
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors Copper Mountain Consolidated Metropolitan District August 25, 2017

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

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

Staff in attendance was:

- Bryan Webinger, District Manager
- Robert Martin, Public Works Director
- Ed Pankevicius, Chief Plant Operator
- Dave Arnesen, Director of Cable Services
- Gary Curmode, Fire Chief
- Dan Moroz, Fire Marshal
- Missy Stabile, Clerk-Treasurer

Also in attendance was:

- Eric Weaver, Marchetti & Weaver
- Graeme Bilenduke, Copper Mountain Director of Development
- Peter Siegel, Copper Mountain Resort Association Executive Director
- Jeff Berino, Lake Dillon Fire-Rescue Fire Chief
- Lori Miller, Lake Dillon Fire-Rescue Board of Directors
- Jamie Woodworth, Summit County Ambulance Service Director
- Jim Reis, Copper Mountain Resort Association, POLA President
- Kevin Flewell, CNL Copper/Resort Ventures West

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 August 25, 2017, at 8:30 a.m. noting a quorum was present.

Old Business Minutes

The Board reviewed the minutes of the July 28, 2017 Regular Board Meeting. Upon motion duly made by Director Broughton and seconded by Director Anuta it was unanimously

AGREED to approve the minutes of the July 28, 2017 Regular Board Meeting as presented.

Community Updates

Peter Siegel, Copper Mountain Resort Association Executive Director, distributed event flyers and a Resort Association Annual Meeting notice. Mr. Siegel reported that projects including the East Village lighting project, paving project in Center Village and median landscaping are proceeding. Work continues on the consolidation of POLA, Resort Association and Village at Copper. It is hoped that the surviving entity will be POLA and renamed to POMA (Property Owners and Merchants Association). Director Malmgren stated that was unfortunate that the District Manager was not allowed to attend the last consolidation meeting in his absence. Mr. Siegel replied that the District Manager did not indicate that he was asked to attend in Director Malmgren's place.

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Graeme Bilenduke, Copper Mountain Director of Development, reported that the resort is extremely busy with a number of projects including the alpine coaster, replacement of the Kokomo chair lift, Jill's remodel becoming Downhill Dukes, Camp Hale and retail space remodel becoming Camp Hale Outfitters, Toast & Co replacing Alpinista, Endo's remodel becoming Ten Mile Tavern, continued work on the A Lift Neighborhood and amending PUD zoning to allow a workforce housing project in the North Alpine Lot. Copper's PUD amendment applications will be reviewed on September 14, 2107 at the Ten Mile Planning Commission meeting and on September 26, 2017 at the Board of County Commissioners meeting.

Mr. Bilenduke acknowledged the increase in water and sanitation rates and stated that every increase has a significant effect on the Resort's budget.

Director Broughton asked where will parking offset for the loss of the North Alpine Lot be located. Mr. Bilenduke replied that this is outlined in the PUD amendment and is a work in progress.

Public Comment and Concerns

No public comments and concerns.

Financial

A Financial Report for July 31, 2017 was prepared by Marchetti & Weaver and provided to the Board for review prior to the meeting. Eric Weaver, Marchetti & Weaver, explained that revenues show favorable but much of the revenue is borrowed funds. Tap fee revenue is favorable because there has been unexpected development that was not budgeted. Payroll is on track. Savings are seen in water expenses because a lot of projects are being delayed due to capital projects. Mr. Weaver continues to monitor refinancing Metro District building loans in 2018. An extensive review of long range capital plans and water and sanitation rates was conducted. The District received preliminary assessed valuations from the county and a 2% increase is anticipated. The increase would have been closer to 8% without the effects of the Gallagher Amendment.

Director Broughton asked several question about July cash disbursements which were addressed by District Staff.

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

AGREED to receive the July 31, 2017 Financial Statement and cash disbursement report as presented.

Mr. Weaver stated that a preliminary 2018 budget will be presented at the September Board Meeting.

New Business

Water/Sanitation Rate Increase Resolution 2017-08

Bryan Webinger, District Manager, stated the District is recommending a 10% increase in water and sanitation rates to accommodate the Water and Sanitation Department's long range plans, future capital projects and recovering from unexpected state mandated GWUDI expenses. Tap fees remain the same. A fee for tampering with curbstops has been added to the revised rate table.

