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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 March 29, 2013

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on March 29, 2013 at 8:30 a.m., at the Copper Mountain Consolidated Metropolitan District Conference Center, 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
- Bob Bloch
- Ben Broughton
- Tom Malmgren
- Dave Steele

Staff in attendance was:

- Dave Erickson, District Manager
- Mike Koenig, Public Works Director
- Dave Arnesen, Director of Cable Services
- Mark Thomson, Fire Chief
- Stephen Boyle, Assistant Fire Chief
- Dan Moroz, Code Compliance Officer
- Missy Stabile, Clerk-Treasurer Administrative Assistant

Also in attendance were:

- Peter Siegel, Copper Mountain Resort Association Executive Director
- Gary Rodgers, Copper Mountain President and General Manager
- Chris Colman, Copper Mountain Director of Planning & Development
- Mike Rothberg, 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 March 29, 2013, at 8:30 a.m. noting a quorum was present.

**Old Business**

**Minutes**

The Board reviewed the minutes of the February 22, 2013 Regular Board Meeting. Corrections made to line 147: add “of” before “pressure” and line 153: remove “we”. Upon motion duly made by Director Anuta and seconded by Director Bloch it was unanimously

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

**Financial  
Report**

A preliminary financial summary report for February 28, 2013 was prepared by Robertson & Marchetti, P.C. and provided to the Board for review prior to the meeting.

Director Broughton questioned why “Interest Earnings on Deposits” in the General Revenue Fund is off by (\$5,157). Mr. Erickson explained that the District is still in the process of reinvesting the CDARS funds into higher interest bearing accounts and that this estimated shortfall in interest revenues is due to two factors: not all of the CDARS funds have been reinvested, and the “average” interest rate currently being paid is less than the anticipated interest rate utilized in the 2013 budget.

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Director Broughton also questioned why the "SB 212 Lease w/Option to Purchase" fund also under General Revenues is off by (\$2,160). Mr. Erickson explained that the primary reason for this shortfall in rental revenues is due to non-payment of rent by the occupant in January and February of 2013. The occupant has since rectified the situation with full payment and this deficit will not appear in the March financial statements.

Director Malmgren commented that he appreciates the "2013 Forecast" column that has been added to the financial reports this year as a tool to aid in projecting expenses and identifying any potential problems; and that the current forecast looks favorable.

Mr. Erickson stated that Robertson & Marchetti will continue to fine tune their revenue and expenditure projections by refining the data base from which they calculate their financial projections.

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

**AGREED** to accept the February 28, 2013 Financial Statement and the February 2013 Cash Disbursement report as presented.

#### Public Input

There was no public input presented to the Board.

#### Community Updates

Mr. Siegel, Copper Mountain Resort Association (CMRA) Executive Director, distributed posters for the upcoming 40<sup>th</sup> Anniversary Community Reunion and Benefit for Chuck ("CJ") Julin and asked that the District post and send information about the event to District contact lists. The District will be hosting a pancake breakfast from 8:00 to 9:30 and a fire department open house from 8:00 to 10:00 at the Metro District Building on Saturday, April 13.

Chief Thomson announced that the Fire Department is excited about the pancake breakfast and open house which will take place in the Fire Department truck bays. He invited the Board to help with conducting tours, bussing tables or attending the event. Chief Thomson also mentioned it has been great working with Mr. Siegel and Copper Mountain Resort on this event.

Director Malmgren said he received an e-mail from Cathi Long (Kneuper), a former CMCMD Board Member, who suggested that perhaps former Board Members could be recognized at this event. Director Malmgren advised Cathi that he would bring it to the Board's attention for discussion. It was agreed that all former and current Board Members are welcome to come to the event but that as a fundraiser for CJ, it would not be appropriate to include a District recognition ceremony at this time.

Mr. Siegel announced that the Resort Association is seeking old images to produce a slide show to be shown throughout the celebration.

Being the 4<sup>th</sup> quarter of the ski season, Mr. Rodgers announced that there is a lot going on and that the Resort is busy. Spring Breaks are underway, USASA is arriving, Copper Sunstation is coming up, and the mountain has recently experienced great snow conditions for Spring skiing.

