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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 October 27, 2017

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on October 27, 2017 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
- Ted Kravec
- Tom Malmgren
- David Steele

Staff in attendance was:

- Bryan Webinger, District Manager
- Rob Martin, Public Works Director
- Dave Arnesen, Director of Cable Services
- Gary Curmode, Fire Chief
- Todd Hebebrand, Assistant Fire Chief
- Ed Pankevicius, Chief Plant Operator
- Missy Stabile, Clerk-Treasurer

Also in attendance was:

- Eric Weaver, Marchetti & Weaver
- Gary Rodgers, Copper Mountain President and General Manager
- Graeme Bilenduke, Copper Mountain Director of Development
- Chris Coleman, Copper Mountain Director of Planning
- Bruce Butler, Copper Mountain Property and Homeowner Services Manager
- Peter Siegel, Copper Mountain Resort Association Executive Director
- Jim Reis, Copper Mountain Resort Association, POLA President
- Kevin Flewell, CNL Copper/Resort Ventures West

### **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 October 27, 2017, at 8:30 a.m. noting a quorum was present.

### **Old Business Minutes**

The Board reviewed the minutes of the September 29, 2017 Regular Board Meeting. Upon motion duly made by Director Anuta and seconded by Director Broughton it was unanimously

**AGREED** to approve the minutes of the September 29, 2017 Regular Board Meeting with corrections on lines 55 and 84.

### **Community Updates**

Graeme Bilenduke, Copper Mountain Director of Development, reported on several Copper Resort projects and anticipated completion dates. Work continues on major PUD amendments and workforce housing. Copper has a 110 bed credit obligation per the current PUD. Thirty of those credits have been delivered leaving a balance of 80 bed credits that need to be delivered by 2018 per the current PUD. Copper tried to partner with Summit County on the Lake Hill project but it is not moving forward as quickly as anticipated and they also tried partnering with Frisco. To meet obligations, 2.5 acres in the North Alpine Lot have been identified as a potential location for workforce housing but

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## RECORD OF PROCEEDINGS

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### Copper Mountain Consolidated Metropolitan District October 27, 2017 Meeting Minutes

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major amendments to the PUD need to be made in order to get approvals to use this location. This area was originally going to be a gateway to the community. Copper has asked the county to extend the delivery of workforce housing from 2018 to December 2023. Zoning will take 8-12 months then there will be design and development. Copper hopes to break ground in 2020. There is also a parking component of the PUD amendment application. Copper is obligated to provide 4284 parking spaces which it currently meets but business is growing and Copper wants to provide adequate parking for all guests. The soccer field is not recognized as open space or recreation space in the current PUD and Copper is requesting that the field be removed. The development will contain transitional housing including both rental and for sale units. All units will be deed restricted and governed by the Summit County Housing Authority.

The Board suggested that the old 10<sup>th</sup> fairway may be suitable for recreation space. Gary Rodgers, Copper Mountain President and General Manager, said that things were much different at Copper in 1986 when the original agreement was made. Many more recreational offerings are now available in Copper including Woodward, disc golf, the county rec path and many other county amenities. Copper is looking at removing the soccer field next year to facilitate the North Alpine Housing Project and meet parking obligations. Mr. Rodgers noted that Copper has allowed lodging guest overflow parking in the North Alpine Lot but that this is a challenge with snow removal. Copper is not required to do this but recognizes the need. Copper continues to explore other workforce opportunities within the county but they believe it is not just about bed credits and is about setting up this community to be successful by supporting the businesses and community.

Director Kravec noted that he was unaware that there was a soccer field at Copper. Mr. Rodgers replied that the space was defined as a recreational field in the agreement and he is not sure how it has morphed into a soccer field.

Peter Siegel, Copper Mountain Resort Association Executive Director, requested that the Board look at this as an opportunity for community enhancement rather than just a soccer field.

