
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors Copper Mountain Consolidated Metropolitan District October 25, 2013

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on October 25, 2013 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:

- Bob Bloch
- Ben Broughton
- Tom Malmgren
- Dave Steele

The following Directors were not present at the meeting

- Karl Anuta (excused absence)

Staff in attendance was:

- Dave Erickson, District Manager
- Mike Koenig, Public Works Director
- Dave Arnesen, Director of Cable Services
- Dan Moroz, Code Compliance Officer
- Missy Stabile, Clerk-Treasurer Administrative Assistant
- Ross Orton, CMFD Paramedic

Also in attendance were:

- Eric Weaver, Robertson & Marchetti, P.C.
- Gary Rodgers, Copper Mountain President and General Manager (left at 9:30)
- Chris Colman, Copper Mountain Director of Planning & Development
- Dave Glissmann, Copper Mountain Manager of Finance (left at 9:30)
- Mike Rothberg, Tetra Tech
- Steve Tamburini, Tetra Tech

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 October 25, 2013, at 8:30 a.m. noting a quorum was present.

Old Business Minutes

The Board reviewed the minutes of the September 27, 2013 Regular Board Meeting. Corrections made to line 81: "Church Lot" changed to "Chapel Lot"; line 86: removed "new"; and line 112: changed "decrease" to "discount". Upon motion duly made by Director Bloch and seconded by Director Broughton it was unanimously

AGREED to approve the minutes of the September 27, 2013 Regular Board Meeting with revision.

Financial Report

A Preliminary Financial Report for September 30, 2013 was prepared by Robertson & Marchetti, P.C. and provided to the Board for review prior to the meeting.

Mr. Weaver provided an overview of the financial statement stating that revenues are favorable, specifically tax revenue, interest income, and Fire Department revenues due to wildland fire deployment. He noted that Fire Department payroll is over budget due to overtime paid for wildland deployment but that it is offset by wildland revenues. He informed the Board that the far

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right column was added to the financial statement and contains the 2014 preliminary budget figures. He further advised that the District could expect a \$350,000 deficit at the end of the year.

Mr. Weaver addressed questions raised by Director Bloch. No changes to the financial statement resulted.

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

AGREED to accept the September 30, 2013 Financial Statement and cash disbursement report as presented.

Community Updates

Mr. Rodgers announced that snowmaking on the mountain is 25-30% ahead of last year at this time. He spoke about the US Alpine Olympic Ski Team announcement at Copper Mountain on Friday, November 8, 2013. U.S. Ski Team members will be named in a ceremony in Burning Stones Plaza at approximately 4:00 followed by a concert. More information about daylong activities is available on Copper Mountain's website.

Director Broughton noted that two new fire structures have been installed in Center Village by the Village Company: a fire globe sculpture outside Mill Club and a fire pit in front of Endo's.

New Business

Public Hearing on Proposed Adoption of 2012 International

Fire Code

Mr. Moroz announced that the 2012 International Fire Code (IFC) is updated from the 2006 IFC. The three Summit County Fire Districts held six separate meetings to discuss the updated IFC and all districts are in agreement with the county building and real estate communities regarding adoption of the code and amendments thereto.

Director Malmgren formally opened the public hearing regarding Resolution No. 2013-02, A Resolution to Adopt the 2012 IFC at 8:47 a.m.

Mr. Rodgers asked if the adoption of the 2012 IFC will be subject to any action taken by the county regarding the fire codes. Mr. Moroz responded that the goal is to have one document adopted by the county and each District. No other public comments were presented.

Director Malmgren closed the Public Hearing at 8:50 a.m.

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

AGREED to adopt Resolution 2013-02, a Resolution to repeal Resolution 2008-04, a Resolution to direct District personnel to enforce the 2006 International Fire Code as adopted and amended by the Board of County Commissioners for implementation in the unincorporated areas of Summit County, Colorado; and to adopt and amend the 2012 International Fire code, prescribing regulations governing conditions hazardous to the life and property from fire, hazardous materials, or explosion.

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Public Hearing on Proposed Water / Sewer Rate Structure

Mr. Erickson remarked that the District continues to work with Copper Mountain Resort (CMR) and recommended that the public hearing regarding the Proposed Equitable Water/Sewer Rate Structure be extended to the November Board Meeting to allow time to answer CMR's questions.

Director Malmgren formally opened the public hearing regarding the Proposed Equitable Water/Sewer Rate Structure at 8:53 a.m.

