
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors Copper Mountain Consolidated Metropolitan District May 27, 2016

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

Staff in attendance was:

- Eric Weaver, Marchetti & Weaver / Interim Manager
- Dave Arnesen, Director of Cable Services
- Gary Curmode, Fire Chief
- Dan Moroz, Fire Marshall
- Missy Stabile, Clerk-Treasurer

Also in attendance was:

- Mark Wentzlaff, ResortInternet
- Steve Tamburini, Tetra Tech
- Gary Rodgers, Copper Mountain President and General Manager
- Chris Colman, Copper Mountain Director of Planning
- Graeme Bilenduke, Copper Mountain Director of Development
- Bruce Butler, Copper Mountain Property and Homeowner Services Manager
- 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 May 27, 2016, at 8:30 a.m. noting a quorum was present.

Old Business

Oath of Office

A Regular Election for the District Board of Directors as held on May 3, 2016. Ted Kravec, Tom Malmgren and David Steele were re-elected to the Board to serve until May, 2020. The Oath of Office was administered to the elected officials.

Election of Board Officers

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

AGREED to assign the District Officer positions as follows:

President – Tom Malmgren
Vice President – Karl Anuta
Secretary – David Steele
Treasurer – Ben Broughton
Director – Ted Kravec

Minutes

There were no previous minutes for the Board to review. April 2016 minutes will be reviewed at the June Board Meeting.

RECORD OF PROCEEDINGS

Copper Mountain Consolidated Metropolitan District May 27, 2016 Meeting Minutes

Community Updates

Mark Wentzlaff, ResortInternet, reported that all properties with the exception of Mountain Plaza are under contract with ResortInternet. Video will be cut over to the new fiber network in June and the head end will be relocated to the Metro District Building by the end of June. ResortInternet is averaging less than one ticket per day on all service calls which is a great improvement from the previous year when averaging three tickets per day. Mr. Wentzlaff believes this is a quantitative way to see improvement in the system. ResortInternet is extremely happy with the project and community Wi-Fi. They are using the same equipment across the county but upgraded wiring and newer buildings elsewhere creates some differences between locations. Copper Mountain does have more bandwidth than other communities due to new fiber and smartbox technology.

Gary Rodgers, Copper Mountain Resort, reported that the Resort Association street lighting project has begun, a 1,000 foot magic carpet was installed in the Woodward summer camp terrain park and ground was broken on the Copper Point Townhome project. The Cooper Point Townhomes are almost sold out. Mr. Rodgers expressed concern regarding approximately \$28,000 in CMCMD special inspections and reviews and questioned why Tetra Tech Denver must inspect instead of Tetra Tech Breckenridge.

Graeme Bilenduke, Copper Mountain Resort, would like the opportunity to review the Water and Sanitation Department Rules and Regulations with Tetra Tech Denver, Tetra Tech Breckenridge, Ricky Clover and the CMCMD Board of Directors to make sure everything is being done accurately and effectively. Mr. Rodgers stated that dialogue needs to continue to avoid double dipping and suggested a directive to District staff to help identify cost savings for the sake of a successful project for the Resort and the District. He also stated that the Resort would like the opportunity to be involved in the revision of the Rules and Regulations.

Public Comment and Concerns

Kevin Flewell, CNL Copper/Resort Ventures West, stated that commercial space is getting harder to rent due to current water and sanitation rates and taxes. He fears that increased rates and taxes will make renting commercial space no longer practical.

New Business Apparatus Update

Eric Weaver report that a Type 1 engine has been ordered from Sutphen and is in production. The purchase of a Quint, a small ladder truck, at a cost of \$950,000 including associated equipment, was approved by the Board at the April Board Meeting. An updated reserve plan to purchase the Type 1 and a Quint was distributed to the Board. Updates show shortening the lease term on the Type 1 in order to purchase a Type 3 engine at the end of the 6 year term. The Type 3 will replace the old engine currently third in line to respond and will become the first response engine.

Mr. Weaver researched true lease situations and does not recommend this for the District's situation. A true lease would be more expensive in the long run and reduces flexibility at the end of the lease term if the District wanted to keep the equipment for a longer term. USBancorp has the best terms for that purchase of the Type 1 at 2.15% for 72 months. Mr. Weaver will move forward with getting the official documents from USBancorp for approval at the June Board Meeting.

GWUDI

Eric Weaver reported that the Well #4 drill rig is broke and has resulted in a two week delay. The drilling company has initially rejected the change order to drill Well #5. The District is negotiating timing with the company in hopes of reaching an agreement.

The location of Well #5 is within twenty-five feet of a designated wetland area. The District may need to revisit the location to avoid regulations and permits. Gary Rodgers suggested meeting with the

RECORD OF PROCEEDINGS

Copper Mountain Consolidated Metropolitan District May 27, 2016 Meeting Minutes

county to expedite execution of permits due to other commitments and offered to assist due to the emergency nature of the situation.

