
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors Copper Mountain Consolidated Metropolitan District January 31, 2014

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on January 31, 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

The following Director was not present at the meeting:

- Bob Bloch (resigned January 8, 2014)

Staff in attendance was:

- Dave Erickson, District Manager
- Dale Butler, Chief Plant Operator
- Ricky Clover, Utility Plant Operator
- Dave Arnesen, Director of Cable Services
- Dan Moroz, Code Compliance Officer
- Missy Stabile, Clerk-Treasurer Administrative Assistant

Also in attendance were:

- Chris Colman, Copper Mountain Director of Planning & Development
- Dave Glissmann, Copper Mountain Manager of Finance
- Peter Siegel, Copper Mountain Resort Association Executive Director
- Scott Randolph

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 31, 2014 at 8:37 a.m. noting a quorum was present.

Old Business Minutes

The Board reviewed the minutes of the November 22, 2013 Regular Board Meeting and December 6, 2013 Special Board Meeting. Corrections made to lines 35 and 64 of November 22 Meeting: "Segal" changed to "Siegel"; and line 204: "tend" changed to "tender". Corrections made to line 82 of December 6 Meeting: "ending" changed to "ending". Upon motion duly made by Director Broughton and seconded by Director Steele it was unanimously

AGREED to approve the minutes of the November 22, 2013 Regular Board Meeting with revisions.

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

AGREED to approve the minutes of the December 6, 2013 Regular Board Meeting with revisions.

Financial Report

A Preliminary Financial Report for December 31, 2013 was prepared by Robertson & Marchetti, P.C. and provided to the Board for review prior to the meeting.

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Mr. Weaver was unable to attend the meeting as planned due to adverse road conditions and contacted Ms. Stabile prior to the meeting with comments to present to the Board. Ms. Stabile reported on behalf of Mr. Weaver that most categories finished the year close to budget. The budget is showing favorable due to equipment purchased in 2013 but not paid for until delivery in 2014. Salaries are over budget due to wildland hours. Overall, there is nothing Mr. Weaver is too concerned about.

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

AGREED to accept the December 31, 2013 Financial Statement and cash disbursement report as presented.

Community Updates

Mr. Siegel announced that JoAnn Pettus has been hired as the new Administrative & Collections Specialist for the Copper Resort Association. The Village at Copper and the Resort Association are both under budget for 2013. The annual meeting will occur over Labor Day Weekend this year rather than in December as in past years.

The Resort Association is rewriting portions of the Copper Mountain Sign Program to work better for the community and provide better guidance for guests. The current sign program is too restrictive and costly.

Mr. Glissmann announced that SnowSports Industries America (SIA) will bring approximately 5000 people to Copper Mountain Resort on February 3 and 4 for the On-Snow Demo/Ski-Ride Fest.

New Business Public Comment on Proposed Water / Sewer Rate Structure

Mr. Glissmann commented that CMR is looking forward to scheduling a work session with CMCMD and Tetra-Tech within the next couple of weeks. Mr. Erickson responded saying that delays have been suffered due to his work load and not Tetra-Tech. He further stated that results of the requested analysis were received and that a work session can be scheduled in early February.

Board members stated that this meeting is critical and that other obligations need to be postponed to conclude work on the proposed rate structure. They also requested to be notified when the meeting is scheduled so that available Board members could attend.

Mr. Colman expressed concern with the long process and that this is a very high priority for CMR. He suggested that CMR would be interested in looking at agreements on the cost of tap fees outside of the new rate structure so that CMR can move forward with potential development projects.

Director Malmgren stated that the intent is to meet in February and to hopefully adopt a new rate structure at the February Board Meeting. He deferred the Public Hearing until the February Board Meeting.

New Business Resolution 2014-01

Mr. Erickson presented Resolution 2014-01, a Resolution designating public notice posting places for regular and special meetings of the Copper Mountain Consolidated Metropolitan District. Colorado State law requires this resolution to be adopted at the first meeting of each year.