Mr. Rodgers expressed appreciation to the District for their continued cooperation and confirmed that CMR has more data to present for analysis. He said that much work has already been done but that it is important to double check everything. He reiterated that CMR does not want to get into a situation where tap fees discourage future development. He stated that postponing the adoption of the new rate structure is valuable to CMR.

Director Malmgren recessed the Public Hearing at 9:57 a.m. until November 22, 2013.

Director Bloch asked Mr. Rodgers if developers are able to provide comparable data. Mr. Rodgers replied that the numbers they are receiving for tap fees are approximately half of what the District is proposing. Mr. Erickson stated that District staff and District engineers are meeting with CMR to review the new data.

Public Hearing on Proposed 2014 Budget

Mr. Erickson stated that in working with Eric Weaver of Robertson & Marchetti, P.C., two different budget formats were developed and asked the Board to identify a preferred format that meets the needs of the Board and the community.

Director Bloch had several questions regarding the proposed salary budget. Mr. Erickson responded by stating the 2014 salary figures are effected mainly by the District's Cost-of-Living Adjustment and Merit Increase policies. In addition, there are two promotions and one retirement scheduled for 2014.

Mr. Erickson proceeded to review the Proposed Budget document. He reported that the District will collect \$83,000 less in property tax revenues than in 2013 due to the reduction in assessed values. He advised the Board that due to decreased development activity in the District, the District is not receiving a significant amount of tap fee revenue as in past years and, as a result, the District is not collecting enough water and sewer revenue, in relationship to operating expenses, necessary to comply with the 110% rate covenant required by the Colorado Water Resources and Power Development Authority in loan documents related to financing the 2005 Waste Water Treatment Plant Upgrade. He further advised that the Summit County Emergency Services fee, charged to all developed properties within the District, will not change in 2014 because there is no significant increase in emergency response related costs charged to the District by Summit County. Finally, Mr. Erickson noted that the District is looking at needing to adopt a 2013 supplemental budget to cover unanticipated operating costs not foreseen at the time the 2013 District Budget was adopted.

Director Bloch asked why Cable Television is transferring money to the General Fund. Mr. Erickson replied that it is to offset an operating deficit in the General Fund that was affected when ResortInternet took over customer billing for television and high speed internet services in 2012. In the past, administrative service expenses associated with cable and high speed internet service customer billing work was charged to the CATV Fund in order to cover such administrative expenses to the General Fund. When billing procedures changed, the administrative costs associated with customer billing services were no longer charged to the CATV Fund, the General Fund lost roughly \$50,000 in indirect revenue and it became necessary to initiate a direct transfer

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of funds from the CATV Fund to the General Fund in order to avoid a significant deficit in the General Fund budget and stave off an immediate need to increase property tax rates. This transfer of funds was instituted in 2012 and is proposed to continue into 2014.

Director Broughton asked what determines the amount budgeted for Water Legal Services. Mr. Erickson responded that the number is based on several years of expenses and the need for unanticipated legal fees associated with obtaining, protecting, and maintaining water rights held by the District.

Mr. Weaver stated that the anticipated District deficit of \$350,000 in 2013 and \$650,000 in 2014 is not a good trend. Although it is troubling, he hopes that property assessments will improve and that development will return to turn the trend around.

Director Malmgren formally opened the public hearing regarding the 2014 Budget at 10:08 a.m.

Mr. Rodgers recalled increases in the District's budget in the past few years and encouraged the Board to look at operating as efficiently as possible. He recommended the Board continue to monitor large expenditures and large percentage increases in Administration and Water Department salaries. He noted that the District is proposing a 6.6% increase in salaries for 2014 compared to the private sector looking at a 3% increase which includes both cost-of-living adjustments and merit increases. He advised that the District needs to be very thoughtful of what the Copper Mountain community can afford and encouraged the Board to look for economies and ways to decrease expenditures rather than just looking at increasing revenues.

Director Malmgren recessed the Public Hearing at 10:13 a.m. until November 22, 2013.

New Business

District Manager's Report

Mr. Erickson announced that there would be no call for an Executive Session as noted on the agenda. Instead, Mr. Erickson informed the Board of his decision to send a memo to the Fire Department and the Board on October 24, 2013 regarding restructuring of the Fire Department by eliminating the Assistant Fire Chief position. The position is not defunded in the Proposed 2014 Budget in case it becomes necessary to have this position in the future. However, Mr. Erickson does not see the need to reestablish the position due to the size of the organization and the number of calls it responds to annually.

