
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors Copper Mountain Consolidated Metropolitan District April 24, 2015

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on April 24, 2015 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
- Missy Stabile, Clerk-Treasurer

Also in attendance was:

- Eric Weaver, Marchetti & Weaver
- Gary Rodgers, Copper Mountain President and General Manager
- Chris Colman, Copper Mountain Director of Planning
- Jamie Woodworth, Summit County Ambulance Service Director
- Scott Vargo, Summit County Assistant Manager
- Mark Wentzlaff, ResortInternet President
- Mike Rothberg, Tetra Tech
- Ed Byrne, PC
- Zach Nassar, Nassar Development

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 April 24, 2015, at 8:30 a.m. noting a quorum was present.

Old Business Minutes

The Board reviewed the minutes of the March 27, 2015 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 March 27, 2015 Regular Board Meeting.

Community Updates

An updated Ambulance Services Mutual Aid Agreement was distributed to the Board. The Board requested that the Board President's signature line be corrected and David Steele's title be changed to Board Secretary. Jamie Woodworth confirmed that Summit County Ambulance Service (SCAS) will continue to oversee billing and that CMCMD is only responsible for providing necessary billing information to SCAS. Mr. Woodworth stated that CMCMD has not yet requested revenue sharing or reimbursement of incurred expenses and the agreement does not address any such request. The Board expressed interest in revenue sharing.

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

RECORD OF PROCEEDINGS

Copper Mountain Consolidated Metropolitan District April 24, 2015 Meeting Minutes

AGREED to authorize the District Manager to execute the letter of understanding with the understanding that a memorandum will be executed between SCAS and the District regarding revenue sharing and reimbursement of District costs if such costs become excessive.

A letter of understanding from ResortInternet (RI) to Sam Parker was distributed to the Board. The \$2.00 per customer RI increase covers equipment upgrades to each building. The \$4.00 per customer District Fee covers the fiber optic upgrade. The \$4.00 fee is scheduled to sunset after five years. The RI cable and internet fee of \$54.00 is subject to an annual increase of 4% but the \$4.00 fee is a fixed cost and not subject to an annual increase.

The District is financing the new fiber optic network and village Wi-Fi project using \$265,000 from District capital reserves combined with a five year 2% lease purchase agreement with USBank and a loan from RI. During the first two years under the new contract with RI, the \$4.00 fee will be allocated to paying off USBank and RI loans. In the remaining three years, the \$4.00 fee will go towards restoring the District's capital funds. The Board requested that language clarifying that the \$4.00 fee will sunset after five years be added to the letter of understanding.

Mr. Wentzlaff stated that Copper Mountain lawyers are working on expanding the current fiber network lease agreement between RI, Copper Mountain and the District. Informational letters about the new fiber optic network have been distributed to community members with water statement and RI is in the process of contacting homeowner's associations.

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

AGREED to authorize the District Manager to execute the letter of understanding with the addition of language regarding the sunset of the \$4.00 fee after five years.

Gary Rodgers announced that Copper Mountain will spend approximately \$4.7 million on various projects this summer including the exterior renovations of The Edge. Mr. Rodgers and Peter Siegel met with County leadership and are moving forward on road projects at Copper Mountain. Copper Mountain submitted an update to the PUD to clean up language, address domestic wells and include camping sites on select Copper Mountain properties. Copper Mountain was approached by CNG to construct a compressed natural gas facility near the Conoco Station. Copper Mountain is not sure if they are going to support this project but will proceed with analysis. Mr. Rodgers requested that the District work with CDOT to find an adequate location for a mag-chloride facility as quickly as possible. The mag-chloride facility is necessary to keep major transportation arteries open to guests. Mr. Rodgers would like Copper Mountain to be involved in the upcoming water quality classification and offered the assistance of Copper Mountain's water consultant. He requested that the District work with Copper Mountain to practically address the situation and to share results of data collected by the District with Copper Mountain's water consultant.

Public Comment and Concerns

Ed Byrne, representing Nassar Development, stated that tap fees for Lewis Ranch Lot 6 came as a surprise to his client and that they do not understand the formula in which tap fees are calculated or why tap fees went up. He requested that a discussion about the tap fee structure be reopened. Zach Nassar requested that single family homes have the same option as commercial properties within the District to have an independent engineer review the tap size determination.

Mr. Weaver asked the Board if they would consider tap sizes submitted by independent engineers for single family homes. Director Anuta responded yes but that he was not prepared to approve any changes without additional input from the District's engineers. He felt that this request may require changes to the adopted resolution which would require a public hearing to be scheduled. The Board asked District staff to bring a proposal to the next Board Meeting regarding the amendment of the standing resolution to allow for the consideration of engineering estimates on single family homes.

