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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 July 31, 2015

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on July 31, 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
- Ted Kravec
- Tom Malmgren

Staff in attendance was:

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

Also in attendance was:

- Eric Weaver, Marchetti & Weaver
- Chris Colman, Copper Mountain Director of Planning
- Graeme Bilenduke, Copper Mountain Director of Development
- Mark Wentzlaff, ResortInternet President
- Kevin Flewell, CNL Copper/Resort Ventures West
- Jim Reis, POLA President
- Bruce Butler, Copper Mountain Resort Division Manager
- Lee Ann Shaw, Copper Mountain Resort HOA Association Manager
- Cheri Curtis, Marchetti & Weaver

#### **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 July 31, 2015, at 8:30 a.m. noting a quorum was present.

#### **Old Business Minutes**

The Board reviewed the minutes of the June 26, 2015 Regular Board Meeting. Upon motion duly made by Director Anuta and seconded by Director Kravec it was unanimously

**AGREED** to approve the minutes of the June 26, 2015 Regular Board Meeting as presented.

#### **Community Updates**

Summit County has completed the road overlay on Copper Road in Copper Mountain. The striping of the roads will be completed by Summit County, with no timeline set.

#### **Public Comment and Concerns**

No public comments and concerns.

#### **New Business**

##### **Resort Internet**

Mr. Wentzlaff distributed a report on the progress for the fiber optic infrastructure upgrade. RKR (excavator) completed the trenching for the project and reportedly did a good job. The costs are on or just under budget. Resort Internet is performing the fiber strand audit to identify fibers for lease purposes. The existing fiber looks good, with no breaks. The interconnect with the large properties is the next step with the pulling of the fiber through the conduit being the final step.

Twelve contracts have been signed. There are 36 HOA's within the community. Active discussions are continuing with outstanding contracts. There are three HOA's that have not been contacted, due to lack of contact information. Mr. Wentzlaff is not concerned with these properties since their contracts renew at the end of the year. Director Kravec questioned the process to contact the

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properties. Mr. Wentzlaff is hoping to get contact information on these 3 HOA's from other attendees of this meeting. Mr. Flewell offered to assist with two of the Associations. Resort Internet is trying to provide additional services requested by current customers.

### **Tap Fees/ Resolution 2015-5**

Director Malmgren asked for public comment on the proposed amendment of Resolution 2014-06 (proposed by Ed Byrne, Legal Counsel for Nassar Development). Hearing no comments, and

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

**AGREED** to approve Resolution 2015-05 to amend and restate Resolution 2014-06 which set a new equitable water and sanitation rate structure for services within the Copper Mountain Consolidated Metropolitan District Water and Sanitation Department's service area.

### **Verizon Cell Tower**

Mr. Parker reported the revised draft agreement between the District and Verizon Wireless has been reviewed by Verizon Wireless and returned to CMCMD with comments. Verizon has agreed to pay all legal costs incurred by the District. The Agreement was also reviewed by District Counsel, Darrell Farrington, and Collins Cockrel & Cole. Mr. Arnesen reported an additional transformer has been installed to provide power for the cell tower installation.

**Climax Update** Mr. Parker, Fire Chief Curmode and Fire Marshal Moroz provided information to representatives of Climax regarding the number and types of calls. Mr. Parker has received new contact information for appropriate person for continuing dialogue on financial considerations from Climax for CMFD providing fire and EMS services to them.

### **High County Training**

**Center Update** The new Training Director recently hired has declined the position due to family issues. Committee members are looking at the other candidates to move forward on offering the position to another candidate. Red, White & Blue Fire Dept. in Breckenridge has assumed responsibility for HCTC in the interim.

### **Staff Reports**

- **District Manager:** The agreement between CMCMD and Resort Internet has been drafted. The draft agreement with Copper Mountain Resort was completed on July 29, 2015. There were no major changes in the Agreement with Resort Internet. Mr. Wentzlaff clarified the community Wi-Fi project will start immediately in anticipation of CMCMD executing the agreement.

Mr. Parker reported the efforts to continue dialogue with Climax is the only other item to report.

- **CATV:** Most of the trenching has been completed with some possible hand digging required near buildings for the fiber optic project. Mr. Arnesen is preparing to move the head end to Administration/Fire Station building. Mr. Arnesen is addressing some remediation issues and Neil's Lunceford is addressing irrigation breaks. Director Anuta requested the yellow flags be removed if they are no longer necessary.
- **CMFD:** Chief Curmode reported he is working with Mr. Moroz and Mr. Parker to prepare for U.S. Pro Challenge Bike Race.

Chief Curmode has started discussions and is drafting an agreement with Summit County for reimbursement for emergency response on I-70 and Highway 91. There were 165 calls on I-70 and 31 calls on Highway 91 last year. Chief Curmode took the basic call rate to determine the estimated initial cost reimbursement. Director Malmgren offered to attend the meeting with Summit County representatives on the reimbursement discussion. Chief Curmode has not received confirmation; however, it could be on the agenda for the August 4, 2015 meeting of County Commissioners.

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Questions on the fire apparatus were presented. The report includes information from our Fleet Maintenance provider and other entities, which details the status of the equipment. Chief Curmode stated he is available to answer questions on the report.