In addition, as a result of the Fire Department's organizational struggles and issues, the Fire Chief is voluntarily resigning his position and the details as to the date of resignation are currently being worked out. Steps are being taken to temporarily function without a Fire Chief. In response to the resignation, a four person transition team has been established to see the Department through to hiring a new Fire Chief. The transition team is formed by an Acting Fire Chief, Dan Moroz, and team members Todd Hebebrand, Shift B Lieutenant; Mark Nielsen, Shift A Engineer; and Ross Orton, Shift C Paramedic. Once a new Fire Chief is hired, the team will help mentor the new Fire Chief into leading and managing the fire department and promoting improved communications throughout the department.

Director Bloch commended Mr. Erickson in the formation of the transition team and requested that a written transition plan for operating without a Fire Chief and the hiring of a new Fire Chief be submitted to the Board for review.

Paramedic Ross Orton, representing C Shift, noted that C Shift has a positive attitude and is looking forward to moving forward through this necessary transition.

Staff Reports

- **Water and Wastewater Director:**

Mr. Koenig reported the District's Water System was reviewed by the State Health Department to overview all of water quality analysis records and District operating procedures, including a

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physical tour of the system. The survey resulted in several minor suggestions and two items that require immediate action. Those items requiring immediate attention are:

- 1) The steel hatchway on the .25 mg storage tank needs to be relocated. The District has secured the required inspection of the tank and has an estimate from a contractor. The work will be scheduled for spring 2014, weather and access permitting. The State will receive a "Date Certain" for completion and the 2014 budget will reflect this project.
- 2) Well #3 was designed and constructed and approved with a below grade level well head in order to mitigate interference with golf activities surrounding the well head location. The State inspection is now requiring that we seal the bottom of the vault that houses the well head. Despite the State approval secured at the time of construction, the District will need to pour a concrete seal at the bottom of the vault in the not-too-distant future. Again the State will receive a "Date Certain" for completion of this item. The cost will not be much and no budget will be adversely affected. Depending on schedules and weather, this project may be completed this year.

Mr. Koenig reported that work will continue in the spring to locate curb stops in the East Village Filing 5 and identified the following units that do not currently have visible curb stops:

Woods 5, 7, 8, 9, 10, 15, 16, 17, 18,19, 20, 21, 24, 25, 26, 27, 31, 32, 33 and 39
Legends 7 and 12
Masters 1, 2, 5 and 7

The curb stops are valves present on all water service lines located outside of a residence that allow the water service to be shut off to individual customer properties. Each customer owns and is responsible for maintaining their curb stop in a manner that allows access to the valve should water need to be shut off from outside of the home. In order to locate the remaining curb stops and repair any non-functional curb stop valves next spring, landscaping will need to be removed. A company that does this kind of work has provided an estimate which will be distributed to affected homeowner associations for approval.

Mr. Koenig confirmed that bird netting has been installed on the Metro District Building; however, work to replace the snow bars on the building roof, to prevent snow slide hazard to visitor traffic into the building, still has to be completed before winter.

The survey of utility easements is complete. A sample letter of request and a special warranty deed prepared by District legal counsel was distributed to the Board prior to the meeting. In his absence, Director Anuta provided a written response suggesting a quit claim deed would be more appropriate. Mr. Koenig was advised to remove "realtor fees" from item 12 in the letter and deliver with edits to CMR.

- **Cable TV/HSIS:**

Mr. Arnesen suggested to Resort Internet (RI) that some sort of television programming needs to be displayed on Channel 5, as it has been dark for several weeks. RI assured Mr. Arnesen that they are working with CDOT to provide CDOT programming on Channel 5. In the interim, RI may be able to provide temporary programming beginning next week.

- **CMFD:**

Acting Fire Chief Moroz reported that due to the recent change in his position, he is not yet up to speed on all of the items that would normally be reported to the Board. He deferred discussion of Emergency Medical Services (EMS) to Mr. Erickson who attended an EMS meeting with former Fire Chief Thomson.

EMS:

Mr. Erickson confirmed his attendance at the EMS meeting regarding possible Special District participation in providing ambulance service to their respective communities. There will be future

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meetings involving the Board of County Commissioners, Summit County Ambulance Service and the Special Districts in order to look at a variety of options to fund and provide ambulance service throughout Summit County.

Fire Prevention:

Acting Fire Chief Moroz reported that the permit review process and permit issuance with Climax has been completed for all facilities. Construction will continue through the winter with code related inspections occurring during this period. Expected completion date for the entire project and commissioning is on track for mid-summer 2014.