Mr. Rodgers explained how important the USASA event is for Copper Mountain. Copper is in year 3 of a 5 year agreement with USASA and would like to extend that agreement, possibly having USASA recognize Copper as a permanent event site. The event welcomes 1600 competitors and their families. As a result, Copper will meet its lodging capacity. Copper continues to work with the Town of Frisco in recognizing this very important event and embracing the association with USASA as a long-term relationship.

The Mountain closes on Sunday, April 14 and operations will begin to scale back this weekend. Grand Hall Market in Copper Station in the East Village will close this weekend and West Village

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operations will close on April 7. Although the West Village lifts will not be operating, the trails, which are accessible via Timberline Lift, will be groomed for Lewis Ranch homeowner and guest access.

Copper Resort continues working on major amendments to the PUD and that work is going well with Summit County. Mr. Rodgers requested something in writing from the District regarding specific land parcels which the District would like to have deeds on; he needs an outline of what the District is seeking in regards to the deeds on specific properties, including legal descriptions of those properties. Mr. Rodgers also requested a letter addressing the separate issue regarding the District's concerns related to waste concrete foundation materials situated on the District's wastewater treatment plant properties and what the District is requesting relative to this historic situation. Anything previously submitted by the District to the resort under Intrawest Management was lost during the transfer of ownership from Intrawest to Powdr Corporation and, therefore, needs to be resubmitted and addressed to Mr. Rodger's attention.

### New Business

#### **District Manager's 2013 Performance Plan**

Mr. Erickson distributed to the Board an updated version of the District Manager's 2013 Performance Plan that incorporated changes requested by the Board during the Manager's Performance Plan process. However, there were two work assignments not incorporated into the 2013 Performance Plan, and Mr. Erickson asked the Board to clarify whether or not they wanted these work products incorporated into the plan document: 1) finalizing a policy for rental of the District's community room; and 2) clarification of the District's policy regarding employee merit adjustments and cost of living adjustments. The Board expressed interest in favor of both work assignments but felt they did not need to be included in the Performance Plan.

Director Bloch recognized the Performance Plan as a series of objectives for the District Manager to be working towards attaining; however the plan objectives are neither adequately prioritized nor include time frames such that the Board is not fully informed as to how the District Manager planned on achieving the objectives outlined in the Plan. Mr. Erickson responded that in the past, he had provided monthly progress reports related to the Performance Plan and asked if the Board would like to again receive monthly progress reports. Director Broughton would like to see monthly progress reports but not an explanation of how the Plan will be performed. Director Bloch agreed but would also like to see a brief forecast, in addition to an update, as to which objectives the manager will be working on in the future to better ascertain that the manager is focusing his work efforts on the objectives or work assignments which are most important to the Board.

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

**AGREED** to accept the District Manager's 2013 Performance Plan as currently written.

#### **Robertson & Marchetti Service Proposal**

Mr. Erickson introduced a revised service proposal and responsibility matrix as drafted by Robertson & Marchetti, P.C. (RMPC) for the Board's review and approval. The proposal was negotiated and drafted with input from the District Manager and the Clerk-Treasurer Administrative Assistant. The proposal reflects the District Board's desire to have District staff in charge of conducting the business affairs of the District while maintaining an adequate level of oversight services by RMPC as necessary to provide the Board confidence that the District's financial records are being properly managed and maintained. When questioned about the term of the agreement, Mr. Erickson responded that the agreement is designed to establish a long-term

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service relationship between RMPC and the District with the ability to modify terms and conditions as necessary to meet the needs of the District: there is no specified term of agreement; however, if at any time the agreement is not effectively meeting the needs of the District, the agreement can be terminated or amended by the District. Mr. Erickson noted that the District has a good working relationship with RMPC and recommended that the proposal be approved by the Board.

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

**AGREED** to approve the proposed agreement as presented and authorized the District Manager, to sign the proposal on behalf of the Board.

### **Rate Study Update**

Mr. Erickson announced that he had completed the staff's alternative water and sewer rate study report and forwarded the report to Tetra Tech. A meeting has been scheduled this afternoon with Tetra Tech to proceed with finalizing a new water and sewer user charge system for presentation to the Board. It is anticipated that the Engineer's rate study recommendations will proceed quickly from this point forward, thus allowing the Board opportunity to initiate public review on the updated fee structure in the near future.

