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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 May 31, 2013

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

- Karl Anuta
- 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
- Dan Cudahy, McMahan & Associates, LLC (left at 8:50)
- Gary Rodgers, Copper Mountain President and General Manager
- Chris Colman, Copper Mountain Director of Planning & Development
- Mike Rothberg, Tetra Tech
- Steve Tamburini, Tetra Tech
- Stan Sprinkle

### **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 May 31, 2013, at 8:30 a.m. noting a quorum was present.

### **Old Business Minutes**

The Board reviewed the minutes of the April 26, 2013 Regular Board Meeting. Corrections made to punctuation marks on lines 81 and 144; line 134: "video" replaced "audio"; and line 208: space added between "was" and "submitted". Upon motion duly made by Director Broughton and seconded by Director Anuta it was unanimously

**AGREED** to approve the minutes of the April 26, 2013 Regular Board Meeting with revisions.

### **Financial Report**

A Preliminary Financial Report for April 30, 2013 was prepared by Robertson & Marchetti, P.C. and provided to the Board for review prior to the meeting. It was noted that Eric Weaver from Robertson & Marchetti, P.C. will attend Board meetings quarterly.

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

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

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#### Public Input

There was no public input presented to the Board.

#### Community Updates

Mr. Siegel, Copper Mountain Resort Association (CMRA) Executive Director, announced that the CMRA is half way through their fiscal year and he will be meeting with staff to make any necessary adjustments to budgets. Both the Resort Association and the Village at Copper are under budget and financials look good.

CMRA continues to work on reducing the meeting quorum to 20% and has extended approval of the amendment to the bylaws from July 1, 2013 to August 16, 2013.

The resort reopens for the summer season on June 14, 2013. A schedule of events is available at <http://www.copperchamber.com/events-all>

Director Malmgren inquired about the Wanderlust event and if the music venues would be inside. Mr. Siegel responded that the Resort is looking into options for controlling sound; for example, music inside Endos or inside the Pavilion with sound panels and considering the timing of louder shows. Mr. Rodgers commented that Copper needs community support on big events such as Wanderlust. Without that support, Copper will not be able to attract larger groups if the entertainment must be finished by 9:00 pm. Big events that go late are necessary to satisfy larger groups.

Mr. Rodgers remarked that a newsletter was going out to Copper homeowners today and that the Resort is looking forward to a busy, good summer. He also reminded the Board that the Ten Mile Planning Commission meeting to discuss the Copper Mountain PUD will be held at Copper on June 13, 2013.

#### New Business Preliminary 2012 Audit

Dan Cudahy, McMahan & Associates, LLC presented the preliminary 2012 Financial Audit to the Board. He stated that CMCMD received a clean opinion and that no adjustments to the financials are necessary. He further explained that the 2012 books are clean and that it was a pleasant audit with great preparation by Robertson & Marchetti, P.C. The District is in sound financial shape with good cash flow and reserves. He had no recommendations for internal control improvements. McMahan & Associates and Robertson & Marchetti have a few revisions to make but nothing that effects the audit information before releasing a finalized document.

Director Malmgren reiterated that the document was presented as a preliminary draft and not for public distribution until accepted by the Board.

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

**AGREED** to accept the 2012 Financial Audit with revisions as noted by Mr. Cudahy.

Mr. Sprinkle inquired about the timing for the release of the 2012 Audit to the public. Mr. Cudahy responded the revisions would require a few days and that the final product will be ready for distribution by the end of next week.

Director Malmgren requested that the final product be distributed to the Board upon completion, posted on the website, and sent to Mr. Sprinkle.

#### Rate Study Update

Mr. Erickson explained to the Board that the rate study has been very time consuming for District staff and Tetra Tech engineers but that they have agreed upon a rate structure for the Board to review. The study was presented to the Board as a confidential document so that the Board could decide whether or not to go into Executive Session to review the study document, in order to make

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certain the user rate study accurately reflected a rate structure the Board would consider adopting before releasing the study to the public. Mr. Erickson advised the Board that District staff and Tetra Tech Engineers recommended that the Board go into Executive Session at the end of the Regular Meeting to give the Board the opportunity to fully understand the study before fielding any questions from the public.

Directors Anuta and Broughton stated that they were not in favor of going into an Executive Session. Director Malmgren pointed out that it is the Board's responsibility to present to the public a document that they have reviewed and agree with. He stated that it is not his intention to hide anything but that he wants to present a product he is comfortable with, and, therefore, he suggested an Executive Session was necessary to accomplish that.