CMR is using a helicopter for heavy lift operations in association with construction of two new surface lifts located in high tundra areas of the mountain. CMFD staff has inspected helicopter facilities to assure safe refueling operations in the East Lot.

Acting Fire Chief Moroz attends weekly meetings with CMR to review upcoming events. The US Alpine Olympic Ski Team will be announced at Copper Mountain on November 8. This multi-media event will see coverage by all major television networks and print media and could be attended by hundreds of people. CMFD will work with CMR to ensure all fire lanes and building access is maintained.

All Copper Mountain restaurants and commercial kitchen operations will undergo fire inspections in the next several weeks to ensure adherence to applicable fire codes. CMFD has an agreement with all Copper Mountain restaurants to conduct inspections twice a year rather than once a year.

CMFD witnessed a successful open house on October 10 during Fire Prevention Week. Guests observed live fire demonstrations simulating home kitchen fires and how to suppress them. The American Red Cross, Summit County Ambulance, and Dan Schroeder from the CSU Extension were present with information for interested attendees.

Due to an exceptionally wet summer, Summit County wildfire hazard has remained low. CMFD's Smokey Bear has been removed and placed in hibernation until next spring.

Additional Items:

At the request of Director Malmgren, Mr. Erickson addressed the status of Truck-1, CMFD's inoperable ladder truck. Mr. Erickson stated that the title to Truck-1 has not been located and that other pressing Department matters have deterred progress on the disposition of Truck-1. He assured the Board that the Department will look into additional options.

- **Clerk-Treasurer Administrative Assistant:**

Ms. Stabile announced that with the much appreciated help of CMFD C Shift (Michael Craig, Joe Fava, Ross Orton and Shanin Theiss) approximately 1200 Notices of Election were sent on November 4 to Copper Mountain property owners and residents who are registered to vote in Colorado. On October 15, CMCMD sent official ballots to approximately 800 Copper Mountain homeowners who do not live at Copper but are registered to vote in Colorado. The County Clerk and Recorder contracted with a printer in Denver to send the remaining ballots to Copper residents. Due to a misunderstanding, the printer sent incorrect ballots to registered voters in Copper Mountain, Breckenridge, Blue River, Silverthorne and Dillon. Those ballots are being reprinted and will be mailed by the October 18th deadline.

Relative to the upcoming election, the public logic and accuracy test took place on Monday, October 21 in the County Clerk and Recorder's Office. The purpose of the test is to cast ballots on the voting equipment to make sure it is tabulating correctly. The twenty void ballots submitted by CMCMD tabulated correctly.

Mail ballots may be issued, replaced or dropped off at the historic courthouse in Breckenridge beginning Monday October 28 through Monday November 4. On Election Day, Tuesday

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November 5, ballots may be dropped off at Frisco Town Hall, Dillon Town Hall, or Silverthorne Town Hall. Polling centers will be open from 7 a.m. to 7 p.m. for in-person voting at the Old Courthouse in Breckenridge, the Buffalo Mountain Room at the County Commons in Frisco, and the Silverthorne Pavilion.

The upgrade to Caselle Clarity from Caselle Classic has been paid in the amount of \$7,860. The cost to integrate Payment Service Network will be a one-time fee of \$400, an \$89 annual fee, a \$39.95 monthly fee for electronic billing and monthly fees associated with online payment options. The next step is to complete some database housekeeping required by Caselle before scheduling a conversion.

Ms. Stabile will attend the Colorado Municipal Clerk Association's annual conference in Breckenridge November 20-22, 2013. This will provide an opportunity to earn more credits toward a certified clerk designation.

Other Business

Snowbridge Unit 212

Mr. Erickson stated that attempts to serve papers to the former lessee of Snowbridge Unit 212 by District special legal counsel have been unsuccessful. It is believed the former lessee is in Denver. If attempts to serve the papers continue to be unsuccessful, the notice of lawsuit will be published in the paper.

Director Malmgren announced that a listing agreement was sent to Mr. Erickson for his signature. The unit will be listed in the MLS once the signed agreement is returned.

CHUBB

Agreement:

In response to the Board's request to keep the CHUBB agreement on the agenda, Mr. Erickson announced the current CHUBB agreement will be sent to District legal counsel for review.

Other:

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

AGREED to move the November Board meeting from the last Friday of the month to Friday November 22nd to accommodate the Thanksgiving holiday.

Adjournment

There being no further business to come before the Board, by motion duly made by Director Broughton and seconded by Director Bloch, 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 25th day of October, 2013, at 11:12 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