Mr. Rodgers stated that Copper is not going to deed property to the District and requested that the easement be rewritten.

Mr. Rodgers reiterated that communication between Copper and the District is paramount and proposed at least weekly communication meetings with District representatives including the District's water engineers as email communication with the Water and Sanitation Department has been problematic and not productive.

Steve Tamburini, Tetra Tech, reported that Tetra Tech has started the design of water distribution lines, survey of lines and design of the well houses. The county has requested an update to the Copper Mountain PUD before the project is on line. Gary Rodgers offered assistance to help expedite county requests and stated that scheduling and communication regarding the distribution lines is critical to the Resort.

Bond Approval & Refinancing

Eric Weaver reported that he received preliminary approval to refinance existing bonds and issue new bonds through the Colorado Water Resources and Power Development Authority (CWRPDA). The District is not eligible for any state grants or assistance due to average median income and the short timeline to complete the project. Final approval will be proposed at the August CWRPDA meeting. The District needs to hire attorneys to proceed and Mr. Weaver reviewed cost estimates from 3 firms.

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

AGREED to hire Kutak Rock as Bond Counsel and Sherman & Howard s underwriters counsel and disclosure counsel.

Eric Weaver commented that staff will be looking for general guidance from the Board and the community regarding bond repayment structuring. The Board stated they would like to take actions now that prevent surprise rate increases in the future. As a result, Water and Sanitation rates may increase 15% effective October 1, 2016 due to unexpected GWUDI compliance that was not in the equation when rate increases were proposed at 10% for four years.

Recess Meeting

Director Malmgren recessed the regular meeting at 10:15 a.m. The meeting was reconvened at 10:22 a.m.

District Manager Candidates

The three finalists selected to interview for the position of District Manager are Colin Lewis, Doug Robinson and Bryan Webinger.

Eric Weaver announced that the District will also be recruiting for the position of Public Works Director.

Election Update

Melissa Stabile, Clerk-Treasurer, reported the results of the May 3, 2016 Regular Election:

Ted Kravec - reelected to 4 year term on Board of Directors
Tom Malmgren - reelected to 4 year term on Board of Directors
David Steele - reelected to 4 year term on Board of Directors

Ballot measure passed 182 yes to 180 no

RECORD OF PROCEEDINGS

Copper Mountain Consolidated Metropolitan District May 27, 2016 Meeting Minutes

Staff Updates

- Eric Weaver reported that long-time employee Mark Minter resigned from the Water and Sanitation Department effective May 1, 2016.
- Dave Arnesen, Director of Cable Services, reported that electrical disruptions were handled in coordination with the Copper Mountain Electric Department and the use of a generator. The Board suggested looking at updating Cable Services Rules and Regulations to require new construction to include COAX wiring as part of electric work.
- Missy Stabile, Clerk-Treasurer, reported that all Board of Directors have been assigned new email accounts. Each Board Member will be provided with information on how to set up the new account for District business use.

The District has received five Colorado Open Records Act (CORA) requests from one individual since April. Each request requires significant attention and time from limited District staff and costs District taxpayer's unrecoverable expenses to fulfill.

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

AGREED to amend CORA Policy 2014-2 to remove language in Item 8 of the CORA Policy that suggests the District may fulfill requests for records that do not exist as the District is not obligated under CORA to generate records that do not exist.

Financial Report

A Financial Report for April 30, 2016 was prepared by Marchetti & Weaver and provided to the Board for review prior to the meeting. Eric Weaver explained that the District's Capital Fund currently combines Water & Sanitation, Cable, Fire Department and Administration together. District auditors have recommended that this outdated method of budgeting needs to be separated into individual department funds. A formal amendment to the budget will be prepared to make recommended changes and bring accounts up to date.

Fire Department overtime issues are being addressed and the Summit County Ambulance Service (SCAS) agreement needs to be revisited. The revenue sharing arrangement with SCAS is capped at a predetermined amount yet the District is not capped on responses and is responding to more calls and transports than expected. Repairs to aging apparatus are over budget and will continue to be over until the new Type 1 engine is delivered.

Overall, the funds are on track but timing issues with unscheduled Cable and Water projects are showing overages.

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

AGREED to accept the April 30, 2016 Financial Statement and cash disbursement report as presented.

Other Business

Eric Weaver reported that the District owned Togwotee employee housing unit has been vacated and is available for rent. Directors Malmgren and Broughton will review the housing policy.

The 2015 annual audit will be presented at the June Board Meeting.

Adjournment

There being no further business to come before the Board, by motion duly made by Director Anuta and seconded by Director Steele, it was unanimously

RECORD OF PROCEEDINGS

Copper Mountain Consolidated Metropolitan District May 27, 2016 Meeting Minutes

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 May, 2016, at 11:17 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