
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors Copper Mountain Consolidated Metropolitan District August 24, 2018

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on August 24, 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 (by telephone conference)
- David Steele

Staff in attendance was:

- Bryan Webinger, District Manager
- Rob Martin, Public Works Director
- Ed Pankevicius, Chief Plant Operator
- Eric Hookanson, Cable & Internet Services
- Missy Stabile, Clerk-Treasurer

Also in attendance was:

- Eric Weaver, Marchetti & Weaver
- Dino Ross, Ireland Stapleton
- Jesse True, Senior Vice President/Acting Copper Mountain President and General Manager
- Bill Blair, Copper Mountain Finance
- Bruce Butler, Copper Mountain Property and Homeowner Services Manager
- Peter Siegel, Copper Mountain Resort Association Executive Director
- Jeff Berino, Summit Fire & EMS Fire Chief
- Karl Anuta (arrived at 9:10)
- Kevin Flewell, CNL Copper/Resort Ventures West (arrived at 10:00)

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 August 24, 2018 at 8:30 a.m. noting a quorum was present.

Old Business **Minutes**

The Board reviewed the minutes of the June 29, 2018 and July 27, 2018 Regular Board Meetings. Upon motion duly made by Director Steele and seconded by Director Reis it was unanimously

AGREED to approve the minutes of the June 29, 2018 and July 27, 2018 Regular Board Meetings as presented.

Financial

Eric Weaver, Marchetti & Weaver, reported that revenues are favorable due to increased interest rates and water overage fees. Expenses are favorable due to employee turnover. Operations are on track, but this will change with November election expenses.

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

AGREED to receive the July 31, 2018 Financial Statement and cash disbursement reports as presented.

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Executive Session

Board Members Tom Malmgren and Dave Steele and District Manager Bryan Webinger reported that they were satisfied with a previous meeting with election counsel and an executive session is not necessary.

New Business

November

Election

Director Reis asked Dino Ross, Ireland Stapleton, how many districts across the state are putting Gallagher revenue stabilization questions on November ballots. Mr. Ross responded that he is not sure of the number statewide, but his firm is representing 15 districts and he is aware of 9 districts in Boulder County. Director Reis commented that CMCMD is not isolated and that we need to educate district voters. The more press the better. Mr. Ross noted that there is heightened awareness in the press, on social media and at the state legislative level. The Board reiterated that this is a confusing issue and that education is crucial. Mr. Ross commented that the issue boils down to revenue stabilization. Jeff Berino, Summit Fire & EMS Fire Chief, announced that Summit Daily will publish an article after Red, White & Blue, Lake Dillon and Copper Mountain have finalized their ballot language.

Director Broughton expressed concern about the ballot language and that it is confusing. Mr. Ross commented that Colorado court cases say we must reference the law in ballot language. There is a balance in ballot language between legalese and defensibility in court. He said the election will not be won in the booth and voters must be educated prior to the election.

Mr. Ross recommended to the Board that if any revenue is received from de-Gallagherization that it be placed in escrow and watch for any court activity which could be for several years.

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

AGREED to adopt Resolution 2018-05, an Election Resolution for 2018 Coordinated Mail Ballot Election with Ballot Issue and Appointment of Designated Election Official.

Director Broughton commented that he is in favor of the ballot issue but not without reservation. He feels that if it does pass, it may not come to fruition.

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

AGREED to enter into an Intergovernmental Agreement for Election Services between The Board of County Commissioners of Summit County and Copper Mountain Consolidated Metropolitan District.

Mr. Ross stated that once the Board adopts the resolution advocating an election, the resolution is a public record and public records can be requested by correspondence with the District Manager.

Mr. Ross explained that the Board can answer unsolicited questions about the election but cannot advocate as Board Member. The same rules apply to District staff. The factual summary can be posted on the District website and be distributed as an educational piece.

Mr. Weaver requested that changes be made in the last sentence of the summary on the factual summary and to have District counsel review changes. It was also noted that Summit Fire Authority needs to be changed to Summit Fire & EMS (SFE) in Resolution 2018-06.

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

AGREED to adopt Resolution 2018-06, a Resolution Advocating Voter Approval of the District's Request for Authorization to Stabilize Its Tax Revenue During the November 6, 2018 Election with corrections.

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

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AGREED to approve the Factual Summary with modifications and review by legal counsel.

Mr. Webinger announced that information about the Fair Campaign Practices Act Permitted and Prohibited Activities will be distributed to District employees.

