
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors Copper Mountain Consolidated Metropolitan District August 28, 2015

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on August 28, 2015 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:

- Sam Parker, District Manager
- Ricky Clover, Public Works Director
- Dave Arnesen, Director of Cable Services
- Dan Moroz, Fire Marshall
- Missy Stabile, Clerk-Treasurer

Also in attendance was:

- Eric Weaver, Marchetti & Weaver
- Gary Rodgers, Copper Mountain President and General Manager
- Chris Colman, Copper Mountain Director of Planning
- Graeme Bilenduke, Copper Mountain Director of Development
- Jamie Woodworth, Summit County Ambulance Service Director
- Scott Vargo, Summit County Assistant Manager
- Peter Siegel, Copper Mountain Resort Association Executive Director
- Mark Wentzlaff, ResortInternet President
- Mike Rothberg, Tetra Tech
- Bruce Butler, Copper Mountain Resort Division Manager
- Lee Ann Shaw, Copper Mountain Resort HOA Association Manager
- Kevin Flewell, CNL Copper/Resort Ventures West
- David Dean, Sundial Communications
- Jim Reis, Copper Mountain Resort Association, POLA President
- John Woods, Mountain Plaza
- Mike Courtney, Masters
- Mark Vagnerini, Telemark Lodge HOA
- James Ring, Telemark Lodge Manager
- Kurt Hotto, Copper Mountain Resort Association, The Lodge
- Kevin Berube, Village Square
- Sandra Cordova, Westlake Lodge

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 28, 2015, at 8:30 a.m. noting a quorum was present.

Old Business Minutes

The Board reviewed the minutes of the July 31, 2015 Regular Board Meeting. Upon motion duly made by Director Broughton and seconded by Director Steele it was unanimously

AGREED to approve the minutes of the July 31, 2015 Regular Board Meeting as presented.

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Community Updates

Mark Wentzlaff, ResortInternet (RI), reported that RI is moving forward with contractual agreements with Copper Mountain HOAs. All fiber trenching is complete and fiber pulls will be completed within the next few weeks. Fiber trenching is ahead of schedule and under budget by approximately \$12,000.

Peter Siegel reported that it has been a busy summer of events at Copper. The Board recognized the Resort Association staff and commended their work.

Gary Rodgers thanked CMCMD staff for their involvement in a successful US Pro Challenge event and announced that, with favorable conditions, snow making will begin in 30 days.

Public Comment and Concerns

David Dean, Sundial Communications, asked the Board about bandwidth and cable channels available to the Copper Mountain community through ResortInternet. The Board suggested Mr. Dean meet with the District Manager and Director of Cable Services after the meeting to answer his questions.

New Business Water/Sewer Rate Increase

Sam Parker explained future capital projects identified in long range plans conducted by Tetra Tech Civil Engineers and Marchetti & Weaver Certified Public Accountants & Administrators, aging infrastructure, required upgrades to meet mandatory state regulations, the need to increase staff levels to meet OSHA requirements and projected increase in annual operating costs require the District to implement increases to the water, sewer and tap fee rates. The District proposes a rate increase of 10% for four years then 3% annually thereafter. CMCMD's Water and Waste Water Reclamation Facility is the only district in the county that operates both water and waste water and operates on a smaller budget than the other county facilities that do less. Neighboring water facilities have increased rates from 3-10% annually over the past 10 years. CMCMD has increased rates once in 17 years.

Director Malmgren then opened the public hearing.

Gary Rodgers expressed concerns about CMCMD fiscal plans including Water and Sanitation. He is concerned that oversight during the last ten years is not sufficient and has created an unsustainable situation. He suggested the District is living beyond its means and holds the Board responsible.

Sandra Cordova, Westlake Lodge Board, expressed appreciation for the meeting.

Mark Vagnerini, Telemark Lodge, suggested the District look at a per unit fixed fee toward capital improvements.

Kurt Hotto, Copper Mountain Resort Association, was in support Mr. Rodger's comments and suggested the District look at refinancing debts. Eric Weaver, Marchetti & Weaver, commented that the District has three outstanding debts: one on the Metro District building that is not callable until after ten years and two loans on Water & Sanitation buildings. These later two loans are currently being reviewed for refinance and initial estimates suggest the District may save approximately \$3,000 annually as a result.

Kevin Berube, Village Square, asked if rate increase can be a tax rather than a fee.

