
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors Copper Mountain Consolidated Metropolitan District September 27, 2013

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on September 27, 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
- 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
- Dan Moroz, Code Compliance Officer
- Missy Stabile, Clerk-Treasurer Administrative Assistant

Also in attendance were:

- Gary Rodgers, Copper Mountain President and General Manager (left at 9:30)
- Dave Glissmann, Copper Mountain Manager of Finance (left at 9:30)
- Mike Rothberg, Tetra Tech
- Steve Tamburini, Tetra Tech
- Jim Reis, POLA President

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 September 27, 2013, at 8:30 a.m. noting a quorum was present.

Old Business Minutes

The Board reviewed the minutes of the August 23, 2013 Regular Board Meeting. Correction made to line 223: “(NWCIMT) will take over incident management functions in Summit County” changed to “(NWCIMT) will be available to assist with incident management...”. Upon motion duly made by Director Anuta and seconded by Director Broughton it was unanimously

AGREED to approve the minutes of the August 23, 2013 Regular Board Meeting with revision.

Financial Report

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

Director Anuta asked to have the “Due From County Treasurer” line on page 1 of the Financial Report removed as it duplicates “Property Taxes Receivable” and is not being used. District staff addressed additional questions asked by Director Anuta concerning the Over Average Water Use budget and the purchase of new firefighter Self Contained Breathing Apparatus facemasks and packs.

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

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AGREED to accept the August 31, 2013 Financial Statement and cash disbursement with revision.

Community Updates

Mr. Rodgers announced that snowmaking at Copper may begin as early as September 30th if temperature conditions are favorable.

New Business

International Fire Code

Mr. Moroz announced that there will be a meeting on October 1, 2013 with the Summit County Board of County Commissioners (BOCC) to review changes to the International Fire Code (IFC). The CMCMD Board will receive an amended version of the 2012 IFC shortly after the October 1 meeting with the BOCC. CMFD would like to have the amended 2012 IFC adopted at the October or November Board Meeting. The 2012 IFC goes into effect on January 1, 2014. Notable changes to the amended IFC include garage square footage counted in the total square footage of a home. This means all houses over 6000 square feet including the garage must have sprinklers installed. Also, no fire barriers, such as fire rated doors between garage and living spaces, are permitted. Director Broughton asked if the new IFC addresses propane tanks on multi-unit condominium decks. Mr. Moroz confirmed that the new code does not allow propane tanks on decks but it cannot be enforced by the Fire Department. However, individual homeowner associations can make final determinations regarding their building regulations. Director Anuta asked if landscaping codes, such as defensible space, are covered in the new IFC. Mr. Moroz confirmed that landscaping is addressed in the building code and not in the fire code.

Public Hearing on Proposed Water / Sewer Rate Structure

Mr. Erickson announced that further revisions to the Rate Study Report were made and that a new document is available. A resolution to adopt the new rate structure was prepared but Mr. Erickson recommended that the hearing be continued to the October Board Meeting.

Director Malmgren formally opened the public hearing regarding the Proposed Equitable Water/Sewer Rate Structure at 8:47 a.m.

Mr. Rodgers stated that the new rate structure has a significant impact on Copper Mountain Resort (CMR). A fragile commercial situation already exists and the new rate structure increases commercial rates by approximately 20%. Another concern is with the new tap fee structure. If a 100 room hotel were to be developed, under the new tap fee structure, it is likely the tap fee would exceed the value of the lot. If two 100 room hotels were to be developed on the Chapel Lot, the tap fees under the new structure would be approximately \$2.4 million for each hotel which totals more than the value of the lot. Mr. Rodgers stated that CMR is not comfortable with the increased tap fees in addition to the increased commercial rates and are worried that the new rate structure will make it extremely hard to attract developers. There are seven key development sites remaining in the resort and 471 EU's in density have been approved in the PUD.

Mr. Erickson commented that specific water use data, provided by CMR, for the hotel project is necessary in order to estimate tap fees and annual water/sewer use fees. Without accurate water use figures, the District could only provide a worst case scenario of tap and user fee expenses to CMR. A more realistic estimate can be provided if CMR could provide more accurate information to be run through the model. Mr. Erickson felt there was enough time to do this before the October Board Meeting.

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Mr. Rodgers agreed that more accurate information would result in more accurate estimates and stated that CMR needs to be granted the opportunity to extract true comparatives to provide to potential developers. He reiterated that this is a significant issue regarding the future development of the resort and requested more time to make sure CMR staff and CMCMD staff are comfortable with the major changes to the rate structure.

Director Malmgren commented that the figures the Board has been presented with thus far have shown decreased tap fees. Mr. Rodgers replied that the figures do not include a 100 room hotel as an example. The problem is a 100 room hotel is a new commercial use at Copper for which there is no comparable historic water use data within the resort on which to base any analysis of future tap fee or water use fee costs.

Mr. Rothberg explained that the District needs to make sure that development pays for its usage and that it is necessary for the District to recover actual use from the build out remaining at Copper. If potential developers have other similar developments, they should be able to provide comparable data and real figures of actual usage to be run through the model.