The 1996 Hummer is being repaired at a maximum cost of \$13,000. The cost for new vehicle is at least \$100,000. The Hummer is necessary for certain calls and Chief Curmode stated the repairs are justified as opposed to purchasing a new vehicle.

The Department is looking at areas where possible wild fires could erupt. There is a wildland exercise scheduled in August with Vail Fire Department, Eagle River Fire Department, and Copper Mountain Fire Department.

Chief Curmode was on site at the fatal helicopter accident in Frisco and updated the Board on the accident.

Director Anuta requested more information on the equipment report, stating the information provided isn't as useful as it could be. He would prefer to see the information provided in layman terms with pictures. Specifically Director Anuta requested a brief description of 813 and 814. The information on equipment requirements will be included in the next newsletter.

Chief Curmode reported on statewide communication issues that are being addressed.

**Fire Marshall:** There are two new home builders; Pinnacle Mountain Homes and Travis Construction. Fire Marshall Moroz has been involved with the monitored alarm and fire suppression systems in the new construction. Mr. Parker stated the home builders have been great to work with during the construction process.

Bruce Butler and Lee Ann Shaw with Copper Mtn. Resort Association Management arrived at 9:20 a.m. and were introduced. Mr. Butler is the HOA Association Management Division Manager with Copper Mountain Resort. Ms. Shaw is the Association Manager for Village Square, The Greens, and Copper Mountain Inn.

Fire Marshall Moroz reported there are concerns with color runs. Although no color runs have been scheduled this year, prior events have been held in Copper Mountain. A month ago a fire ignited during a color run that killed several participants and injured many more. Area Fire Marshalls are trying to determine if they have the ability to shut down color run events for safety reasons.

#### **Financial Report**

A Financial Report for June 30, 2015 was prepared by Marchetti & Weaver and provided to the Board for review prior to the meeting.

Director Anuta noted Financial Management is significantly over budget. Mr. Weaver reported the overage is due to the long range plan and covering the manager position at beginning of year longer than anticipated.

Mr. Weaver reported revenue is over budget with additional tap fees going to Capital fund reserves for improvements to the water and sewer system. There have been savings in the water and sewer personnel, due to the open position. Fire Department training is over budget. Utilities for water & sewer will be separated. Upon motion duly made by Director Anuta and seconded by Director Kravec it was unanimously

**AGREED** to receive the June 30, 2015 Financial Statement and cash disbursement report as presented.

#### **Audit Cover Letter**

The Board had previously discussed changing the audit cover letter to note reduction in reserve funds. Mr. Parker informed the Board that after a discussion with Dan Cudahy from McMahan & Associates, the letter was not changed. Mr. Cudahy informed Mr. Parker that the audit reflects the current

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financial position of the District at that point in time and not the predicted financial position in future years.

### **July Work Sessions**

July 13 and July 30 work sessions, which were open to the public, have been held between CMCMD Board and Copper Mountain Resort Association Board to discuss exploring cost savings and revenue enhancement measures to control future budgets. A real estate transfer assessment (RETA) proposal is being considered. Mr. Weaver reported aging infrastructure will require major capital improvements. The District's assessed values were reduced in prior years affecting the ability to fund reserves for aging fire apparatus. Property taxes are not covering operating expenses, requiring the District to consider increasing the mill levy in May 2016. Mr. Parker stated the necessary improvements represent the quality of living as a reflection of Copper Mountain. The District needs to properly fund infrastructure improvement to maintain the quality resort experience.

### **Future Water/Sewer**

#### **Rate Increases**

The Board is discussing modifying water and sewer rates at the August 28, 2015 Board meeting. Per C.R.S., the District is required to provide a thirty day notice to users of potential rate increases. The Board is considering a 10% rate increase annually over the next four years. Director Kravec noted 10% calculates to approximately \$27 per month per CEU. Mr. Weaver further explained the District's position to stagger rate increases after substantially increasing rates in 2014. Director Anuta requested scenarios with increasing rates staggered or collectively. An analysis of rates and comparisons with neighboring communities will be included in the next Board packet and available to owners. Mr. Parker noted other neighboring communities have larger issues than CMCMD is addressing.

Mr. Flewell noted a large portion of property owners do not live in Copper Mountain and suggested the District work to improve communications with non-resident property owners.

### **Other Business**

None presented.

### **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 personnel issues as authorized by CRS 24-6-402(4)(i). 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; Eric Weaver, Marchetti & Weaver; and Dan Moroz, Fire Marshall. Seconded by Director Kravec. Upon the Motion duly made and seconded, Director Malmgren declared, the Motion passes on a vote of 3 in favor and 0 opposed. The time is now 10:15 a.m., and the Board will go into executive session.

### **Return to Open Session**

Director Malmgren announced, the time is now 10:39 a.m., and the executive session has been concluded. The participants in the executive session were Thomas J. Malmgren, Karl Anuta, Ted Kravec, Sam Parker, Eric Weaver and Dan Moroz, 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.

### **Adjournment**

There being no further business to come before the Board, by motion duly made by Director Anuta and seconded by Director Kravec, 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 31st day of July, 2015, at 10:40 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