
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors Copper Mountain Consolidated Metropolitan District September 29, 2017

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on September 29, 2017 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
- Ben Broughton
- Ted Kravec
- Tom Malmgren
- David Steele

Staff in attendance was:

- Bryan Webinger, District Manager
- Robert Martin, Public Works Director
- Dave Arnesen, Director of Cable Services
- Gary Curmode, Fire Chief
- Todd Hebebrand, Assistant Fire Chief
- Missy Stabile, Clerk-Treasurer

Also in attendance was:

- Eric Weaver, Marchetti & Weaver
- Bryce Romig, Climax Molybdenum Company Manager for Administration
- Nell Wareham, Climax Molybdenum Company Community Development Specialist
- Andy Hansler, Climax Molybdenum Company Communications Consultant
- Graeme Bilenduke, Copper Mountain Director of Development
- Jeff Berino, LDFR Fire Chief
- Bruce Farrell, LDFR Assistant Fire Chief
- Jim Reis, Copper Mountain Resort Association, POLA President

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 29, 2017, at 8:30 a.m. noting a quorum was present.

Old Business Minutes

The Board reviewed the minutes of the August 25, 2017 Regular Board Meeting. Upon motion duly made by Director Anuta and seconded by Director Broughton it was unanimously

AGREED to approve the minutes of the August 25, 2017 Regular Board Meeting as presented.

Community Updates

Bryce Romig, Climax Molybdenum Company Manager for Administration summarized the Climax application to the Water Quality Control Commission proposing an increase to the acceptable concentration of molybdenum (Mo) released into waterways from 210 micrograms to 9,000 micrograms. Mr. Romig stated that Climax understands they are requesting a significant increase but believes that the concentration of Mo in the Ten Mile Creek even with increased standards will be consistent with historic levels and seasonal fluctuations moving forward. Climax hypothesizes that

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there is no impact to humans or agriculture, and therefore, Climax would like to avoid spending the estimated \$120 million to develop a treatment facility to meet current standards.

Director Broughton asked about the disparity between proposed standards for domestic water and agriculture. Mr. Romig responded that science does not dictate that additional studies need to be done above 1000 micrograms of Mo. According to Mr. Romig, there is a nil affect at 1000 micrograms and no further tests have been completed.

Director Broughton asked how long Mo remains in your body. Mr. Romig replied that your body processes Mo every day like other metals such as zinc and iron.

Director Steele asked if there is a concentration effect when increased Mo is applied to soil and vegetation. Mr. Romig responded that results have not been conclusive and that Climax will assist in monitoring and review of impacts every five years as required by the state.

Director Anuta asked what if the Water Quality Commission increases the standard but maintains the existing concentration conditions released in the waterways. Mr. Romig replied that this is the states' intent and it will review every five years.

The Board expressed concern about water used to make snow which will melt and potentially filter in the District's domestic water supply.

Director Anuta asked if there have been any studies on the reaction of increased Mo in the Dillon Reservoir with other elements and contaminants in the water. Mr. Romig replied no and that it is his understanding Denver Water is hiring a third-party toxicologist. Party status requests are due October 4; rebuttal on November 22; and hearing on December 13.

Rob Martin, Public Works Director, noted that there are no aquatic life standards and asked if the EPA has inquired about this? Mr. Romig replied that study numbers range from 1,500 to 26,000 micrograms and that Climax continues to monitor fish in the Ten Mile Creek.

Mr. Romig said that if Mo becomes a culprit, it is no secret where it comes from and who to contact for remediation.

Andy Hansler, Climax Molybdenum Company Communications Consultant, stated that the current standard is a historic standard. Climax's proposal is to bring the standard up to date with scientifically valued information.

Mr. Martin asked what would prevent Climax from discharging amounts above the current standard and closer to the proposed increased standard. Mr. Romig replied that this comes back to how Climax is held accountable to the community. Climax will continue to monitor waterways every five years in accordance with state mechanisms.

Jim Reis, Copper Mountain Resort Association, POLA President, asked if any Mo studies have been done on the Climax workforce. Mr. Romig replied that there have been some investigations but the results are not complete and are not included in the proposal packet submitted to the state.

Graeme Bilenduke, Copper Mountain Director of Development, reported that snow making training has begun and race training will begin in late October. Work on the long list of projects continues and PUD amendment application work sessions will be forthcoming.

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Public Comment

and Concerns No public comments and concerns.