Director Malmgren recessed the Public Hearing at 9:19 a.m. until October 25, 2013.

Director Anuta suggested that the proposed rate structure should not be ratified at this time. He expressed concern about the continued changes to the Rate Study Report. He also expressed concern that accurate comparisons have not been presented and reiterated that CMR needs to provide real data in order to produce accurate comparisons. In addition, Director Anuta wanted it noted that he is bothered by the fact that irrigation customers get a significant rate discount under the new structure and that there is a discrepancy between single family and condominium rates per kitchen.

Mr. Rodgers stated that he is not a developer and it is difficult to produce accurate data without an existing model for comparison. He said CMR will do what they can to get useful data from future developers for presentation to the District.

New Business **2014 Budget** **Process**

Mr. Erickson announced the 2014 budget process is moving forward on schedule and that the proposed 2014 budget will be distributed to the Board and public by October 15, 2013.

The County Assessor has certified the 2013 Assessed Valuation for Copper Mountain at \$65,012,820. This valuation is down roughly \$4.3 million (6.24% from the 2012 assessed value) and translates to a maximum mill levy of 22.151 mills and a maximum tax collection of \$1.4 million – a reduction of \$83,121 or a 5.46% decrease in property tax revenue from 2013.

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

AGREED to schedule the budget hearing for the October 25, 2013 Regular Board Meeting.

Snowbridge **Unit 212**

Director Malmgren announced that Snowbridge Unit 212 has not yet been listed in the MLS.

Mr. Erickson stated that the former lessee has not cooperated with the District's special legal counsel regarding any payment agreement and, therefore a letter of demand was sent to Fall Line Property Management prior to filing suit in County Court.

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Director Anuta suggested that Mr. Erickson proceed with the lawsuit as agreed upon at the last Board Meeting.

2013 Manager's Performance Plan

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

Staff Reports

- **Water and Wastewater Director:**

Mr. Koenig announced that the Water Department has begun the process of locating and determining functionality of curb stops in filing five (Woods, Masters and Legends). The curb stops are valves present on all water service lines located outside of a residence that allow the water service to be shut off for individual customers. Each customer owns and is responsible for maintaining their curb stop in a manner that allows access to the valve should water need to be shut off from outside of the home. To date all but two curb stops have been located in Masters, all but one in Legends and twenty-four have not been located in The Woods. In order to locate the remaining curb stops next spring, landscaping will need to be removed. A company that does this kind of work has provided an estimate that will be distributed to homeowner associations for approval.

Legal descriptions of utility easements are expected to be complete the week of October 9th. A problem with the Waste Water Treatment Facility lot is anticipated as this area has been designated as open space by the County.

During the power failures in June, Copper Springs lost an exterior ground water pump and has been using a garage pump to pump ground water into the wastewater collection system. This adds an extra 70,000 gallons per day into the wastewater system. The District met with Copper Springs to let them know that discharge of ground water into the wastewater collection system is illegal, is extremely expensive, and cannot be permitted to continue. Copper Springs immediately stopped pumping ground water into the sanitary sewer collection system and activated pumps to discharge ground water into the surface water drain system associated with Wheeler Circle. Copper Springs is getting the failed pump repaired.

- **Cable TV/HSIS:**

Mr. Arnesen announced that ResortInternet (RI) received the equipment necessary to re-activate the CDOT channel (channel 5) but that the channel is still down and there is no temporary programming available at this time.

RI is moving nine buildings on to a fiber distribution platform to receive High Speed Internet Service (HSIS). The nine buildings are Snowbridge Square, Copper Valley, Foxpine, Snowflake, Copper Springs Lodge, The Cirque, The Edge, Cache, and West Lake Lodge. Of these, The Cirque, The Edge, West Lake Lodge, and Foxpine have already been activated.

The Federal Communication Commission (FCC) confirmed that Copper has 1584 HSIS subscribers as of June 30, 2013.

- **CMFD:**

- **Summit County Communication Center (SCCC):**

Chief Thomson announced that the 911 surcharge rate will be raised from \$1.50 to \$1.95. Summit County legal staff is finalizing documents and the public notice that will be distributed.

The Keystone Repeater Tower is schedule to be operational by the end of October and will complete the county communication system.

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Summit Fire Authority (SFA):

Director Broughton reported that the 2014 SFA and HAZMAT budgets are complete.

The High Country Training Center (HCTC) hopes to fill the vacated Director of Training position by November 1.

Summit County Sheriff's Office (SCSO) – CHUBB Agreement:

The county will not approve any pre-signed agreement with CHUBB or any other entity without necessary indemnification language included in the agreement. CHUBB will not agree to the suggested indemnification language. Chief Thomson advised that Sheriff Minor has suggested that incident commanders will have to make unified decisions, on a case by case basis, on whether or not to let CHUBB or any other entity into a wildfire evacuation area and has provided CMCMD Staff with the standard CHUBB agreement. Chief Thomson and Mr. Erickson have discussed the current situation and agreed to have District legal counsel review the document. Director Anuta agreed that legal counsel should review the document. Director Broughton added that this is an important topic and needs to be kept on the agenda.

