
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors Copper Mountain Consolidated Metropolitan District February 26, 2016

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on February 26, 2016 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
- Dave Steele

Staff in attendance was:

- Sam Parker, District Manager
- Ricky Clover, Public Works Director
- Gary Curmode, Fire Chief
- Dan Moroz, Fire Marshall
- Dave Arnesen, Director of Cable Services

Also in attendance was:

- Eric Weaver, Marchetti & Weaver
- Chris Colman, Copper Mountain Director of Planning
- Graeme Bilenduke, Copper Mountain Director of Development
- Peter Siegel, Copper Mountain Resort Association Executive Director
- Mark Wentzlaff, ResortInternet President
- Mike Rothberg, Tetra Tech
- Jim Reis, Copper Mountain Resort Association, POLA President
- Kevin Flewell, CNL Copper/Resort Ventures West
- Cheri Curtis, Secretary to the Meeting

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 February 26, 2016, at 8:30 a.m. noting a quorum was present.

Old Business Minutes

The Board reviewed the minutes of the January 29, 2016 Regular Board Meeting. Upon motion duly made by Director Broughton and seconded by Director Anuta it was unanimously

AGREED to approve the minutes of the January 29, 2016 Regular Board Meeting as submitted.

Community Updates

Peter Siegel reported on the sign program. There have been several meetings on the sign programs with comments taken under advisement. Some of the details have been clarified in Exhibit G. Ten Mile Planning and Summit County will issue sign permits except internally lit or illuminated signs and at the Conoco station using State standard of 150 feet and the top of the sign can only be 40' tall.

Director Malmgren questioned the Conoco sign and Mr. Siegel clarified the sign is existing and grandfathered in. Mr. Siegel reported the sign program is entirely new and they are hoping the County approves the plan. Director Broughton questioned the proposed designs in the report that were clarified. The Board will have the discretion to approve signs. Existing signs are grandfathered. Mr. Siegel requested community support for the hearing on March 10, 2016 regarding approval of the

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policy. All signs would still need to go through the building approval process. Temporary signs are exempt.

The lighting program will be done in phases. The plan is to start the project in the Spring of 2016 with Phase I being from the Copper Mountain entry to Ten Mile Circle.

Graeme Bilenduke reported the Copper Mountain Townhomes hearing will be held after the sign discussion. The project has received approval from all the necessary entities. Construction will begin on May 1, 2016 with completion scheduled for May 1, 2017.

Public Comment

and Concerns No public comments and concerns.

New Business

Resort Interest Update

& Request

Mark Wentzlaff distributed a report with two components; a quick update and a request for money. There were one hundred and twenty-six calls from guests for the period from January 1 to February 25. The call average is 2.3 calls per day, which is less than last year. Scanning and Wi-Fi requests were the major issues. The call volume has been reduced since January 15, 2016. The daily summary of bandwidth used in 2016 would have exceeded the max usage available based on the capacity in 2015. With completion of the upgrade, bandwidth no longer an issue at Copper Mountain.

Community Wi-Fi services have been added that are being used. The complete fiber over build came in \$11,000 under budget and \$48,000 under budget for labor and materials, for a total of 11% under budget.

Mr. Wentzlaff stated the following discussion is outside of the contractual agreement, which provide 75% of revenues to Resort Internet and 25% to the District. The agreement is ambiguous on service fees. In the summer of 2011, Resort Internet assumed responsibility for billing all the accounts. All of the upgrades are submitted to the District at 100%. The number of upgrades continues to increase with users wanting upgraded bandwidth. Billing costs have increased with users increasing from 35 customers to 259 customers. Mr. Wentzlaff requested the Board consider a financial agreement with Resort Internet to cover the increased administrative costs. Options were presented to the Board for consideration. Director Malmgren questioned some of the costs presented. Based on comments from the Board, Mr. Wentzlaff suggested considering a revenue share for any additional potential revenue. The Board stated they are not willing to negotiate with Resort Internet until after the May election stating this should have been included in the contract approved in December, 2015. Director Broughton stated he would be willing to re-discuss cost sharing six months after the fiber overbuild is complete and the call volume is reviewed.

CMFD Strategic

Plan

The Strategic Plan was presented to the Board for review. The proposed deadlines were presented with the understanding they may not be met and will need to be revised. Chief Curmode stated this is a vehicle for planning purposes and further clarified this is a goal in concept and is not committing the Board to a fixed budget. The Board expressed concerns with the aggressive vehicle replacement schedule. It was note the Strategic Plan is subject to financial ability and Board approval. By motion duly made by Director Broughton and seconded by Director Kravec it was unanimously

AGREED to accept the Strategic Plan with revision.

Mail Ballot Plan The mail ballot plan was reviewed by the Board. By motion duly made by Director Anuta and seconded by Director Broughton it was unanimously

AGREED to approve the mail ballot plan as submitted.

Increase in Mill Levy

Director Malmgren provided a list of the mill levy rates in Summit County. The Board discussed the language in the resolution regarding the financial position of the District. The resolution was clarified

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to indicate the District has funds available, just not funds available for fire operations. Since the wording was included by the District's attorney it will be clarified. Director Anuta discussed the need to increase taxes with the limited amount of reserves and recommended a 11.4 mill levy increase. The language in the ballot questions will be clarified with the District's attorney. Upon motion duly made by Director Broughton and seconded by Director Anuta it was unanimously

AGREED to adopt Resolution 2016-04, a Resolution Authorizing a Ballot Issue for a Mill Levy Override; Setting the Ballot Title and Content for the Ballot Issue; and Providing Other Matters Relating thereto for the May 3, 2016 Special District Election with an increase of 11.4 mills and revised language in the proposed ballot.