Mr. Rodgers commented that Copper Mountain Resort (CMR) is possibly the largest group affected by a new rate structure and that he has not yet been consulted. He requested that the Board allow sufficient time for CMR and the community to review the new structure before anything is adopted. He further expressed concern about the impact on the commercial community and asked the Board to look at the proposed rate structure from multiple perspectives and with equitability in mind.

Director Broughton affirmed that the public hearing process will begin after the Board authorizes the new rate study to be distributed for public review and comment.

The Board agreed to schedule further consideration of an Executive Session at the end of the Regular Meeting.

#### **Merit and Cost-of-Living Adjustment Policies**

Mr. Erickson explained that the water rate study has been his first priority which has not afforded much time for the completion of the memorandum regarding the District's Merit and Cost-of-Living Adjustment Policies. The memorandum is complete but requires a final edit before distribution. Distribution timing will depend on the outcome of the Executive Session on the rate study. Mr. Erickson noted that in going through this exercise, his opinion that the District has an excellent policy has been reaffirmed.

#### **Sale of Snowbridge Unit 212**

Director Broughton suggested that negotiations involving Snowbridge Unit 212 required discussions in Executive Session.

Mr. Sprinkle asked what had happened since the last Board meeting and Director Malmgren answered that funding had not been secured for the purchase of the unit.

The Board agreed to schedule further consideration of an Executive Session at the end of the Regular Meeting.

#### **Powdr - Copper Application for PUD Amendment**

Mr. Erickson reminded the Board that the District staff had submitted a letter to CMR in response to the Summit County Planning Department's review of the Powdr – Copper Mountain LLC's Major Amendment of the Copper Mountain PUD Application. CMCMD staff had no objections or serious concerns with the application, but staff did suggest some fine tuning regarding the relationship between CMR and CMCMD related to future development. He also stated that the District is pleased with CMR working with the District on the PUD amendment.

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The Ten Mile Planning Commission will hold a public hearing on Copper's application for amendment of the PUD in the Ptarmigan Room, Copper Mountain Conference Center, on June 13, 2013 at 5:30 p.m.

### **2014 Budget Process**

Mr. Erickson expressed concern about the Board's anxiety regarding the progress of projects that they would like to see completed prior to Mr. Erickson's retirement. Mr. Erickson suggested the Board authorize the initiation and transition of budget preparation to Robertson & Marchetti (R&M) this year rather than in 2014. This would give R&M the opportunity to work with Mr. Erickson before retirement to establish budget policy and procedures that meet the needs of the District and Board. In doing so, Mr. Erickson would be relieved from some budget preparatory work, thereby, allowing him to work on projects identified by the Board as high priority.

Director Malmgren stated that he had previously discussed this with Mr. Erickson and that he was initially concerned about paying someone else to do something we pay the District Manager to do. But upon further consideration, he believes it would be good to transition budget preparations to R&M at this time.

Directors Anuta and Broughton voiced concerns about alterations to the budget format and ceding control of the budget process. Mr. Erickson assured them that he would be very involved in the transition but felt it was better that the transition occur this year rather than next to give District staff and Board members time to "fine tune" a 2015 budgetary process and format, as necessary in 2014, to assure that changes in process or budget format are agreeable to the District Board prior to his retirement.

Further discussion revolved around not understanding what it is the District would be asking R&M to do and that clarification is required. The Board instructed Mr. Erickson to request a proposal with costs and sample budget templates from R&M for the Board's review prior to authorizing any transition of budgetary work to R&M.

### **Staff Reports**

- **Water and Wastewater Director:**

Mr. Koenig reported that the aeration system from the south digester side has been removed for repair and that they have begun discussions with Tetra Tech regarding reoccurring problems and loss of the aeration systems at the wastewater treatment plant.

Estimates have been requested to repair the horizontal gutter system on the east side of the Metro District Building. The gutters were damaged when heat taped failed and ice dams formed this past winter.

A long standing problem with the Metro District Building's emergency generator is being investigated. A proposal from Cummins has been received and will be discussed internally to decide if further action is necessary.

