
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors Copper Mountain Consolidated Metropolitan District September 27, 2019

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on September 27, 2019 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
- Missy Stabile, Clerk-Treasurer

Also in attendance was:

- Eric Weaver, Marchetti & Weaver
- Graeme Bilenduke, Copper Mountain Director of 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 September 27, 2019 at 8:30 a.m. noting a quorum was present.

Old Business Minutes

The Board reviewed the minutes of the August 23, 2019 Regular Board Meeting. Upon motion duly made by Director Broughton and seconded by Director Steele it was unanimously

AGREED to approve the minutes of the August 23, 2019 Regular Board Meeting as presented.

Community Updates

Graeme Bilenduke, Copper Mountain Director of Development, expressed appreciation to Eric Hookanson and commented that he has been great to work with on the North Alpine workforce housing project and on conduit for future IT services. North Alpine will be going vertical in the next couple of weeks. The first building is expected to go online in October 2020 and the second building in December 2020. Work continues on the following projects: Xcel installation of larger gas lines; river restoration project is creating nice access points and pools for fish; Chapel Hotel windows are installed and progress is going well; paving of Chapel parking lot and sidewalk should be complete by mid-October; snowmaking project is going great; snowmaking orientation has begun and snowmaking begins on Monday as long as temperatures cooperate; ski teams arrive at Copper on October 26; Tucker Lift will be complete by the end of October; all other lifts have been certified for operation; Eagles Landing is complete for this year and additional improvements will continue next summer; and Copper has received positive community and merchant feedback about the summer season.

Public Comment and Concerns

No public comments or concerns.

Financial

The August 31, 2019 financial report was prepared by Marchetti & Weaver and provided to the Board for review prior to the meeting. Eric Weaver, Marchetti & Weaver, reported that the preliminary 2020 budget will be distributed to the Board by to the statutory deadline of October 15, 2019. Water

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revenue may be below budgeted this year since it was a wet summer and water use is expected to be down.

Director Reis asked if there is a way to communicate and encourage water conservation. Rob Martin, Public Works Director, responded that the District adopted the High Country Conservation Center Water Efficiency Plan last year and the replacement of old meters with new technology will help in those efforts. Mr. Martin would like to provide outreach and education but does not know what that looks like yet. Mr. Martin is also working with Jeff Grasser, Project & Efficiency Manager for Copper Mountain on conservation efforts. Director Reis suggested the District distribute water conservation information cards for use in rental units similar to the ones used in hotel rooms. Director Malmgren asked if the District can incentivize conservation efforts like Denver Water. Mr. Martin responded that he is looking at that. The District does not have the financial ability to offer rebates but may be able to through grants in partnership with the Colorado Water Conservation Board and POWDR Corp. Director Malmgren would like to see education about old toilets and the benefit of replacing them. Mr. Martin said that water conservation is important to him and he would like to continue work on this. He will be revisiting the water fee structure and possibly adding additional use tiers including a penalty tier to get the attention of customers who have high water use or potential water leaks.

Mr. Weaver stated that there may be a surplus in the budget next year with the increased property valuations and the maximum mill levy. He recommends removing the “Emergency Service Fee” from Water & Sanitation bills which accounts for approximately \$65,000 in revenue annually. He will then look at impact of valuations and mill levy without the Emergency Service Fee revenue. He commented that the fee makes District water and sanitation services appear more expensive as most customers account for the fee in their water budget. This is not water revenue, however.

Director Sprinkle highlighted that expense variations in the current budget have mostly been in building maintenance. Bryan Webinger, District Manager, explained that there have been several unexpected expenses this year in addition to continued maintenance upkeep. Mr. Martin noted that the avalanche also exposed mechanical issues that needed to be addressed.

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

AGREED to receive the August 31, 2019 Financial Statement and cash disbursement reports as presented.

Audit

Engagement

The McMahan & Associates 2019 audit engagement letter was presented to the Board.

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

AGREED to approve the McMahan & Associates 2019 audit engagement letter as presented.

2020 Budget

The first public hearing for the proposed 2020 budget and proposed 2019 amended budget will be at the District Board Meeting on Friday, October 25, 2019. The public hearing will be continued, and the budgets will be adopted at the District Board Meeting on Friday, November 22, 2019.

New Business

Rate and Fee

Increases

Water and Sanitation will present a rate increase and revised fee schedule at the October 25, 2019 Board Meeting. Cable and Internet Services will also present a revised fee schedule.

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Missy Stabile, Clerk-Treasurer announced that a public notice of the meeting related to the increase of District fees has been posted on the District's website and a note will also be included on 3rd quarter Water & Sanitation statements distributed in October.

Staff Updates

Mr. Webinger reported that the fence damaged by the avalanche is not covered under the current District insurance policy but under a separate policy with a separate deductible. The Copper parking sign project includes relocating the Fire Department's Smokey Bear fire danger sign. Summit Fire and EMS is standardizing the fire danger signs and will purchase a new sign for Copper Mountain. The new sign will be located closer to the resort entrance and the resort will pay for the installation. The District is moving forward with a utility audit. There will be a CDOT meeting in October to discuss the location of sand and de-icer storage in the Copper Mountain vicinity. The proposed 2020 compensation ranges presented to the Board are based on a compensation study completed in June.