Director Malmgren opened the public hearing on Water and Sanitation rate increases at 8:54 a.m.

Director Malmgren asked if there were any comments. There being none, the public hearing was closed at 8:54 a.m.

Director Anuta expressed concerns with the language of Resolution 2017-08. However, his concerns are not substantive and he will submit written comments to the District Manager.

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Mr. Webinger stated that a 10% increase can be expected again next year and then hopefully stabilize to a 3-5% annual increase thereafter.

The Board commented that they are aware that Copper Mountain water and sanitation rates are higher than other areas due to a number of reasons and continues to try to keep the rates as low as possible to cover costs.

The proposed rate increase will take effect on October 1, 2017 for 4th quarter water use and will be billed in January 2017.

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

AGREED to adopt Resolution 2017-08, an amended and restated Resolution to adopt a new equitable water and sanitation rate structure for services within the Copper Mountain Consolidated Metropolitan District (CMCMD) Water and Sanitation Department's service area.

Frisco BBQ Challenge

Mr. Webinger presented the 2017 Colorado BBQ Challenge award to Chief Curmode on behalf of Captain Charlie Johnson and the Fire Department. Chief Curmode thanked the District for support and stated prize money is donated to a charity. The Board extended their congratulations.

Fire Authority Update

Mr. Webinger reported that a draft agreement (IGA) was distributed to Lake Dillon and Copper Mountain Board of Directors and staff for review. Director Malmgren stated he would like to discuss representation on the authority Board and noted that progress needs to continue. Director Anuta will send memo with comments and questions to the District Manager. Chief Berino requested that the Board get comments to the District Manager as soon as possible so they can get comments back to the attorney. Director Steele inquired about the ability of each entity to purchase property and thought that the authority was moving away from this. Chief Berino explained that Lake Dillon Fire is constructing an administrative building that Copper Fire will not contribute. The building will be owned by Lake Dillon Fire. The Board stated that they would like the authority Board to be made up of three Lake Dillon Directors and two Copper Directors rather than the proposed four to one ratio. Lake Dillon Fire-Rescue Board of Director Lori Miller stated she was agreeable to looking at this and will discuss it with the Lake Dillon Fire-Rescue Board of Directors. A Board Work Session to discuss the IGA was scheduled for September 8, 2017 at 10:00 a.m.

Well House Project Update

Robert Martin, Public Works Director, reported that they are in the second phase of Wheeler Circle pipe installation and good process is being made on the project despite continuing utility related delays. The project is still on schedule to meet the substantial completion date but all float time has been exhausted and they are considering accelerating the work schedule which will involve extra costs of approximately \$20,000.

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

AGREED to authorize the Public Works Director to accelerate the project work schedule to meet the substantial completion date with a budget up to \$30,000.

Well House Project Change Order #2

Mr. Martin stated that change order #2 has been scrutinized by himself and Tetra Tech.

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Upon motion duly made by Director Broughton and seconded by Director Anuta it was unanimously **AGREED** to approve Well House Project Change Order #2.

Staff Updates

Director Broughton asked about solar options mentioned in Mr. Webinger's report. Mr. Webinger stated he is looking at energy conservation and saving money. He has started a conversation with the state regarding a possible energy audit. Director Broughton stated that there are other pressing capital expenses but he is willing to look at information. Mr. Webinger also noted that he is looking into switching the District phone service to Voiceover Internet Protocol. The Board expressed concern about this service. Dave Arnesen, Director of Cable Services, noted that the District would lose 911 capabilities and does not recommend pursuing this option.

Mr. Webinger reported that Climax Mine has proposed a significant increase in amount of molybdenum it currently is allowed to release into the North Ten Mile Creek. Copper Mountain Resort makes snow with water from the North Ten Mile Creek which melts into the West Ten Mile Creek and could pose a concern to Resort residents and guests. The Board suggested District staff contact Denver Water to help so that the brunt of the responsibility does not lie with the District. The Board also suggested staff contact District water counsel about submitting a letter opposing Climax's proposed change to regulations. Dan Moroz, Fire Marshal, mentioned that Climax has plans for an additional water treatment facility that would be a significant cost to build. If the molybdenum output is allowed to increase, Climax would not need to build this treatment facility.