The Board noted that they fought hard to maintain a full-sized regulation soccer field at Copper until the master plan was complete but the master plan keeps changing. They understand the need for housing but also that there was an obligation agreed to previously. They feel it is not fair that Copper thinks they are no longer obligated to provide a soccer field. Copper decided to locate the field where it is now until a permanent location was provided. Copper is still obligated to providing a soccer field and it can be relocated. There was no discussion with the District, the entity who they entered into the agreement with, before the removal of the field was put in their PUD amendment application. There will be a PUD work session on November 9, 2017 at 5:30 p.m.

Kevin Flewell, CNL Copper/Resort Ventures West, suggested effort be given to surveying the community about the field. Mr. Flewell announced that Elevation Salon will be opening soon in the Center Village Lake District.

Mr. Siegel congratulated the Board and District Staff on the approval of the new fire authority and expressed thanks from a community standpoint. A winter event list was distributed. The Resort Association is preparing for the winter season and planning for summer 2018. There will be a full merchant meeting on November 9 and the annual budget meeting will be on December 2.

Mr. Rodgers commented that ski racers have been on the hill since October 21 and that Copper is ahead in snowmaking compared to this time last year. He said that Copper is in good shape for top to bottom skiing for opening on November 10.

#### Public Comment

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# RECORD OF PROCEEDINGS

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## Copper Mountain Consolidated Metropolitan District October 27, 2017 Meeting Minutes

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**and Concerns** No public comments and concerns.

**Financial**

A Financial Report for September 30, 2017 and the preliminary 2018 budget was prepared by Marchetti & Weaver and provided to the Board for review prior to the meeting. Eric Weaver, Marchetti & Weaver, noted that Copper's assessed value went up but due to the Gallagher Amendment, the residential tax rate went down. As a result, the District will only see approximately \$30,000 increase from tax revenues in 2018. Mr. Weaver explained that 2017 revenues are positive because the District issued more bonds to cover capital expenses. In addition, revenues are doing well due to favorable interest rates on investments, sale of assets, wildland deployment, excess water use, and more tap fees than initially expected. 2018 general fund revenue will increase approximately \$30,000 from property taxes and Water and Sanitation revenues will increase due to the increase in rates. Refinancing the bonds on the Metro District Building/Fire Station in early 2018 will decrease interest payments and therefore decrease taxpayer payments which could result in a future reduction of the mill levy. The cost of the loop system in the A-Lift Neighborhood may fluctuate depending on amendments to Copper's PUD. Deferred capital expenses will reduce capital reserves. The 2017 budget amendment will address overages in the Well House Project and FPPA expenses due to new hires. It will also address additional revenue received from wildland deployments.

The Board stated it is aware of deferred maintenance projects but wants to make sure work is prioritized and scheduled appropriately.

Director Steele stated that in theory, the District's \$2.9 million tax revenues will be spent in four ways: a portion goes to authority operations; a portion goes to authority reserves; a portion stays with the District to cover existing debt and capital improvements; and the remainder goes into capital reserves. At some point the delta between what the District can collect and needs to collect will result in the lowering of property taxes. Mr. Weaver said that he guesses residential taxes will decrease next year as a result of the Gallagher Amendment.

Mr. Bilenduke asked if plan review and permit fees will go to the authority. Mr. Weaver responded that they will for the time being and that these revenues will be monitored for future apportionment.

**Public Hearing on  
Amended 2017 and  
Proposed 2018  
Budget**

Director Malmgren formally opened the public hearing regarding the Amended 2017 Budget and Proposed 2018 Budget at 9:40 a.m.

Mr. Weaver noted that formal budget resolutions will be presented at the November 17, 2017 Board Meeting.

The Board questioned the college tuition expense in the District's proposed budget for the new fire authority. Mr. Weaver stated that the authority has a more formal program and the District will contribute to this.

Director Malmgren recessed the Public Hearing at 9:50 a.m. until November 17, 2017.

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

**AGREED** to receive the September 30, 2017 Financial Statement and cash disbursement report as presented.

Bryan Webinger, District Manager, brought attention to the proposed 2018 compensation grades and ranges and noted this is a result of work with Employer's Council. The Board requested that numbers using existing policies be added to the document for comparison.