Director Malmgren requested that the anticipated user rate schedule be posted on the District website and that HOA Presidents and other resort and commercial customers are notified as soon as possible following the Board's authorization to initiate the public review process associated with adoption of a new water and sewer user charge system.

### **2012 Audit Update**

Mr. Erickson advised the Board that McMahan & Associates initiated their 2012 audit field work on Monday, March 18<sup>th</sup> and completed their field work on Wednesday, March 20<sup>th</sup>. Historically, this field work has required at least 5 to 7 days of on-site presence to complete. Dan Cudahy, of McMahan & Associates, advised Mr. Erickson that the District's financial records are in very good order and that he anticipates a preliminary audit will be available for review by the District by the end of April and finalized for approval at the May Board Meeting.

### **CDARS Funds Update**

Shortly after initiating the reinvestment of \$2.94 million in CDARS' funds as authorized by the Board in 2012,, investment interest rates dropped from approximately 1.5% to 0.6% due to national economic conditions. It was determined by Director Tom Malmgren and Mr. Erickson to hold off on reinvesting CDARS' funds until better interest rates were available in the CDARS market. There has been some upward movement in interest rates over the last few months; 9 of 12 CDARS investments have been invested in Certificates of Deposit averaging 1.16% interest; and there approximately \$800,000 remains to be reinvested.

### **Staff Reports**

- **Water and Wastewater Director:**

Mr. Koenig announced that water discharge statistics are basically the same as last year; that no contamination was present in the Bacteriological Samples testing; and that the annual NO<sub>2</sub>/NO<sub>3</sub> sampling was completed and was within acceptable limits. Microscopic Particulate analysis and spore count analysis is scheduled to begin in April in order to determine if the District's water well supplies can continue to be categorized as ground water sources: Organic content in the well water

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samples could indicate that the District's water source is under the influence of surface water and, therefore, will require alternative water treatment procedures.

The power supplying a small water storage tank located above the half-pipe at Center Village has been disrupted. This is an original system tank, ca. 1973 that holds approximately 250,000 gallons of water. The tank will be drained this summer and tested for leaks before restoring the power supply.

First quarter Bio-monitoring of the wastewater system has been completed and is in compliance. In addition, the first sample of Rule 85 Nutrient Monitoring is complete. The District has entered into a group nutrient sampling program through the Summit Water Quality Group which will provide savings in analysis costs for all participants in the future.

Progress is being made in pumping grease traps located throughout the District; however, sand and oil traps are more problematic. The material accumulated in the sand and oil traps must be tested for petroleum and other constituents before a contract can be arranged for removal of the material. The affected associations have one bid for pumping and removal; however, they are seeking a second bid, which requires re-testing. Once a contract is signed, it is hoped that the traps will be pumped and cleaned before annual spring cleaning.

Capital projects are on hold until the weather improves. There is a lot of preparatory work required prior to painting the Clarifiers which is scheduled for August and September. Staff can only work on one of the two Clarifiers at a time because one needs to be operating while the other is down. The existing doors to the Clarifiers are metal and will be replaced with fiberglass doors to prevent freeze/thaw damage that the metal doors are unable to withstand.

- **Engineer:**

Mr. Rothberg, Tetra Tech, announced the Pressure Monitoring Study proposal is complete. The proposal includes purchasing and installing data loggers to gather water pressure information, download the gathered data, review the data and make recommendations based on the data analysis. The estimated cost for the proposal is approximately \$10,000.

The data loggers will be mounted outside of each building and prior to any pressure reducing systems installed on the building so that the data gathered will indicate unmodified water pressure. The loggers will also be located in areas accessible to District staff. It is important that the loggers are installed for an extended period of time so that data can be captured during high use periods.

There are no criteria stating what the pressure of the District's system should be. The pressure may be too high for specific buildings but it is the responsibility of the building to install and maintain devices appropriate for pressure regulation to the buildings' systems. If the District lowers the pressure in its water distribution system, fire systems throughout the District may not function properly. In order to look at possible solutions to customer concerns, the District needs to complete this study to better understand what is happening.