The Board stated that this issue is not for next year but for protecting future revenue.

Community Updates

Peter Siegel, Copper Mountain Resort Association Executive Director, distributed copies of the Summit County Planning Department Countywide Planning Commission Agenda for August 27, 2018.

Parks, art and recreation priorities at Copper will be discussed at this meeting as an extension of the community survey.

A county initiative to regulate short term rentals will also be discussed at the meeting. Mr. Siegel reported that this is a County Commissioner driven initiative. He feels that people do not want to be over regulated and that if the system is not broken, what are they wanting to fix? Short term rentals have been Copper's bread and butter for 40 years. 85% of Copper property owners are renting their property.

The county is receiving complaints about noise and trash violations and unruly property renters. The county wants to require local property management who can handle complaints and limitations on parking and occupancy. Copper has its own on-site security that handles complaints locally. These concerns are already being handled, managed and paid for by Copper property owners.

Jesse True, Senior Vice President/Acting Copper Mountain President and General Manager, asked if the root cause is the loss of tax revenue? Mr. Siegel responded that it is one of the issues.

Mr. Siegel suggested a Resort Association sub-committee be formed to address the county and try to circumvent some of the requirements. Copper will need to make a PUD amendment if the county institutes changes. The county would like changes enacted by the first of the year. PUD amendments take a lot of time, so the resort needs to be proactive. The Resort Association may be able to issue a community license in hopes of making any changes as easy as possible for property owners.

Director Reis commented that there is lost tax revenue and that perhaps landlord owners should be required to register with the Copper Resort Association so that rentals can be tracked. Mr. Siegel said there is a group that includes Copper property owners who are putting together a petition.

Mr. True reported that chairlift projects are on time and on budget. Load testing will be conducted in early November and opening day is scheduled for November 16. The Solitude Station sewer line project and new on mountain maintenance shop are going well. Parking lots are on schedule despite multiple change orders due to unknown buried utilities. The future 26,000 square foot Solitude Station will move up and to the west of the old location. The A Lot project will require a major PUD amendment and will take more time than originally anticipated. A new 127 room hotel will be developed in the Chapel Lot. The unbranded hotel will run and be operated by Copper. Mr. True will present the annual State of the Resort on Saturday morning.

Public Comment and Concerns

No public comments and concerns.

New Business CEU Update

Rob Martin, Public Works Director, reported that he has reviewed customer usage data and summarized Copper Equivalent Units (CEU) reassessments for 2018. District water and sanitation rates are based on CEUs. The current analysis is based on water use data from the past five years including 1st quarter 2013 through 4th quarter 2017. Per District policy, the 2nd and 3rd quarter data from each year is not included so that irrigation use does not influence the results. The projected CEU

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increase in 2018 reflects growth and variability in historical water use. The District will contact customers with significant CEU adjustments to provide notice of the changes prior to 1st quarter 2019 billing.

The Board agreed with the staff recommendation that 2018 CEU assessments will go into effect January 1, 2019 and the CEU review will be done every two years moving forward.

Water &

Sanitation Rates The District posted “Notice of Meeting Relating to the Increase of District Fees”. An increase in fees will be considered at the September 28, 2018 Board Meeting. Mr. Martin stated that a 10% increase is anticipated but it is still under review.

Staff Updates Mr. Webinger reported that Verizon Wireless will be reevaluating our current cell tower lease. The annual community BBQ will be held at the Metro District Building on Thursday, August 30 from 5:00 to 8:00 p.m. Mr. Webinger has been allotted 15 minutes to present at the Copper Mountain State of the Resort. The relocated helipad design is still being reviewed.

Mr. Martin reported that water testing results are all below thresholds. Climax Mine no longer wants to be responsible for hauling sludge waste from the Wastewater Treatment Facility and is raising the cost of composting from \$28 to \$38 per ton. This is a significant increase and Mr. Martin is looking at other options including the county landfill.

Other

Business

The Board thanked Mr. Weaver for fixing prior glitches in the budget spreadsheets.

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

AGREED to cancel the previously scheduled Board Meeting on September 7, 2018.

A joint issues committee will be formed to draft an educational pamphlet regarding the November election. The pamphlet will be reviewed by the Board and distributed during Homeowners Weekend.

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 24th day of August 2018, at 10:45 a.m.

Respectfully Submitted,

BY: Thomas J. Malmgren

Thomas J. Malmgren
President of the District

ATTEST: David Steele

David Steele
Secretary of the District