
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors Copper Mountain Consolidated Metropolitan District September 28, 2018

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on September 28, 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
- Ed Pankevicius, Chief Plant Operator
- Missy Stabile, Clerk-Treasurer

Also in attendance was:

- Eric Weaver, Marchetti & Weaver
- Graeme Bilenduke, Copper Mountain Director of Development
- Ben Sloman, Wilderrest Property Management
- Jamie Fitzsimmons, Summit County Sherriff
- Lucinda Burns, Early Childhood Options Executive Director
- Rachel Zerowin, High Country Conservation Center Community Program Director

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 28, 2018 at 8:30 a.m. noting a quorum was present.

1A

Presentation

Jamie Fitzsimmons, Lucinda Burns and Rachel Zerowin distributed information about ballot measure 1A, provided a presentation, and spoke in favor of the measure.

Old Business

Minutes

The Board reviewed the minutes of the August 24, 2018 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 24, 2018 Regular Board Meeting with corrections on lines 99, 109, 115, 118, 123 and 126.

Community

Updates

Graeme Bilenduke, Copper Mountain Director of Development, reported that Copper Mountain Resort has a successful recycling program and that the Resort is mindful of guests who do not recycle. The Ten Mile Planning Commission approved the hotel on the Chapel Lot. The developer is close to completing construction drawings and would like to break ground before the end of 2018. The Chapel Lot will still be available for parking until construction begins. The new parking lots will be completed by the end of October. A fleet of nine new Cobuses are due to arrive at the end of the month. Towers are going in on the top terminals and terminal building construction is going well. The Solitude sewer line is almost complete and the foundation for the new building has started. Snow making starts this weekend with new compressors and increased water capacity. Opening day is still scheduled for November 16.

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Public Comment and Concerns

No public comments and concerns.

Financial

The August 31, 2018 financial report and preliminary 2019 budget was prepared by Marchetti & Weaver and provided to the Board for review prior to the meeting. Eric Weaver, Marchetti & Weaver, reported that revenues are doing well. The new hotel tap fee is still budgeted in 2018 and will continue to be updated. There are no major items of concerns and everything is on track. Mr. Weaver negotiated a decrease in 2019 CMCMD contributions to Summit Fire & EMS reserves and the budget process is going well. The contributions to Summit Fire & EMS from Lake Dillon and CMCMD are approximately 80% and 20% respectively.

Mr. Weaver reported that the preliminary 2019 budget presented is a draft overview and not yet detailed. Operations and capital are being fine-tuned as is a ten-year financial plan for Water and Sanitation (WAS).

Director Sprinkle requested that WAS capital and operations be expanded and detailed.

The first public hearing for the proposed 2019 budget and proposed 2018 amended budget will be at the District Board Meeting on Friday, October 26, 2018. The public hearing will be continued and the budgets will be adopted at the District Board Meeting on Friday, November 30, 2018.

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

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

Audit

Engagement

The McMahan & Associates 2018 audit engagement letter was presented to the Board. Mr. Weaver recommended that the District continue to use McMahan & Associates for the annual audit. He was able to negotiate a reduced fee for the 2018 audit and will ask for another review of the fees after the 2018 audit is completed.

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

AGREED to approve the McMahan & Associates 2018 audit engagement letter as presented.

New Business

Water/Sanitation

Rate Increase

Resolution

2018-07

Mr. Weaver reminded the Board that four years ago, the WAS fund was heading in a negative direction after a long period without any rate increases. A four-year plan was implemented in which a 15% rate increase would be proposed the first year, 10% the following three years, and then 3% each year going forward. This being the fourth year of the implemented plan, a 10% increase was anticipated but upon analysis and projections, Mr. Weaver recommended a 7% increase this year with 3% each year thereafter. He will continue to review each year to make sure the District does not find itself in the situation it did four years ago. No changes in tap fees are proposed at this time.

Rob Martin, Public Works Director, stated that eventually the District will need to build a water treatment facility.