Mr. Koenig advised the Board that there had been another high pressure spike at Foxpine recently. He also advised that the pressure monitoring system, designed to investigate the nature and source of high pressure spikes in the distribution system, has been installed and is in operation.
- **Cable TV/HSIS:**

Mr. Arnesen reported that in addition to the power outage initiated by Xcel on May 16, another outage is scheduled on June 10, 2013 by Xcel. Lewis Ranch and Union Creek will be the areas affected by the June 10<sup>th</sup> outage.

Locates for excavation and cable repair work in the East Village have been called for but not yet provided due to snow conditions affecting the site.

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Mr. Arnesen has been working with Resort Internet (RI) on fiber optic delivery of high speed internet services in the community. He hopes to have the work complete by home owner's weekend in September but he may be able to complete the work by July 4.

Mr. Sprinkle asked if the District could supply an updated cable guide for the enhanced television service package to residents. Mr. Arnesen explained that Dish Network moves, adds or deletes channels without notice. The District does not make changes to cable channels. Mr. Arnesen further explained that the electronic program guide on his television provided by Dish Network is the best source for current channel programming information.

- **CMFD:**

Chief Thomson reported that he discussed Incident Management Team Mutual Aid Agreement suggestions with Joel Cochran on May 23, 2013. He believes that the majority of CMFD's suggested changes will be made.

Sheriff Minor has been in contact with the CHUBB Insurance's Senior VP regarding a potential agreement with CHUBB to allow CHUBB fire protective services to be provided within wildfire areas from which all non-governmental persons have been evacuated. During their brief conversation, Sheriff Minor indicated that the VP reiterated that CHUBB does have issues with the indemnification language in the County's proffered draft agreement. Specifics outlining CHUBB's issues with the indemnification language have been requested, and Sheriff Minor will be scheduling future discussions with CHUBB.

In conjunction with "Emergency Medical Services Week" being observed in Summit County this past week, Chief Thomson recognized Ross Orton for his work in conducting community-wide CPR classes throughout the year. The most recent class was held at the beginning of May and approximately 14 community members attended. He also thanked Tim Schlough, CMFD's EMS Coordinator, and all CMFD Firefighters for another great year in working to provide emergency response services to the Copper Mountain community.

Scott Vargo, Assistant County Manager, provided District staff with the final draft of the Almont Report. The Almont Report is a feasibility study, contracted for by Summit County, to determine the viability of various options for the future delivery of cost effective, quality ambulance services throughout Summit County. The county is currently supplementing the Summit County Ambulance Enterprise Fund, in order to continue the provision of quality ambulance services throughout the county; however, the county cannot continue to support ambulance service indefinitely into the future and is looking for alternative means of funding and/or providing such services in the future. CMCMD is in the process of reviewing this draft report and has scheduled a meeting with Scott Vargo on June 6, 2013 to consider tentative findings and recommendations outlined in the draft report. The final Almont Report will be distributed to the CMCMD Board when it is made available to the District. Eventually, the Almont Report will be presented for public comment.

Assistant Chief Boyle reported that the Three Strikes County Exercise, conducted on April 30, 2013, was well attended and a huge success despite bad weather. All agencies in Summit County were well represented. Command was transferred to the North West Incident Management Team on the second day of the exercise and received positive feedback from those involved.

Mr. Moroz reported that Climax Mine, Summit County, and CMFD are all in agreement on how life safety systems will be addressed in construction of the new water treatment facility located at the Climax Mine in Summit County.

Mr. Moroz advised that Woodward at Copper agreed to work with a third party fire protection engineer regarding remodel work at the Woodward facility, and the engineer has submitted a

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written fire sprinkler conceptual design letter outlining the fire sprinkler system design that the remodeled facility will adhere to.

Mr. Moroz advised that the code adoption process regarding the 2012 edition of the International Fire Code will have three additional open work sessions scheduled which staff will attend to help develop a consensus as to the wording and requirements of draft code amendments being recommended for approval. Once there is a consensus between the fire departments, building departments, county, builders association, architects, realtors and any other concerned groups, this document will be made available for public comment. The goal is to have the county wide adoption process completed by September 1, 2013, with implementation to be effective January 1, 2014.

Mr. Moroz advised that the natural gas system at Copper Mountain will be altered within the next year in order to reduce high pressure gas line pressures from 700 pounds per square inch to 60 psi. This 90% reduction in pressure will not affect any other systems and will prevent potential substantial dangers of a high pressure gas line rupture.

Mr. Moroz also reported that five new homes will be built in Lewis Ranch this summer.

Chief Thomson noted that EMS calls were up from 11 in 2012 to 21 in 2013 primarily due to an increase in the number of people in the area during April, 2013.