The Board stated they are glad to see Mr. Webinger has applied for Leadership Summit.

Mr. Martin reported that garage doors in the bay continue to malfunction but adjustments are now able to be made in house eliminating the need to call for service. Flow testing in Lewis Ranch caused a pressure surge that affected, but did not damage, fire sprinkler systems in many of the Lewis Ranch homes. Mr. Martin is working with engineers to try to determine what happened and prevent it from happening in the future.

Dave Arnesen, Director of Cable Services, reported that he is making a little headway with the pixilation issue. ResortInternet found errors coming through the receiving system but the channels reporting identified errors are not the channels that are experiencing pixilation. The Board expressed frustration with poor response time to complaints and poor customer service. Mr. Webinger noted that service tickets sent to ResortInternet in May were not received by the District until August. The Board noted frustration with ResortInternet's customer service and that they are inclined to not renew the ResortInternet contract if overall service does not improve.

Mr. Arnesen stated that there are major PUD amendments being proposed by Copper Mountain Resort and the changes are not just in zoning. The Board expressed frustration that the Resort did not communicate proposed PUD amendments before submitting to the county. Fire Marshal Moroz will forward the PUD amendment application on file with the county and recommended the Board scrutinize the application.

The Board inquired about burn piles located in Lewis Ranch. Gary Curmode, Fire Chief, stated that about half of the piles were burned in the spring and remaining piles are being restacked to be burned this fall. Fire Marshal Moroz explained that taking care of the piles was originally a joint project between the Village Company and the District. The Village Company was paid by the county to remove the piles, which was not completed. The Village Company has agreed to chip some of the remaining piles and the Fire Department will burn the remainder under permit in small burn piles.

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Chief Curmode noted that reimbursements from two additional wildland deployments are forthcoming. He also reported that Red, White and Blue Fire District agreed to the county's terms for ambulance service and thanked the Board for their support during the process.

The Board requested that variances in the Fire Department budget be a topic on next month's meeting agenda.

The Board reiterated their request that the Fire Department look into CPR classes that can be offered to the community. Mr. Webinger reported that dates in October and November are being reviewed. The Board suggested that early December might work well and that resort building managers should be invited.

Fire Marshal Moroz reported that he is working with fire engineers on the fire suppression system for a new 5400 square foot Copper Resort building above the Kokomo Lift. Because the building is located on forest service land, it is not within the Fire Department's response area and cannot be reached during winter months. Fire Marshal Moroz emphasized his request for the Board to review Copper's PUD amendment application closely.

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 10:31 a.m.

Reconvene Meeting

The Regular Meeting of the Board of Directors was reconvened by Director Malmgren at 10:41 a.m.

Executive Session

Director Broughton moved that "the Board of Directors for the Copper Mountain Consolidated Metropolitan District go into executive session for discussions regarding personnel matters as authorized by C.R.S. § 24-6-402(4)(f) of the Colorado Open Meetings Law. Those present at the outset of the executive session shall be members of the Board of Directors as present at this meeting and Melissa Stabile, District Clerk-Treasurer." Seconded by Director Steele. Upon the Motion duly made and seconded, Director Malmgren declared, "The Motion passes on a vote of 4 in favor and 0 opposed. The time is now 10:42 a.m., and the Board will go into executive session."

Return to Open Session

Director Malmgren stated, "The time is now 11:32 a.m., and the executive session has been concluded. The participants in the executive session were Thomas J. Malmgren, Karl Anuta, David Steele, Ben Broughton, and Melissa Stabile.

"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

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

AGREED to authorize District Staff to contact Employer's Council regarding personnel matters.

The Board is looking forward to the performance evaluation process for all District employees.

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Adjournment 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 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 August, 2017, at 11:35 a.m.

Respectfully Submitted,

BY: *Thomas J. Malmgren*

Thomas J. Malmgren
President of the District

ATTEST: *David Steele*

David Steele
Secretary of the District