Mr. Erickson reiterated that the complaint is of extremely high water pressure and that the District must act to research the issue. The District is aware that a problem exists and should conduct the study as a good faith effort to better understand the situation. The results from the study will benefit the District and foster better relationships with the community.

Mr. Koenig stated that the community needs to be informed. He recommended that the District design the study and consider funding the study which will take approximately one year to complete.

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

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**AGREED** to authorize Mr. Koenig to proceed with the Pressure Monitoring Study throughout the District and that the District will fund the project as proposed.

- **Cable TV/HSIS:**

Mr. Arnesen reported that following the major CATV outage prior to the Super Bowl, CMCMD CATV added a new power supply at the Headend to handle powering of equipment on the east side of Hwy 91. The Headend is powered by the Wastewater Reclamation Plant and the backup generator at the plant negates the necessity for standby battery backup at this location. The addition of this power supply adds immediate flexibility in regard to powering needs within the CATV system.

Since the February outage, the East Village has been powered from equipment temporarily housed in the garage at Foxpine. In an attempt to remove this equipment, Mr. Arnesen discovered that the temporary cable, supplying service to the East Village, does not adequately supply A/C to the system amp in Farley Park and the additional Line Extenders used in the East Village. A power supply cabinet has been purchased and placed in the Foxpine garage to protect the cables. The cabinet will continue to be utilized if this power supply is permanently placed outside.

Mr. Arnesen has been researching various scenarios for placing an additional power supply somewhere in the East Village. He believes it makes sense to permanently install a power source between Foxpine and Snowflake to provide additional flexibility in the future but it may be unnecessary, expensive, and time consuming. Instead, a properly repaired cable at the point of the fault should be able to power the system properly, as has been done in the past. Mr. Arnesen will continue to consider additional powering options as CMI already has outside service with a meter next to Snowflake. The District might be able to pay a portion of what might be a monthly Xcel minimum to CMI for the ability to tap into the existing circuit.

Additional repairs to a bad cable near Village Point and a short in the existing cable just outside the drain pan on Wheeler Circle will have to be repaired as the snow recedes and the resort becomes dormant.

Mr. Arnesen spoke with Tom Bailey regarding the possibility of CMI involvement with trenching a service line from the southeast corner of the fence surrounding the Wastewater Reclamation Plant to the existing pedestal near Conoco. Mr. Baily would like to obtain locates to see what facilities exist and then determine their level of participation. If this project appears to be unreasonable financially, we can still repair the existing damaged line and return to providing service through existing facilities. Cost estimates and additional information will be provided as the time to properly take care of these projects nears.

The CMFD requested the installation of a satellite dish upgrade from Resort Internet to be installed on the training tower. Although the visual impact is low and there would be no impact on the utility of the tower for Fire Department training, the Board questioned the necessity of the upgrade and expressed concerns regarding building aesthetics.

It was determined that due to a tremendous amount of duplication in channels, unknown installation costs and aesthetic concerns that the request to install a satellite dish on the District building should be denied.

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

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**AGREED** to deny installation of a satellite dish on the Metro District Building as requested by the CMFD.

- **CMFD:**

**Summit Fire Authority (SFA):**

Director Broughton reported that he and Chief Thomson attended the SFA meeting on March 14, 2013. The Districts voted unanimously to conduct the first Citizens Fire Academy. This Academy will rotate annually with the Citizens Police Academy. The nine week program will begin in August 2013. The Academy will take place at the High Country Training Center with at least one session held at one of the Fire Stations in each District.

**Public Safety Meetings:**

*Summit County Communication Center (SCCC):* The SCCC Policy Board has directed Bill Pessemier, SCCC Director, to move forward with a request to the Public Utility Commission for an increase in the 911 surcharge rate from \$1.50 to \$1.95 effective in 2014. The current E911 fund will go into a negative balance of over \$250,000 in 2016 with the scheduled purchase of a new Computer Aided Dispatch (CAD) system. The increased rate should result in an additional \$185,000 in revenue each year. The surcharge is only applied to land line accounts, not cell phone accounts.