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

AGREED to adopt Resolution 2014-01, a Resolution designating public notice posting places for regular and special meetings of the Copper Mountain Consolidated Metropolitan District.

Board Member Resignation

Mr. Erickson referred to Bob Bloch's resignation letter dated January 8, 2014 attached to the Manager's Business Agenda as Exhibit 2. He informed the Board that they have 60 days from the date of the letter to appoint a community member if they choose to do so. The County Commissioners can appoint an interim Board Member if the Board does not but it is unlikely that they would do so with the upcoming May election. Mr. Erickson suggested that Director Malmgren contact the County Commissioners to express interest in deferring an appointment and letting the voters choose a new Board Member in May. Director Malmgren agreed to contact Gary Martinez, Summit County Manager, in order to bring the issue before the Board of County Commissioners to answer the question of appointing versus electing a person to fill the vacant Board position.

Snowbridge Unit 212

Director Malmgren reported that a signed contract for the purchase of Snowbridge Square Unit 212 was delivered to the District. The buyer has been prequalified, is offering \$130,000 and asking the District to split closing costs. The contract acceptance deadline is 4:00 p.m. on January 31, 2014.

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

AGREED to accept the contract to purchase Snowbridge Unit 212 as delivered.

Director Anuta requested that Mr. Erickson update the Board on the status of the judgment against the previous occupant at the Next Board meeting.

CHUBB Agreement

Mr. Erickson confirmed that Darryl Farrington, CMCMD general counsel, has reviewed the original and revised CHUBB agreements and advised the Board as to Darryl's comments regarding his review. Darryl advised that the Board consider adopting a uniform policy to outline the conditions and standards that any company providing property protection services within a designated wildfire evacuation area would have to comply with in order to gain access to the evacuation area. Director Broughton asked that legal counsel research any issues with implementation of such a policy and if this type of policy has been challenged elsewhere, in order to avoid the cost of drafting the policy and then discovering that others have tried the policy and found it to be unworkable. The Board directed that the District's general counsel research the matter and if there is no evidence that such a policy approach doesn't work, to proceed with drafting a policy for the District Board's consideration for adoption.

Fire Chief Selection Process

Mr. Erickson expressed confidence in the selection process, the selection team and Lori Miller, Retired RW&B Fire Chief, who is assisting the District through the selection process. Of the eighteen applications received, five were incomplete and thirteen were evaluated for qualifications. Of the thirteen, five applicants have been invited to interview the week of February

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10, 2014. There will be a Candidate Forum open to the public on Monday, February 10 from 5:00 – 8:00 p.m.

Mr. Randolph expressed appreciation in involving the community but questioned how the community could communicate their impressions with the District. The Board recommended that the selection committee be introduced at the Candidate Forum and that any comments would be welcome.

Staff Reports

- **Water and Wastewater Director:**

Mr. Koenig provided the Board with an Operations Report prior to the meeting that reported one of two water clarifiers in the wastewater treatment facility had failed due to a failed drive mechanism. The drive mechanism was damaged by sand penetrating the mechanism during sand blasting by an outside contractor. Director Anuta asked if the District should consider having a third clarifier installed. Mr. Koenig explained that the plant capacity is the combination of the two clarifiers and that a third one is not necessary. He further explained that the water department generates extremely clear water and that the quality can deteriorate considerably. The water department takes great pride in the clarity of the water and does not want to experience any deterioration in the quality standard. Rebuilding of the failed drive mechanism is anticipated in late March.

Mr. Erickson noted that a claim has been accepted by the District's insurance provider and the outside contractor has been contacted. Director Anuta recommended that District counsel be notified of the situation.

- **Cable TV/HSIS:**

Mr. Arnesen reported that he has been battling sub-band interference in the internet system all winter. He continues to troubleshoot and address as necessary. The demand for internet bandwidth is incredible and growing exponentially. Some properties will not be able to access fiber networks to accommodate increased bandwidth demand and will need to be addressed.