Public Hearing Director Malmgren opened the public hearing on Water and Sanitation rate increases at 10:08 a.m.

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Director Malmgren asked if there were any comments. There being none, the public hearing was closed at 10:08 a.m.

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

AGREED to adopt Resolution 2018-07, an amended and restated Resolution to adopt a new equitable water and sanitation rate structure for services within the Copper Mountain Consolidated Metropolitan District (CMCMD) Water and Sanitation Department's service area.

The proposed rate increase will take effect on October 1, 2018 for 4th quarter water use that will be billed in January 2019.

District Counsel

Bryan Webinger, District Manager, requested that the District engage Collins Cockrel & Cole for District legal representation. The Board publicly thanked Darryl Farrington for decades of counsel to the District.

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

AGREED to authorize Director Malmgren to sign a letter of engagement with Collins Cockrel & Cole.

Community Room Policy

Mr. Webinger presented a draft Community Room Rental Policy to the Board. Director Sprinkle asked how the proposed rates compare other facilities such as Copper Resort, County Senior Center and Town of Frisco and recommended a survey be conducted. The Board agreed and asked Mr. Webinger to continue work on the policy.

Staff Updates

Mr. Webinger applauded Eric Hookanson, Cable and Internet Services, for taking ownership of the system and solving some long-standing issues. The Board publicly thanked him for his hard work and community service. Mr. Hookanson will attend fiber training next week. Fiber and infrastructure maps were provided by ResortInternet and Mr. Hookanson is working with ResortInternet to identify utility locations.

Mr. Webinger attended a County Wide Planning Commission Meeting and announced that the County is moving forward with short-term rental regulations without any actual data. He feels this could cause a reduction in rental availability, people to sell homes, dissuade people from purchasing property and decrease home valuations.

Mr. Martin reported that WAS is working with Tetra Tech on a design flaw in Well House 2. In 2019, there will be a project to isolate the 750,000-gallon storage tank from the system so that it can be shut off if necessary. Mr. Martin is working on an updated WAS service fee schedule.

Melissa Stabile, Clerk-Treasurer, asked the Board if they are in favor of mailing the factual summary of ballot issue 6C prepared by election counsel to all eligible voters. This would add additional costs to unbudgeted elections expenses. The Board was in favor and the summary will be mailed after the Tabor Notice deadline on October 5, 2018.

Ms. Stabile reported that County Health Pool insurance rates will increase 3.5% in 2019. The increase is for health benefits and there is no increase in vision, dental or life insurance rates. Health and life insurance rates decreased 6.6% in 2016 and 2019 rates will still be lower than 2015 rates. County Health Pool will continue to contract with County Technical Services for management of the benefits program. Ms. Stabile recommended no changes to the District's health and life insurance option for 2019. Director Sprinkle asked about District benefits compared to other entities and requested a summary of employee benefits. Ms. Stabile will distribute a summary of employee benefits to the Board.

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Upon motion duly made by Director Broughton and seconded by Director Steele it was unanimously **AGREED** to authorize the Clerk-Treasurer to sign the appropriate documentation renewing District benefits for 2019 without changes.

**Other
Business**

There was no other business to come before the Board.

**Recess
Meeting**

The Regular Meeting of the Board of Directors was recessed by Director Malmgren at 11:25 a.m.

**Reconvene
Meeting**

The Regular Meeting of the Board of Directors was reconvened by Director Malmgren at 11:32 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 2018 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 11:33 a.m., and the Board will go into executive session.”

**Return to
Open Session**

Director Malmgren stated, “The time is now 12:10 p.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 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.

Adjournment

There being no further business to come before the Board, by motion duly made by Director Sprinkle 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 28th day of September 2018, at 12:24 p.m.

Respectfully Submitted,

BY: Thomas J. Malmgren

Thomas J. Malmgren
President of the District

ATTEST: David Steele

David Steele
Secretary of the District