- **Clerk-Treasurer Administrative Assistant:**

Ms. Stabile reported that the first issue of the CMCMD newsletter was sent via email on May 9, 2013 using MailChimp, an email marketing service provider. This service is free to those with fewer than 2,000 subscribers and less than 12,000 emails sent per month.

The email distribution list was compiled using the HOA Board contact directories on the Copper Mountain Resort Association's website, District staff and Board lists, and an existing list of people who have requested to receive Board packets prior to each District Board meeting. The resulting list was imported into MailChimp and totaled 160 subscribers. Since the newsletter was sent, 9 addresses were removed due to fatal errors in the email address, 1 contact unsubscribed and 11 new subscribers were added creating a new distribution list totaling 161 subscribers. Current and past issues of *CMCMD News* will be available on the District website. The summer issue of *CMCMD News* will be sent in early July.

Ms. Stabile completed research on new accounting software for the District. A meeting with Robertson & Marchetti will be scheduled to discuss which product to recommend for District use. The new system will offer alternative methods for paying utility bills such as online payment processing and bank drafts.

Ms. Stabile applied for the Colorado Institute for Municipal Clerks held July 7 - 12, 2013 at the University of Colorado, Boulder. The Institute offers 120 hours of course work in public administration, managerial skills, interpersonal skills, and technically related subjects over the course of three annual one-week sessions. Completion of the Institute program can be applied toward the IIMC Certified Municipal Clerks designation.

In addition, Ms. Stabile successfully completed the Colorado Notary Public Training and the Colorado Notary Public Examination. Her application for Notary Public Commission was approved by the Colorado Secretary of State.

#### Other Business

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Director Broughton announced that he will not be able to attend the District Board meeting scheduled on June 28, 2013.

### **Recess Meeting**

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 recess the Regular Meeting of the Copper Mountain Consolidated Metropolitan District Board of Directors this 31st day of May, 2013 at 10:57 a.m.

### **Reconvene Meeting**

The Regular Meeting of the Board of Directors was reconvened by Director Malmgren at 11:10 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 consideration of documents protected by the mandatory nondisclosure provisions of C.R.S Part II of Article 72 of Title 24, commonly known as the Open Records Act, as authorized by CRS § 24-6-402(4)(g) of the Colorado Open Meetings Law; and for the purpose of discussions regarding the lease or sale of real property interests and discussions determining positions relative to matters that are subject to negotiations as authorized by C.R.S. § 24-6-402(4)(a).and § 24-6-402(4)(e ) of the Colorado Open Meetings Law. The discussions are related to the Board's review of a Confidential Work Product prepared by District staff to aid the Board in formulating public policy relative to the Water and Sanitation Department's Service Rate Structure; and to the question of leasing and/or selling Snowbridge Square Unit 212 pursuant to extend an existing agreement to lease/purchase said unit. Those present at the outset of the executive session shall be members of the Board of Directors of the Copper Mountain Consolidated Metropolitan District as present at this meeting; Mike Koenig, Director of Public Works; Missy Stabile, Clerk- Treasurer Administrative Assistant; Mike Rothberg and Steve Tamburini of Tetra Tech; and David Erickson, District Manager. Mike Koenig, Mike Rothberg, and Steve Tamburini will not participate in the portion of the session related to the lease/purchase of real property.” 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 11:15 a.m., and the Board will go into executive session.”

### **Return to Open Session**

Director Malmgren announced, “The time is now 1:10 p.m., and the executive session has been concluded. The participants in the executive session were Thomas J. Malmgren, Karl Anuta, Ben Broughton, David Steele, Mike Koenig, Missy Stabile, Mike Rothberg, Steve Tamburini and David Erickson, as specified prior to going into executive session.

“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.”

### **Sale of Snowbridge Unit 212**

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

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**AGREED** to deny the extension of the Snowbridge Unit 212 agreement expiring on June 30, 2013.

**Rate Study**      The Board requested that District staff and Tetra Tech engineers create a revenue neutral scenario to distribute as soon as possible, to make copies available at the June 28, 2013 Board meeting, and to schedule a public hearing in July.

**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 May, 2013, at 1:12 p.m.

Respectfully Submitted,

BY:           *Thomas J. Malmgren*            
Thomas J. Malmgren  
President of the District

ATTEST:           *Karl Anuta*            
Karl Anuta  
Vice President of the District