The five hour electricity outage on January 18 had no lingering effects on the cable system but Mr. Arnesen is concerned about what Xcel and CMR are doing to address continued power failures. Director Malmgren said he would contact Mike Kramer at CMR to assess the situation.

- **CMFD:**

Acting Chief Moroz announced that Brindlee Mountain Fire Apparatus, a fire truck brokerage company, was contacted to investigate the possibility of listing Ladder Truck 1 with them. They gave an initial value of approximately \$45,000 which could go up or down after a more thorough review. The Board was in favor of accepting a proposal for the sale of the ladder truck. A committee has been formed to look at alternative engines for the department.

Major renovations anticipated this summer at CMR include The Mill Club and The Edge.

Acting Chief Moroz did a comparative analysis on the number of calls responded to annually by each fire station in the county. CMFD responds to more calls than Station 4 (Red, White & Blue North Station) and Station 7 (Red, White & Blue South Station); is on par with Station 2 (Lake Dillon Fire-Rescue Frisco) and Station 11 (Lake Dillon Fire-Rescue Keystone); and is only surpassed by Station 6 (Red, White & Blue Main Station) and Station 8 (Lake Dillon Fire-Rescue Dillon).

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- **Clerk-Treasurer Administrative Assistant:**
Ms. Stabile announced that this year's regular election will take place on Tuesday, May 6, 2014 by polling place located in the Community Room in the Metro District Building between the hours of 7:00 a.m. and 7:00 p.m. Resolution 2014-02 was introduced to that effect.

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

AGREED to adopt Resolution 2014-02, Election Resolution for 2014 Regular District Election by polling place.

Karl Anuta and Ben Broughton's terms of office expire in 2014. These two positions will be available as 4 year terms on the May 6 ballot. Bob Bloch's position expires in 2016 and will be available as a 2 year term on the May 6 ballot. Call for Nominations will be published once in the Summit County Journal between February 5 and February 20, 2014. Self-Nomination and Acceptance forms must be filed with the District's Designated Election Official on or before the close of business on Friday, February 28, 2014. Affidavits of Intent to be a Write-In Candidate must be filed with the District's Designated Election Official on or before the close of business on Monday, March 3, 2014. If, at the close of business on Tuesday, March 4, 2014, there are not more candidates than offices to be filled, the District's Designated Election Official will cancel the Election and declare the candidates elected.

The District's § 125 cafeteria plan document was successfully amended to provide for the carryover to the immediately following plan year of up to \$500 of any amount remaining unused as of the end of the plan year effective January 1, 2014.

District employees have expressed interest in adding a voluntary Roth Retirement Account provision to our 457 Plan. This would offer another retirement savings benefit for District employees, there is no cost to the District to add a Roth provision, and administrative effort would be negligible. The Board was in favor of amending the 457 policy and asked to have a resolution presented at the next Board Meeting.

In addition, District employees have again expressed interest in the ability to borrow funds from their retirement account. The District has the ability to define allowable loan circumstances such as purchasing a new home, education costs, or medical expenses and can stipulate associated amounts. All costs associated with borrowing from retirement accounts are absorbed by the employee. Costs include interest at prime + x%, a onetime \$75 set up fee, an annual fee, and change fees as applicable. The District does not administer the loan and would only be notified if payments are in default. Numerous default loans can jeopardize the District's plan and collection from ex-employees could be difficult. The Board requested additional information before making a decision.

The annual audit will be completed by McMahan and Associates, LLC and is scheduled for the week of February 17, 2014.

Other Business

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

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AGREED to appoint Director Steele as Secretary in light of Director Bloch's resignation.

The District was contacted by an East Village homeowner regarding parking at the East Village Well House. The homeowner wanted to make sure the District was aware of the number of vehicles parking on the north side of the Well House. The Water Department is aware of the situation and will request that those with permission to park at the location will park on south side of Well House, not the north side.

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 31st day of January, 2014, at 11:00 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