Financial

A Financial Report for August 31, 2017 and the preliminary 2018 budget was prepared by Marchetti & Weaver and provided to the Board for review prior to the meeting. Eric Weaver, Marchetti & Weaver, noted that state statute requires the preliminary budget be provided to the Board prior to October 15. Mr. Weaver explained that 2017 revenues are positive because the District issued more bonds to cover capital expenses. In addition, revenues are doing well due to favorable interest rates on investments, sale of assets, wildland deployment, excess water use, and more tap fees than initially expected. 2018 general fund revenue will increase approximately \$30,000 from property taxes and Water and Sanitation revenues will increase due to the increase in rates. Refinancing the bonds on the Metro District Building/Fire Station in early 2018 will help decrease interest expenses. One Fire Department position will be eliminated in 2018 to bring current Copper Firefighter salaries in line with Lake Dillon salary levels. Water and Sanitation salaries will increase with personnel moving to Operator positions as a result of achieving additional certifications. Cable Services will see an increase in salary expenses with Dave Arnesen's impending retirement and overlap with his successor; Fire Department operating expenses may decrease a little in 2018; Administration expenses will increase with a 2018 election; and deferred maintenance in Water and Sanitation will need to be addressed next year which will affect their budget. A Type 6 Wildland vehicle will be purchased before the end of this year for the Authority. Funds are available for this capital purchase especially with Wildland income received. Lake Dillon is already in the process of purchasing a Type 3 for the Authority and will purchase a Type 6 in 2019. 2018 capital expenses include Metro District Building/Fire Station improvements, new vehicle for Cable Services and various Water and Sanitation projects. Overall, the 2018 budget shows a \$2 million deficit in spending because of catching up on capital expenses. Mr. Weaver continues to work with Mary Hartley from Lake Dillon Fire District to match CMCMD's budget format with LDFR. There is still some fine tuning to be done but Mr. Weaver feels the 2018 Summit Fire and EMS budget is 99% complete.

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

AGREED to receive the August 31, 2017 Financial Statement as presented.

The first public hearing for the proposed 2018 budget and proposed 2017 amended budget will be at the District Board Meeting on Friday, October 27. The public hearing will be continued and the budgets will be adopted at the District Board Meeting on Friday, November 17.

Mr. Martin reported that there is a supply line leak at the 250,000-gallon tank. Copper Mountain Resort has offered to help with excavation to repair the pipe. The tank itself has been inspected and is in good condition.

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

AGREED to receive the August 31, 2017 the Cash Disbursement Report as presented.

New Business

Summit Fire & EMS IGA

Jeff Berino, Lake Dillon Fire Chief announced that the Lake Dillon Fire Rescue (LDFR) Board of Directors unanimously agreed to authorize the LDFR Board President to sign the Intergovernmental Agreement Establishing the Summit Fire & Emergency Medical Services Authority at a time mutually agreed upon by LDFR and CMCMD Board Members. A press release is ready to be submitted.

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

AGREED to approve the Intergovernmental Agreement Establishing the Summit Fire & Emergency Medical Services Authority as presented with exhibits and authorize Board President Tom Malmgren to execute the agreement at a time to be determined.

WAS Project Extension

Mr. Martin reported that the well project contractor requested an extension of the substantial completion date to October 25 due to approximately three weeks of unscheduled down time as a result of unforeseen complications.

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

AGREED to change the substantial completion date to October 25, 2017.

Mr. Webinger noted that Well 3 will be disconnected but it could potentially be used to aid Copper Mountain Resort in snow making.

The development of a fifth District well will be discussed in 2018. Director Malmgren asked who will pay for additional wells necessary to accommodate development. Mr. Weaver replied that the District will pay for this infrastructure but tap fees paid by the developer will offset costs.

WAS Permit Application

Mr. Martin revised the application form for water and sewer taps. The Board reiterated that they do not want to be responsible for approving water and sewer tap applications.

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

AGREED to approve the Water and Sanitation Tap Application for Permit form substituting approved by Board Member with approved by District Manager or Public Works Director and identifying the document as Appendix F.

Staff Updates

Director Broughton inquired about the pancake breakfast sponsored by the District during Homeowner's Weekend. Missy Stabile, Clerk-Treasurer, responded that the District profited \$653.37 this year which is about half of what has been profited in past years. Copper Food and Beverage discounted the service in past years but not this year.

Ms. Stabile reported that the County Health Pool released 2018 insurance rates on September 14, 2017. The District moved from Rate Band 4 to Rate Band 3 which has favorable effects on the District's 2018 health insurance rates. There will be no increase in dental, vision or life insurance rates. Health insurance rates will increase by 1%. Ms. Stabile requested that the Board make no changes to the employee insurance benefits offered by the District in 2018.

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 2018 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 10:08 a.m.

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Reconvene Meeting

The Regular Meeting of the Board of Directors was reconvened by Director Malmgren at 10:16 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 2017 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 Steele. 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 10:17 a.m., and the Board will go into executive session.”

Return to Open Session

Director Malmgren stated, “The time is now 11:07 a.m., and the executive session has been concluded. The participants in the executive session were Thomas J. Malmgren, Karl Anuta, David Steele, Ben Broughton, Ted Kravec 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.”

Adjournment

There being no further business to come before the Board, by motion duly made by Director Broughton and seconded by Director Kravec, 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 September, 2017, at 11:07 a.m.

Respectfully Submitted,

BY: Thomas J. Malmgren

Thomas J. Malmgren
President of the District

ATTEST: David Steele

David Steele
Secretary of the District