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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 31, 2017

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on March 31, 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
- Robert Martin, Public Works Director
- Ed Pankevicius, Chief Plant Operator
- Dave Arnesen, Director of Cable Services
- Gary Curmode, Fire Chief
- 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
- John Merriman, Copper Mountain Director of Finance
- Bill Blair, Copper Mountain Finance Manager
- Jeff Berino, Lake Dillon Fire-Rescue Fire Chief
- Lori Miller, Lake Dillon Fire-Rescue Board of Directors
- Sarah Erwin

### **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 31, 2017, at 8:30 a.m. noting a quorum was present.

### **Old Business Minutes**

The Board reviewed the minutes of the February 10, 2017 Special Board Meeting. Upon motion duly made by Director Broughton and seconded by Director Anuta it was unanimously

**AGREED** to approve the minutes of the February 10, 2017 Special Board Meeting with revisions to line 106 and 112.

The Board reviewed the minutes of the February 24, 2017 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 February 24, 2017 Regular Board Meeting as presented.

The Board reviewed the minutes of the March 17, 2017 Special Board Meeting. Upon motion duly made by Director Steele and seconded by Director Anuta it was unanimously

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**AGREED** to approve the minutes of the March 17, 2017 Special Board Meeting as presented.

### **Community Updates**

John Merriman, Copper Mountain Director of Finance, presented information about the tax benefits of hotel development at Copper Mountain Resort and requested the District to consider waiving or reducing associated tap fees. Eric Weaver, Marchetti & Weaver, explained that mill levy and tax collection is complicated and the District would not collect the amount of taxes calculated by Mr. Merriman.

Director Kravec asked what the tap fees would amount to under the current fee structure. Graeme Bilenduke, Copper Mountain Director of Development, said it is difficult because tap fees vary based on quarterly peak consumption. If 100% occupancy is used to calculate the tap fees, the fees could be close to \$1,000,000. If based on actual occupancy, the fees will be lower.

Mr. Bilenduke reminded the Board that the District negotiated tap fees with the Resort in the development of the Copper Point Townhome workforce housing project. Director Broughton replied that workforce housing is different than a for profit hotel.

Gary Rodgers, Copper Mountain President and General Manager, said that the tap fee formula is as clear as mud and it is a problem when negotiating with developers. The formula needs to be clarified so there is not so much ambiguity when in discussions with potential developers. He stated that there needs to be incentives for commercial development and community investment and commented that new development would not impact the water system infrastructure as the current system was designed to accommodate build out.

Director Anuta suggested that the Resort submit a formal request to the District with support showing other communities that have altered fees and legal justification for a request to incentive commercial development. He also requested that the Resort give the District time to process such a request.

Mr. Rodgers stated that it is not uncommon for commercial development to be incentivized, for example, the new REI in Dillon. He requested that the Board direct District staff to review the tap fee formula and prepare a proposal for the Resort. He emphasized that it is a foremost priority for the Resort and the Resort needs it to be a priority for District staff.

The Board stated that the Resort needs to provide District staff with estimates of water consumption and District staff needs to figure out how much it will cost to serve new developments.

Rob Martin, Public Works Director, said he will scrutinize the formula to make sure the infrastructure is supported and both parties benefit. He requested that the Resort provide average annual water consumption data.

Mr. Rodgers reported that the Resort is heading into an extremely busy capital improvement season with main projects starting after the Resort closes on April 16. Capital projects include a new Kokomo lift and a 5800 foot alpine coaster in addition to commercial and food and beverage developments, taking possession of Peak Sports, operating Copper Beach and Woodward Copper Wrecktangle, and moving to radio frequency identification technology (RFID) for the 2017-18 ski season.

### **Public Comment and Concerns**

Sarah Erwin, Assistant Chief Todd Hebebrand's wife, spoke about firefighter and paramedic safety concerns on highways. She requested that the Fire Department's new F150 be used as a highway response command vehicle. She pointed out that the command vehicle is the first point of contact with oncoming traffic and a high visibility vehicle is necessary. She questioned why operational

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management was involved in safety issues and suggested the Fire Department should be relied on to make these decisions.

### Financial

A Financial Report for February 28, 2017 was prepared by Marchetti & Weaver and provided to the Board for review prior to the meeting. Mr. Weaver reported revenues, personnel, operations and cash flow are back on track. Capital shows the receipt of two new fire apparatus.

Upon motion duly made by Director Broughton and seconded by Director Anuta it was unanimously **AGREED** to receive the February 28, 2017 Financial Statement and January and February cash disbursement reports as presented.

Bryan Webinger, District Manager, reported that the Fire Department's HMMWV was sold for \$26,000 minus a 10% sales commission.

Upon motion duly made by Director Anuta and seconded by Director Broughton it was unanimously **AGREED** to ratify the sale of the HMMWV.