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# RECORD OF PROCEEDINGS

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## Copper Mountain Consolidated Metropolitan District October 27, 2017 Meeting Minutes

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### New Business

#### **Well House Project Change Order #4**

Rob Martin, Public Works Director, stated that project delays have been related to subgrade utilities and that the next and final change order will be fairly substantial. The contract with Tetra Tech is separate from the contract with RN Civil Construction and Mr. Martin is working through issues with them. Mr. Martin will also schedule a debriefing once the project is complete to address project performance.

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

**AGREED** to approve Well House Project Change Order #4.

Mr. Martin reported that the substantial completion date was October 25 but it was not met and the District decided to postpone substantial completion until Monday morning, October 30. A notice will be sent today to East Village residents and businesses that water will be unavailable for approximately two hours on Monday, October 30.

### Staff Updates

Mr. Webinger reported that CPR training is scheduled for December 7, 2017 from 6:00 to 9:00 p.m. in the Community Room at the Metro District Building. He would like to offset the cost of training for community members by \$25 bringing the cost to \$40. Prepayment of \$40 will be required to attend the class. The Board requested that notification of the CPR class be included in the next Resort Association newsletter and that Copper Resort HR is contacted.

Mr. Webinger noted that the Board will need to establish at the November Board Meeting which two Board Members will serve on the Summit Fire & EMS (SFE) Board. A SFE Special Board Meeting will need to be scheduled to review lease documents.

Mr. Webinger reported that the District submitted party status with ten other parties in opposition to Climax Mine's proposal to increase Molybdenum levels until further studies can be done. The studies that Climax used in their application have not been published or peer reviewed. The rule making hearing will be in December.

Mr. Webinger reported that ResortInternet will begin submitting monthly service reports that will be included in the Board Packets. Mr. Webinger is getting quotes on repairs that need to be made to the Togwotee unit owned by the District.

Gary Curmode, Fire Chief, reported that he, Fire Marshal Dan Moroz and Firefighter Jim Farquhar passed the Fire Inspector II course. The new community ISO rating goes into effect on November 1, 2017 and Chief Curmode suggests property owners contact their insurance carriers about potential savings. The Board recommended that the community be notified in the next Resort Association newsletter.

Mr. Martin reported that Wheeler Circle will be completely open to traffic next week. He also reported that the 250,000 gallon water storage tank supply line was repaired in house saving the District a lot of money rather than contracting the work out. Copper Base Operations excavated the area where repair work was done and the project could not have been completed without their help.

### Other Business

There was no other business to come before the Board.

### Recess

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# RECORD OF PROCEEDINGS

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## Copper Mountain Consolidated Metropolitan District October 27, 2017 Meeting Minutes

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**Meeting** The Regular Meeting of the Board of Directors was recessed by Director Malmgren at 10:55 a.m.

**Reconvene Meeting** The Regular Meeting of the Board of Directors was reconvened by Director Malmgren at 11:03 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 personnel matters as authorized by C.R.S. § 24-6-402(4)(f) of the Colorado Open Meetings Law. Those present at the outset of the executive session shall be members of the Board of Directors as present at this meeting.” Seconded by Director Steele. 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 11:04 a.m., and the Board will go into executive session.”

**Return to Open Session** Director Malmgren stated, “The time is now 11:57 a.m., and the executive session has been concluded. The participants in the executive session were Thomas J. Malmgren, Karl Anuta, David Steele, Ben Broughton, and Ted Kravec.

“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.”

**Adjournment** There being no further business to come before the Board, by motion duly made by Director Broughton and seconded by Director Steele, 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 29<sup>th</sup> day of September, 2017, at 11:58 a.m.

Respectfully Submitted,

BY: Thomas J. Malmgren

Thomas J. Malmgren  
President of the District

ATTEST: David Steele

David Steele  
Secretary of the District