Kevin Flewell, CNL Copper/Resort Ventures West, noted that taxes can be deducted whereas rate increases cannot. Eric Weaver commented that taxes benefit residential property owners but negatively impact commercial businesses.

Director Malmgren stated that as a Special District, we are restricted by Colorado state laws in how we can raise funds. The District is down \$20 million in assessed values which has affected the District since the recession.

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Director Malmgren asked if there were any further comments. There being none the public hearing was closed.

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

AGREED that in order to increase Water and Sewer revenue by an estimated 10%, the rates should be adjusted by increasing the Base Water and Sewer rates from \$125.25 per CEU per quarter to \$140.25 per CEU (\$30.00 for water and \$110.25 for sewer) per quarter; Tier 1 Water Use rates from \$5.90 per 1,000 gallons to \$6.10 per 1,000 gallons; Tier 2 Water Use rates from \$8.90 per 1,000 gallons to \$9.15 per 1,000 gallons; Irrigation rates from \$7.55 per 1,000 gallons to \$8.30 per 1,000 gallons; and Water and Sewer Tap Fees from \$8,800 per CEU to \$9,700 per CEU (\$4,100 for water and \$5,600 for sewer), effective October 1, 2015.

Ambulance Service

Mutual Aid

Amendment

Scott Vargo, Summit County Assistant manager, explained that the amendment to the original Ambulance Service Mutual Aid Agreement of May 2015 provides 24/7/365 ambulance service with a backup ambulance to Copper Mountain and a revenue sharing agreement.

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

AGREED to accept the Ambulance Service Mutual Aid Amendment.

Verizon

Cell Tower

Mr. Parker reported the revised draft agreement between the District and Verizon Wireless has been reviewed by District Counsel and is back in Verizon's hands. The new lease increases rent from \$1800 to \$2400 a month.

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

AGREED to authorize the District Manager to execute the agreement contingent on District Counsel's final approval.

US Pro

Challenge

Having the Temporary Incident Command Post staged in the Metro District community room highlighted inefficient wi-fi capabilities and the need to purchase and install a more powerful router. The Director of Summit County Communications commented on the positive direction CMFD is moving and that they are setting a good example for the rest of the county.

Bereavement

Leave Policy

The Board tabled discussions regarding amendments to the District Personnel Policies and would like to address the entire document. The Board requested a copy of the policy be emailed to them.

Recess

Meeting

Director Malmgren recessed the regular meeting at 10:20 a.m. The meeting was reconvened at 10:26 a.m.

Staff Updates

- Missy Stabile explained that the foremost grievance received by CMCMD water customers is the lack of an online payment process and presented information about Xpress Bill Pay that would provide water customers with the ability to make online and automatic bill payments. There are monthly fees associated with the cost of offering this service to District customers and a onetime software upgrade to the current system that will be borne by the District and not charged directly to the customers.

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

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AGREED to initiate a contract with Xpress Bill Pay and upgrade the Caselle software to provide on online and automatic bill payment services to District Water and Sanitation customers effective January 1, 2016.

- Ricky Clover reported that newly laid asphalt in the shark lane had to be cut to expose a water valve that was covered. The valve was identified and marked prior to paving. Copper Mountain Resort will have the asphalt repaired.

A water discharge permit that expired in 2012 and has been under an administrative extension since 2012 has been renewed. This will result in increased outside lab testing costs and the purchase of additional monitoring equipment. The new discharge permit will expire in 2020.

The District welcomes Dave Smith to the Water and Sanitation Department as a Facilities Maintenance Technician. Mr. Clover noted that the department is already seeing cost savings due to his addition and less dependence on outside contractors.

- Two Copper Mountain Firefighters have been deployed to fight wildland fires in southwestern Colorado.
- Sam Parker commented that Lake Dillon Fire Protection is open to negotiations on consolidation of the Lake Dillon and Copper Mountain Fire Departments but they do not want to assume the debt on the Copper Mountain Metro District building, aging fire apparatus and half of the District's payroll. There is no advantage for them at this point.

The District is waiting for a response from Climax Mine to discuss response and inspection costs.

Financial Report

A Financial Report for July 31, 2015 was prepared by Marchetti & Weaver and provided to the Board for review prior to the meeting.

Mr. Weaver reported that water and sewer was favorable due to savings in personnel and will be back on track with the new hire. The 2016 budget will be presented at the October Board Meeting.

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

AGREED to receive the July 31, 2015 Financial Statement and cash disbursement report as presented.

Other Business

None presented.

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 28th day of August, 2015, at 11:21 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