RECORD OF PROCEEDINGS

Copper Mountain Consolidated Metropolitan District April 24, 2015 Meeting Minutes

Mr. Rodgers suggested the Board and District Staff review past meeting minutes regarding tap fee methodology and that the District try to avoid incentivizing contractors to downplay the necessary tap size in order to save money.

Recess Meeting

Director Malmgren recessed the regular meeting at 9:39 a.m. The meeting was reconvened at 9:46 a.m.

New Business

Verizon

Cell Tower

Mr. Clover reported site plans have been finalized and that the easement request has been removed. The lease needs to now be reviewed by District attorneys.

Climax Mine

The County property value assessment should be complete in June. The updated assessment will determine what Climax Mine's tax base would be if they were in the District. A draft document regarding services provided to Climax without remuneration has been submitted and reviewed by the District attorney.

Staff Reports

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District Manager:

Mr. Parker reported that the District objects to the proposed location of the CDOT mag-chloride tanks due to potential risk to the water clarifiers and blocking access to the Cable Head End facility. The District has proposed CDOT look at sites located in Officer's Gulch.

The ResortInternet letter of understanding will be updated to include information about the \$4.00 fee sunsetting after five years.

The US Pro Cycling Challenge will arrive at A-Basin the night of Tuesday, August 18 and the Stage 3 start will be at Copper Mountain the morning of Wednesday, August 19th. The Summit County Sheriff's Office, EMS agencies and other associated law enforcement agencies will use the CMCMD community room to set up an Incident Command Center for the Stage 3 start.

Mr. Parker proposed that a memo from District legal counsel regarding ground water under the direct influence of surface water be discussed in executive session at the end of the Regular Meeting.

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Public Works:

Mr. Clover reported that there are two major issues facing the Public Works Department. The District's discharge permit expired in 2011 and the plant has been operating under an administrative extension of that permit since it expired. The new permit mandates changes that will bring additional costs the District. In addition, if the State officially determines that the District's water supply is under the direct influence of surface water, the District will see increased costs and the potential need to build new facilities.

Mr. Clover congratulated Utility Plant Operator Ed Pankevicius on receiving his Level C License.

The Board thanked Mr. Clover for the tour of the Wastewater Facilities and acknowledged the need for additional employees in the Public Works Department.

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CMFD:

Chief Curmode reported that the District's ISO rating improved from a Class 4 level to Class 3.

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Fire Marshall:

Fire Marshall Moroz reported that he will attend fireworks training to support Copper Mountain's summer weekend fireworks schedule.

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District Clerk-Treasurer:

Ms. Stabile reported that the District water statement has been revised to include CEU designations. The 2nd quarter statements will include a rate table that customers may refer to for information on how bills are calculated.

RECORD OF PROCEEDINGS

Copper Mountain Consolidated Metropolitan District April 24, 2015 Meeting Minutes

Financial Report

A Financial Report for March 31, 2015 was prepared by Marchetti & Weaver and provided to the Board for review prior to the meeting. Mr. Weaver reported that revenues are on track and the budget is favorable in salaries as the District is just now at the budgeted staff level. Mr. Weaver is working on breaking down the operating costs to better view actual costs. Assessed property values will be distributed on May 1. New legislation allows Metropolitan Districts to charge sales tax. Marchetti & Weaver is looking at different options to increase revenue to cover District costs.

Upon motion duly made by Director Steele and seconded by Director Broughton it was unanimously **AGREED** to receive the March 31, 2015 Financial Statement and cash disbursement report as presented.

Other Business

There was no other business to come before the Board.

Recess Meeting

Director Malmgren recessed the regular meeting at 11:07 a.m. The meeting was reconvened at 11:15 a.m.

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 Water Law/GWUDI and confidential work products as authorized by CRS 24-6-402(4)(g). These discussions are related to the Board's receipt and review of a memo from the District's Water Legal Counsel with implications which must be discussed in executive session in order to fully understand the scope of the memo's findings, conclusions, and recommendations. Those present at the outset of the executive session shall be members of the Board of Directors as present at this meeting; Sam Parker, District Manager; Ricky Clover, Public Works Director; Eric Weaver, Marchetti & Weaver; and Mike Rothberg, Tetra Tech. 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 11:17 a.m., and the Board will go into executive session.

Return to Open Session

Director Malmgren announced, the time is now 12:09 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, Ted Kravec, Sam Parker, Ricky Clover, Eric Weaver and Mike Rothberg, 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.

Other Business

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

AGREED to schedule a meeting between District Water Consultants, Attorneys and Staff and Copper Mountain's Water Consultants and Attorneys to draft a potential course of action and alternatives regarding GWUDI.

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.

RECORD OF PROCEEDINGS

Copper Mountain Consolidated Metropolitan District April 24, 2015 Meeting Minutes

Director Malmgren adjourned the Regular Meeting of the Copper Mountain Consolidated Metropolitan District Board of Directors the 24th day of April, 2015, at 12:11 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