 Audit**

The annual audit will be conducted by McMahan and Associates, LLC and is scheduled during the week of February 29, 2016.

### **Other Business**

There was no other business to come before the Board.

### **Recess Meeting**

There being no further business to come before the Board, by motion duly made by Director Anuta and seconded by Director Broughton, it was unanimously agreed to recess the Regular Meeting of the Copper Mountain Consolidated Metropolitan District Board of Directors this 29<sup>th</sup> day of January, 2016 at 12:25 p.m.

### **Reconvene Meeting**

The Regular Meeting of the Board of Directors was reconvened by Director Malmgren at 12:37 p.m.

### **Executive Session**

Director Anuta moved that “the Board of Directors for the Copper Mountain Consolidated Metropolitan District go into executive session for two discussions: Topic 1 – discussions for developing strategies for negotiations, instructing negotiations, and determining positions relative to matters that may be subject to negotiation as authorized by CRS 241-6-402(4)(e), and Topic 2 – discussions regarding personnel matters as authorized by C.R.S. § 24-6-402(4)(e). Those present at the outset of the executive session for topic 1 shall be members of the Board of Directors as present at this meeting; Sam Parker, District Manager; and Dave Arnesen, Director of Cable Services as needed. Those present at the outset of executive session for topic 2 shall only be members of the Board of

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Directors as present at this meeting.” Seconded by Director Broughton. Upon the Motion duly made and seconded, Director Malmgren declared, “The Motion passes on a vote of 5 in favor and 0 opposed. The time is now 12:39 p.m., and the Board will go into executive session.”

**Return to  
Open Session**

Director Malmgren stated, “The time is now 1:43 p.m., and the executive session has been concluded. The participants in the executive session for topic 1 were Thomas J. Malmgren, Karl Anuta, Ben Broughton, David Steele, Ted Kravec, Sam Parker and Dave Arnesen. The participants in the executive session for topic 2 were Thomas J. Malmgren, Karl Anuta, Ben Broughton, David Steele, and Ted Kravec.

“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.”

**Other  
Business**

The Board reviewed a request from ResortInternet to reduce the amount of District revenue to offset billing costs incurred by ResortInternet.

Upon motion duly made by Director Anuta and seconded by Director Broughton it was unanimously **AGREED** to deny ResortInternet’s request.

The Board reviewed the District Manager’s 2015 Job Performance.

Upon motion duly made by Director Anuta and seconded by Director Broughton it was unanimously **AGREED** to authorize Director’s Tom Malmgren and Karl Anuta to meet with the District Manager to discuss his 2015 job performance.

**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 29<sup>th</sup> day of January, 2016, at 1:44 p.m.

Respectfully Submitted,

BY: Thomas J. Malmgren

Thomas J. Malmgren  
President of the District

ATTEST: Karl Anuta

Karl Anuta  
Vice President of the District