Mail Ballot Language

Director Anuta suggested sending an informational document to clarify the reason the Board has agreed to request a mill levy increase. The information will also be included in HOA newsletters.

Sample Ballot

The sample ballot was presented to Board for informational purposes.

Staff Reports

- Mike Rothberg, Tetra Tech, made a presentation showing the potential drill sites to drill for well # 4. The bid process has started with bids accepted by April 1, 2016. The contract will be awarded with drilling schedule in the April/May time period. The well house is where the metering and controls are located along with the disinfection process. Tetra Tech is performing the compliance requirements. The plan is to drill well #4 before moving forward on well #5. Director Malmgren questioned the storage on the ski mountain. Mr. Rothberg clarified the tank is for storage purposes only.

If well #4 is not successful, the District would be forced to begin the design of the water treatment plant and consider a location for well #5. The District will install upgrade improvements to the plant with parts delivered in the next week and installation to follow.

The cost per well is estimated at \$350,000 with another \$400,000 to \$500,000 planned for construction of the well house and the connection to the distribution system. The timeline was presented with the well house completion preliminary scheduled by September 16, 2016. The target flow rate for the well is 500 gallons per minute. The drilling timing was questioned and it was clarified the timing includes determining if the well is usable. The depth of the well will need to be determined and also confirm it is not affected by ground water.

Well site options were presented based on the State's requirements and the best option to avoid ground water influence. Screening must be placed to avoid ground water influence. It has still not been determined if well #1A is subject to ground water. Either way the District will still need two additional wells. The well site risks were presented. Site seven is the most favorable with site two and three being the next best site locations. Further discussion on possible locations.

The Board had previously discussed temporary trailers for water treatment. It was determined not to pursue temporary trailers until the well options are determined. If the wells do not produce enough volume or depth, the District should then get approval from State for the use of mobile treatment plants. The Board agreed to not proceed on the plans for WTP if the building will not be built.

Per Mr. Rothberg, the District needs to be successful in drilling three wells that are not subject to ground water influence. Mr. Moroz clarified the District needs to drill two wells, even if the first well exceeds the needs of the District. The District needs two additional wells as back-up if one well goes down. The District needs to address the water issues within an eighteen-month period, per the State requirements. The Board granted permission to Mr. Clover and Mr. Rothberg to proceed with one well and ability to proceed with an additional well if well #4 is successful.

Mr. Bilenduke suggested the Board consider the location of the well house with 24/7 accessibility. It was suggested to possibly considering options two or three due to the activity near option seven. The Board agreed to continue with option seven and look at the well house location if the well is

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successful. A work session on the drilling process was scheduled for March 16, 2016. All well documents will be presented to Chief Curmode for approval.

- Ricky Clover, Public Works Director, report was reviewed. Questions were presented including the cost for the proposed hotel tap fee. Mr. Clover sent prior information to the Board via email indicating the District will need to determine the flow calculation. Director Malmgren suggested obtaining the costs for the hotel tap fee for a hotel in neighboring areas; i.e. Vail, Beaver Creek, and Breckenridge.
- Dave Arnesen, CATV, confirmed the number of users, indicating that number is provided by Resort Internet. Director Broughton requested a blurb be put in the newsletter on remodeling. Mr. Arnesen reported there is still a significant amount of work needed to complete the upgrade project.
- Gary Curmode, CMFD, reported insurance companies are determining whether the damaged vehicle is being totaled or repaired. The Board directed Curmode to proceed with receiving bids for new equipment in the hopes the mill levy question is passed in May, 2016. The Board will have the ability to approve a purchase at the April meeting, subject to the election results in May.

Ambulance and Fire personnel working well together. Chief Curmode reported ambulance staff have been assisting on fire calls. Chief Curmode reported on the number of transports from Copper and all transports by staff.

Chief Curmode recommended the Board and senior staff attend the June 3, 2016 training on State laws related to emergency services.

- Dan Moroz, Fire Marshall, reported on the system improvements necessary for the proposed restaurant. At next week's training he has been asked to be a speaker.
- Mr. Parker presented the salary report, as requested. Mr. Parker used fire departments with budgets under \$5M for comparison reasons. The comparisons were reviewed. Director Malmgren noted most departments in the comparison are not local districts with the same cost of living challenges.

Mr. Parker reported the Climax Mine is looking at an amount to contribute for out-of-District fire protection services. Discussion followed on the neighboring districts and the service areas. The Board recommended Mr. Parker review the agreement between Keystone and Lake Dillon fire.

Financial Report

A Financial Report for January 31, 2016 was prepared by Marchetti & Weaver and provided to the Board for review prior to the meeting. Mr. Weaver questioned the financing of the proposed improvements if the mill levy question passes. Mr. Weaver will look at cash flows moving forward and perform minimal work on being prepared to proceed with the issuance of bonds if the May election is successful. The forecast for capital projects and financing of the projects was reviewed.

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

AGREED to accept the January 31, 2016 Financial Statement and cash disbursement report as presented.

Credit Cards

The District has moved the credit card account from First Bank to Alpine Bank. By motion duly made by Director Broughton and seconded by Director Steele it was unanimously

AGREED to approve a \$20,000 limit for monthly credit card purchases with Alpine Bank.

Other Business

None.

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.

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Director Malmgren adjourned the Regular Meeting of the Copper Mountain Consolidated Metropolitan District Board of Directors the 26th day of February, 2016, at 12:02 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