Mr. Martin reported that the District lost well production capacity from Wells 1A and 3 as a result of the GWUDI reclassification in 2106. Conditional water rights from Well 3 were transferred to alternative points of diversion Wells 4, 5, and 6 as part of the Well House 2/4 project that was completed in 2017. The District has postponed drilling Well 5 due to the limitation of the conditional water rights that were transferred from Well 3 and because the production capacity of Well 4 is greater than the decreed pumping allowance associated with those conditional water rights. Well 5 would provide an additional level of redundancy but it would not increase the firm production capacity of the water system. There are absolute water rights associated with Well 3 and both conditional and absolute water rights associated with Well 1A that the District may be able to transfer to alternate points of diversion. There is a risk of attempting to transfer absolute rights because of potential objections from other parties that could result in the loss of those rights. The District is working with Beattie, Houpt, and Jarvis to explore District options for transferring absolute water rights and mitigating the potential risks. In addition, there may be a way to enter into an exchange agreement with Copper Resort to use existing rights for irrigation and snow making.

Mr. Martin also reported that the state mandated improvements to the 250,000-gallon water storage tank will be done in 2020. At that time, the valves will be exposed for repairs. The Lewis Ranch well house roof will be repaired this fall. The CEU for the new Solitude Station will be recalculated once the kitchen design is submitted.

The Board acknowledged recognition of Water and Sanitation staff accomplishments.

Mr. Webinger reported that Eric Hookanson, Cable & Internet System Manager, has been very busy working on the Chapel Hotel, North Alpine workforce housing and troubleshooting resort issues. Mr. Hookanson has received 230 customer surveys from those distributed in August. Locates have been extremely time consuming and the District is looking at contracting this service next year. The District is also looking at separating the UNCC account into two accounts, one for Water & Sanitation locates and one for Cable & Internet locates. The proposed 2020 budget will include the addition of a new Cable Tech position.

Director Malmgren requested that ResortInternet be informed that they need to communicate with building associations when repairs need to be made. Individual unit owners are not authorized to request or approve any work on the building beyond their own unit.

Ms. Stabile reported that County Health Pool health insurance rates for the District will increase 4% in 2020 and recommended no changes to the District's health and life insurance options. The increase is only to health benefit rates and there will be no increase in vision, dental or life insurance rates. County Health Pool will continue to contract with County Technical Services for management of the benefits program.

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

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AGREED to authorize the Clerk-Treasurer to sign the appropriate documentation renewing District benefits for 2020 without changes.

**Other
Business**

Director Broughton reported that Summit Fire and EMS (SFE) is proposing an increase in their 2020 budget which includes additional funding of capital reserves. The Board requested that Mr. Weaver review the proposed budget and represent the District at the next SFE Board meeting on October 15, 2019.

**Recess
Meeting**

The Regular Meeting of the Board of Directors was recessed by Director Malmgren at 10:53a.m. to accommodate the Volunteer Firefighter Pension Fund Board Meeting.

**Reconvene
Meeting**

The Regular Meeting of the Board of Directors was reconvened by Director Malmgren at 11:17 a.m.

**Executive
Session**

Director Broughton moved that “the Board of Directors for the Copper Mountain Consolidated Metropolitan District go into executive session for discussions regarding personnel matters as authorized by C.R.S. § 24-6-402(4)(f) of the Colorado Open Meetings Law. The discussions are related to the District Manager’s 2019 Employee Performance Evaluation. Those present at the outset of the executive session shall be members of the Board of Directors as present at this meeting and Bryan Webinger, District Manager.” Seconded by Director Reis. 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 11:18 a.m., and the Board will go into executive session.”

**Return to
Open Session**

Director Malmgren stated, “The time is now 11:53 a.m., and the executive session has been concluded. The participants in the executive session were Thomas J. Malmgren, Ben Broughton, David Steele, Stan Sprinkle, Jim Reis and Bryan Webinger.

“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**

The Board decided for continuity purposes that Directors Broughton and Steele will conduct a performance evaluation with the District Manager prior to the next Board Meeting. Mr. Webinger will coordinate directly with Directors Broughton and Steele to schedule the evaluation. An Executive Session will be scheduled at the October meeting to discuss the results of the evaluation.

**Meeting
Schedule**

The next Regular Board Meeting is scheduled for October 25, 2019 at 8:30 a.m. at the Copper Metro District Building, 0477 Copper Road, Copper Mountain, CO 80443.

Adjournment

There being no further business to come before the Board, by motion duly made by Director Broughton and seconded by Director Steele, 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 27th day of September 2019, at 11:56 a.m.

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Respectfully Submitted,

BY: Thomas J. Malmgren

Thomas J. Malmgren
President of the District

ATTEST: David Steele

David Steele
Secretary of the District