
RECORD OF PROCEEDINGS

**Minutes of the Regular Meeting
of the Board of Directors
Copper Mountain Consolidated Metropolitan District
June 29, 2018**

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on June 29, 2018 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:

- Ben Broughton
- Tom Malmgren
- Jim Reis
- Stan Sprinkle
- David Steele

Staff in attendance was:

- Bryan Webinger, District Manager
- Rob Martin, Public Works Director
- Dave Arnesen, Director of Cable Services
- Missy Stabile, Clerk-Treasurer

Also in attendance was:

- Eric Weaver, Marchetti & Weaver
- Dan Cudahy, McMahan and Associates
- Ashley Findley, McMahan and Associates
- Graeme Bilenduke, Copper Mountain Director of Development
- Holly Robinson, Copper Mountain Resort Association, Marketing and Business Development Manager
- Jeff Berino, Summit Fire & EMS Fire Chief
- Dan Moroz, Summit Fire & EMS Assistant Fire Marshal
- Hailey Yaeger, High Country Conservation Center

**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 June 29, 2018 at 8:30 a.m. noting a quorum was present.

**Old Business
Minutes**

The Board reviewed the minutes of the May 25, 2018 Regular Board Meetings. Upon motion duly made by Director Broughton and seconded by Director Steele it was unanimously

AGREED to accept the minutes of the May 25, 2018 Regular Board Meetings with corrections on lines 43, 49, 58, 77 and 98.

Financial

The 2017 audited financials were made available to the Board prior to the Board Meeting. Dan Cudahy and Ashley Findley, McMahan and Associates, reported that field work went well and that CMCMD received a clean opinion. It was noted that we will need to file GASB 73 disclosures since our firefighter pension fund is not an irrevocable trust. Eric Weaver, Marchetti & Weaver, stated that he is not worried about the accounting but would like to explore transferring pension funds into an irrevocable trust to protect the funds from creditors in the event something happened to the District. The Board requested that Mr. Weaver look into moving the asset into a trust.

Director Sprinkle requested that corrections be made to the Management and Discussion Analysis, that ColoTrust be listed as an investment rather than a liquid cash account, and clarifications and corrections be made to the audited financial statements.

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Upon motion duly made by Director Broughton and seconded by Director Sprinkle it was unanimously **AGREED** to accept the 2017 financial audit with modifications.

The 2017 financial audit will be filed with the State and posted on the District website by the end of July.

Mr. Weaver reported that ColoTrust funds are earning just over 2% interest. UMB Bank brokered CDs are at an average of 3% with nothing invested over three years. But there is concern with firefighter pension fund investment performance and valuation decreases. He proposed moving investments, is researching options, and will work with District staff to present recommendations to the Board.

Mr. Weaver noted that revenues are favorable mostly due to the District's Resort Internet contract and Water and Sewer services. Personnel is under due to employee changeover. Operations are favorable, capital expenses are on track, and development of well 5 will be deferred to 2019. Mr. Weaver will work with District staff on what to expect at year end and begin to work on the 2019 budget.

The Board noted that the April 30, 2018 Financial Statement was not approved at the last Board Meeting and that concerns have been addressed and updated in the May 31, 2018 Financial Statement.

Upon motion duly made by Director Broughton and seconded by Director Sprinkle it was unanimously **AGREED** to receive the April 28, 2018 Financial Statement and cash disbursement reports and the May 31, 2018 Financial Statement and cash disbursement reports as presented.

Community Updates

Holly Robinson, Copper Mountain Resort Association, Marketing and Business Development Manager, distributed marketing materials and reported that the communications page on the Resort Associations website will help better direct the community to Copper Mountain organizations including CMCMD. It was noted that the Resort Association serves as a library for documents submitted by homeowner associations and it only has information that has been provided to them. There is an event at Copper every weekend this summer including free concerts.

Jeff Berino, SFE Fire Chief, reported that the county and forest has entered stage 2 fire restrictions and all 4th of July firework shows have been canceled. Stage 2 restrictions will most likely remain in place until seasonal monsoons appear. Anything with an on/off switch, such as a propane grill, is okay to operate but everything else is banned including outdoor cigarette smoking. The groundbreaking ceremony for the new administration building will be today at noon.

Graeme Bilenduke, Copper Mountain Director of Development, reported that the resort received unanimous approval for the PUD Amendment. The next step will be architectural designs. Parking lot and sidewalk projects are underway, on-mountain construction including two new lifts will be completed in November, the entry monument is completed which ties in with median improvements, and an application for a hotel in the Chapel Lot was submitted to the county on June 15. Mr. Bilenduke confirmed ground breaking will be next spring for the workforce housing project. Rob Martin, Public Works Director, commented that the workforce housing project timeline ties in with well 5 development.