*Incident Management Team (IMT) Steering Committee:* CMCMD has forwarded the District's suggested changes to the Agreement for Mutual Aid IMT and the IMT Operations Guide to the County. They are being reviewed by Summit County Legal Staff. Assistant Chief Boyle announced that the Summit County Office of Emergency Management will be hosting a full-scale emergency preparedness/response exercise April 30 and May 1, 2013 at the Summit Middle School. CMFD and other participating agencies will be exercising their ability to respond to a mock scenario revolving around multi-hazard wildland fire related incidents in the County. The American Red Cross will be simulating a shelter and providing information to the public. Interested public can contact Tracy LeClair, Summit County Sheriff's Public Information Officer, at 970-423-8903 or [tracyl@co.summit.co.us](mailto:tracyl@co.summit.co.us) for additional information.

*Summit County Wildfire Council (SCWFC):* Assistant Chief Boyle attended this meeting on March 21, 2013. The Forest Service reported that the pine beetle infestation has ended in Summit County. In addition to the 4,000 acres reported the previous year, only 370 additional acres are infested. The grant application for fire mitigation assistance is available and closes April 26<sup>th</sup>. The Building Department is currently reviewing and planning to update "Chapter 44" of the Building Code. Chapter 44 is a code regulation for fire mitigation requirements in homes. The American Red Cross has introduced a new "Wildfire App" for smart phones. "Blaze Warnings" identifies where NOAA has issued wildfire warnings, "Blaze Alerts" notifies you when a new wildfire occurs and the "Blaze Path Tracker" gives you a current view of the wildfire's track and perimeter. They have also introduced a "Shelter Finder App" that maps locations and shelter details across the United States. Summit County Commissioner Dan Gibbs stated there is a bill in Colorado legislation that is looking to finance its own fixed wing aircraft fleet in Colorado, similar to the fleet in California.

**Fire Prevention:**

*Climax Mine Property Discharge Water Treatment Plant (PDWTP):* CMFD Prevention Bureau met with Climax Mine and their Fire Suppression System Contractor on March 11, 2013. Chief Thomson reported that much progress was made and, most importantly, the meeting resulted in

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establishing a direct line of communication between Dan Moroz, CMFD Code Compliance Officer, and Climax's Fire Suppression System Contractor (Simplex-Grinnell).

*2012 International Fire Code (IFC) and Amendments:* Mr. Moroz reported that all County Fire Departments have finished their review of the 2012 IFC and recommended amendments were distributed to the Board and District Staff for review. He explained that the IFC is a generic code book that is designed to cover a wide range of situations but not necessarily situations specific to the capabilities of Summit County emergency response teams. The IFC needs to be amended to correspond with the ability of the County and each District to respond to emergency situations. Public hearings regarding the adoption of the amended 2012 IFC will be scheduled at Copper Mountain and throughout the county prior to the April 26, 2013 CMCMD Board Meeting. The 2012 IFC and Amendments will be on the agenda for discussion at the April 26, 2013 CMCMD Board Meeting. The adoption process will continue with CMCMD's suggestions forwarded to the Districts and County for discussion and inclusion. It is anticipated that the 2012 IFC and Amendments will be adopted in the summer of 2013.

**Community Projects:**

*Pancake Breakfast / Open House:* CMFD will be hosting a Pancake Breakfast and Open House at the Metro District Building on April 13, 2013 from 8:00 am to 10:00 am. This event was organized in cooperation with the Copper Mountain Resort Association in support of Copper's 40<sup>th</sup> Anniversary Community Reunion activities during Copper Mountain's closing weekend. The District offered the District Building and personnel for the event but is not paying for the pancake breakfast. Chris Cakes of Colorado has been contracted to make the pancakes. All proceeds from the pancake breakfast will be donated to help pay for medical costs related to the stroke suffered by former Copper Employee and long-time resident Chuck ("CJ") Julin.

**Other  
Business**

There was no other business to come before the Board.

**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 29th day of March, 2013, at 11:48 a.m.

Respectfully Submitted,

BY: \_\_\_\_\_  
Thomas J. Malmgren  
President of the District

ATTEST: \_\_\_\_\_  
Karl Anuta  
Vice President of the District