Fire Prevention:

Mr. Moroz reported that the Climax Mine has submitted life safety plans for a second major building project. Inspections will begin after the plans have been reviewed. Expected completion date for entire project is mid-summer 2014.

Repair work on the Vail Recreation Path and construction on the new Ten Mile Recreation Path extension is ongoing. Work is expected to be completed this season but some paving may not occur until next spring.

The summer event season is over and went well. FD staff will attend meetings to review summer events and discuss upcoming winter events to ensure applicable fire codes are enforced.

Development of three new homes has begun in upper Lewis Ranch. FD staff will review fire sprinkler suppressions systems for these buildings.

Due to a wet summer, the wildfire hazard has remained low. We will be entering the “second season” for wildfire where excessive growth could dry out and become a wildfire danger. However, we have already experienced hard frosts and snow has fallen on the higher peaks which could mean this secondary wildfire season may be short lived.

A cell phone repeater tower is currently being installed in Officer's Gulch and should eliminate the dead spot experienced by most cell phone customers.

Additional Items:

Chief Thomson reported that the Metro District Village Party and Pancake Breakfast went well. Approximately 230 people attended the Village Party and pancakes sold out at the Pancake Breakfast. The FD has received much positive feedback regarding both events.

Steve Boyle was deployed to the Front Range for eight days as a Red Cross member to assist with recent flooding disasters. He worked in a government liaison training position in a FEMA field office.

CMFD invoiced the state for Nevada wildfire deployment totaling approximately \$35,000. Approximately \$100,000 has already been invoiced this year to cover CMFD costs of wildfire deployment.

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The CMCMD ambulance service lease will be renewed in October. The lease amount increases annually to adjust with inflation and account for any additional costs.

- **Clerk-Treasurer Administrative Assistant:**

Ms. Stabile reported that the TABOR ballot question for the November 5th election was published for public comment in the Summit County Journal. One pro statement was received and no con statements were received by the September 24th deadline. The next step will be to mail a Notice of Election to all Copper Mountain residents and property owners who are registered to vote in Colorado. A sample ballot was distributed to the Board which included all county questions in addition to the Copper Mountain question. Director Anuta asked if Copper residents would receive the same ballot with all of the questions or if they would receive a ballot with only the Copper question. Ms. Stabile was not sure and said she would check with the County Clerk and Recorder and get back to him.

The process of converting to new accounting software has begun. The server and equipment requirements have been confirmed. Current program updates need to be installed and the system needs to be checked and corrected before a clean system check can be sent to Caselle for analysis.

Ms. Stabile attended the Special District Association annual meetings September 18 – 20 in Keystone and felt it was a valuable experience for her and the district.

**Other
Business**

There was no other business to come before the Board.

**Recess
Meeting**

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 recess the Regular Meeting of the Copper Mountain Consolidated Metropolitan District Board of Directors this 27th day of September, 2013 at 10:21 a.m.

**Reconvene
Meeting**

The Regular Meeting of the Board of Directors was reconvened by Director Malmgren at 10:34 a.m.

**Executive
Session**

Director Broughton moved that “the Board of Directors for the Copper Mountain Consolidated Metropolitan District go into executive session for the purpose of discussing personnel matters as authorized by CRS 24-6-402(4)(f). These discussions are related the District’s Manager’s job performance and work related issues related to the Manager’s 2013 Performance Plan. Those present at the outset of the executive session shall be members of the Board of Directors as present at this meeting; and David Erickson, District Manager.” Seconded by Director Anuta. Upon the Motion duly made and seconded, Director Malmgren declared, “The Motion passes on a vote of 5 in favor and 0 opposed. The time is now 10:35 a.m., and the Board will go into executive session.”

**Return to
Open Session**

Director Malmgren announced, “The time is now 10:55 a.m., and the executive session has been concluded. The participants in the executive session were Thomas J. Malmgren, Karl Anuta, Ben Broughton, David Steele, Bob Bloch 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

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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.”

Executive Session

Director Anuta moved that “the Board of Directors for the Copper Mountain Consolidated Metropolitan District go into executive session for the purpose of discussing personnel matters as authorized by CRS 24-6-402(4)(f). These discussions are related various personnel and work related issues. Those present at the outset of the executive session shall be members of the Board of Directors as present at this meeting; and David Erickson, District Manager.” Seconded by Director Broughton. Upon the Motion duly made and seconded, Director Malmgren declared, “The Motion passes on a vote of 5 in favor and 0 opposed. The time is now 10:56 a.m., and the Board will go into executive session.”

Return to Open Session

Director Malmgren announced, “The time is now 11:44 a.m., and the executive session has been concluded. The participants in the executive session were Thomas J. Malmgren, Karl Anuta, Ben Broughton, David Steele, Bob Bloch 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.”

Director Broughton noted for the record that Director Bloch left the executive session at 11:15 a.m.

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 27th day of September, 2013, at 11:47 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