Dan Moroz, SFE Assistant Fire Marshal, reported that SFE is reviewing the Chapel Lot hotel submission and will be in contact with the resort. It has been a very busy year for SFE Fire Prevention. The number of permits issued in all of 2017 was surpassed in May.

Mr. Martin wants to make sure that the resort and the Resort Association are aware of the District sponsored water audit program. It is a valuable grant funded program available for free to Copper Mountain property owners including the resort and homeowner associations. Information about the program will be posted on the District website. Ms. Robinson recommended that information be presented during Homeowners Weekend and at the annual Homeowners Meeting.

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Public Comment and Concerns

No public comments and concerns.

New Business

Water

Efficiency Plan

Mr. Martin reported that the 2018 Water Efficiency Plan has been finalized and needs to be formally adopted before moving into an implementation plan with other Summit County communities. Information will be distributed with 2nd quarter water statements. Hailey Yaeger, High Country Conservation Center (HC3), noted that water meter incentives will help conserve water and bring in more revenue. She also noted that HC3 provides business environmental efficiency audits that includes water consumption. Mr. Martin encourages homeowners and homeowner associations to replace old meters with new meters capable of real-time meter readings accessible to property owners. The new meters allow alerts and threshold notifications to be set up.

Resolution 2018-04

Upon motion duly made by Director Sprinkle and seconded by Director Reis it was unanimously

AGREED to adopt Resolution 2018-04, A Resolution adopting the Copper Mountain Consolidated Metropolitan District Water Efficiency Plan and the Blue River Watershed Water Efficiency Plan.

Gallagher Amendment

Bryan Webinger, District Manager, reported that the Gallagher Amendment and revenue stabilization came up at the last SFE Board Meeting. They are considering a question on the November ballot and we may want to coordinate with the county as well. Mr. Weaver stated that future budgets affected by the Gallagher Amendment are estimated to decline based on projections. With 0% property valuation increase from 2019-2020, the District budget will decline by approximately (\$175,000). With a 10% property valuation increase, the budget will decline by approximately (\$2000). It will take a 10-12% increase in assessed property valuations to just remain revenue neutral. Mr. Weaver suggests the District start looking at ballot language and coordinate with Lake Dillon Fire District. The Board recommended that Mr. Webinger work with Mr. Weaver, SFE and Lake Dillon and to update them prior to the July Board Meeting.

Staff Updates Mr. Webinger reported that an offer has been extended and accepted for the Cable and Fiber Technician position. A new 2019 capital request has been received from SFE to install a station alert system at Copper Station 1 that will cost approximately \$80,000. All other stations have this system installed. The Wildland 1 vehicle will be repurposed by the Water & Sanitation Department and the Department will sell a GMC Canyon and Ford F350. Mr. Webinger noted that he will begin attending the Copper event meetings again.

Director Sprinkle asked if Mr. Webinger had received any raw data from the community survey conducted by the Resort Association is regards to the recreation field. Mr. Webinger responded that he received some data. Mr. Webinger is working with Copper and the Resort Association and indicated it will be a multiyear process. The Board suggested that potential sites need to be identified.

CenturyLink updated a switch in the headend which now provides the District with a 10 GB pipeline. The Board expressed frustration about being misled to believe that 10 GB capabilities already existed.

Mr. Webinger informed the Board that the community room will be rented the last week of June 2019 and that the Board Meeting will need to be scheduled for the 3rd Friday in June rather than the last Friday. The Board reiterated the need for a community room rental policy.

Mr. Martin announced that he will attend Copper pre-construction meetings to protect water storage tanks. Mr. Martin also reported that several water meters in the community have been broken for years and are finally being replaced. Aging meters are also being replaced. Mr. Martin has reached out to

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well drilling outfits to begin discussions about drilling a test well for well 5. No letter from the owners of Elk Run 2 was received and the issue is assumed to be resolved.

Other

Business

Mr. Webinger recognized Dave Arnesen's 20 years of service to the District and congratulated him on his July retirement. The District will bring Mr. Arnesen back as a consultant after the new employee begins.

Adjournment

There being no further business to come before the Board, by motion duly made by Director Broughton and seconded by Director Reis, 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 29th day of June, 2018, at 11:28 a.m.

Respectfully Submitted,

BY: Thomas J. Malmgren

Thomas J. Malmgren
President of the District

ATTEST: David Steele

David Steele
Secretary of the District