Mr. Weaver reminded the Board that a preliminary draft of the 2016 financial audit was presented to the Board at the last meeting. He reported that field work conducted by McMahan & Associates went well and that CMCMD received a clean opinion. It is the Auditor's opinion that the District finances are managed well and there were only a few recommendations for internal control improvements including an update on Emergency Response Fees in the Fire Department's monthly report and development of an FPPA contribution reconciliation procedure. The audit will look a little different from previous years since capital expenses were moved from a separate section and placed in corresponding department sections. Estimated bond numbers used in the preliminary draft audit will be updated to actual for the final audit report.

Upon motion duly made by Director Anuta and seconded by Director Broughton it was unanimously **AGREED** to accept the 2016 financial audit.

The 2016 financial audit will be filed with the State and posted on the District website by the end of July.

Mr. Weaver reported that a special meeting was held on March 17, 2017 to accommodate bond issuance. Series 2017A paid off existing debt at a lower interest rate. Series 2017B was issued to finance capital improvements in water distribution. Existing bonds for the District Building can be refinanced at the end of this year and interest rates will be monitored. If this bond can be refinanced at a lower interest rate, the District will be able to decrease the mill levy and save money for the community.

Director Anuta asked how this information can be shared with the community. Mr. Webinger stated that he is working on a newsletter and that information may go out with utility bills. Director Malmgren stated that some utility bills are only sent to HOAs and are not a great vehicle for reaching individuals. He suggested working with the Resort Association who distributes a quarterly newsletter.

### New Business

Mr. Webinger informed the Board that an amendment to include 'Exhibit D Reimbursement Schedule 2016-2017' in the Summit County Ambulance Services Mutual Aid Agreement was signed and that he intends to scrutinize the agreement before renewal in 2018.

Upon motion duly made by Director Broughton and seconded by Director Anuta it was unanimously **AGREED** to accept the Second Amendment to Ambulance Services Mutual Aid Agreement.

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### Staff Updates

Rob Martin, Public Works Director, reported that an existing Xcel transformer needs to be relocated before excavation for the new well house can begin. He began communications with Xcel in December but the application was not submitted until a few weeks ago which puts the project approximately six to eight weeks behind. There is also a gas line running through the site that needs to be relocated. The anticipated completion date will be mid-August or later. The District cannot use Well 3 past August 1, 2017 without issuing a Tier 2 notice informing the community that the water supply is not being treated to state regulations.

Director Steele inquired about a phosphorus surge in the water tests. Ed Pankevicius, Chief Plant Operator, said that the biological balance was upset early in the ski season but we are within the limits of 0.5 milligrams per liter allowed annually.

Gary Curmode, Fire Chief, explained that the 2001 Ford Expedition that was previously used as a response vehicle is not as safe as the new Ford F150. He said responding to accidents on I-70 is more dangerous than any structure fire he has responded to and that it is the Chief's purview to use District resources as he sees fit to protect employees. Director Broughton commented that the purchase of the Ford F150 was presented to and approved by the Board as a vehicle for the Fire Marshal and Fire Prevention. He questioned why it was not initially presented as a response vehicle rather than for Fire Prevention use. Chief Curmode responded that at the time, there was, and still is, the need for a Fire Prevention vehicle but employee safety is paramount.

The Board asked Mr. Webinger to review the District contract with Tiger Gas for renewal terms.

Director Anuta stated that there have been several customer complaints about television pixilation. Dave Arnesen, Director of Cable Services, responded that with so many complaints, the problem must be system wide. He will contact ResortInternet to address the issue.

Mr. Webinger reported that he would like to organize a community event to showcase the new Fire Department apparatus and vehicles. The Insurance Services Office (ISO) will visit the Fire Department to review the District's rating in light of obtaining new apparatus and updates to preplans and water supply information. The District currently has an ISO rating of 3. The District will reach out to the community with new ISO information once it is received.

Director Anuta asked if there will be any implications for the Fire Department with the development of a hotel at the Resort. Chief Curmode replied that new buildings will be built to current codes and no concessions will be made in regards to the codes. The buildings will be sprinkled and safe and not a burden to the department. A new hotel will not affect the District's ISO rating.

### Other Business

The Board congratulated Dave Arnesen on the completion of coursework and his designation as a Fiber Optic Infrastructure Specialist. The Board agreed to meet with the Lake Dillon Fire Rescue Board of Directors in executive session at the regularly scheduled April Board Meeting.

### 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 31<sup>st</sup> day of March, 2017, at 10:21 a.m.

Respectfully Submitted,

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**Copper Mountain Consolidated Metropolitan District March 31, 2017 Meeting Minutes**

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BY:           *Thomas J. Malmgren*          

Thomas J. Malmgren  
President of the District

ATTEST:           *David Steele*          

David Steele  
Secretary of the District