
RECORD OF PROCEEDINGS

Minutes of the Regular Meeting of the Board of Directors Copper Mountain Consolidated Metropolitan District September 30, 2016

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on September 30, 2016 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
- Ted Kravec
- Tom Malmgren
- David Steele

Staff in attendance was:

- Bryan Webinger, District Manager
- Rob Martin, Public Works Director
- Dave Arnesen, Director of Cable Services
- Dan Moroz, Fire Marshall
- Missy Stabile, Clerk-Treasurer
- Ed Pankevicius, Chief Plant Operator
- Todd Hebebrand, Assistant Fire Chief/Captain
- Tony Marzo, Firefighter
- Kevin Chandler, Firefighter

Also in attendance was:

- Eric Weaver, Marchetti & Weaver
- Mark Wentzlaff, ResortInternet
- Graeme Bilenduke, Copper Mountain Director of Development
- Bruce Butler, Copper Mountain Property and Homeowner Services Manager
- Peter Siegel, Copper Mountain Resort Association Executive Director
- Mike Rothberg, Tetra Tech
- Steve Tamburini, Tetra Tech
- Jim Reis, Copper Mountain Resort Association, POLA President
- Sandy Kolibaba, Westlake Lodge

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 30, 2016, at 8:30 a.m. noting a quorum was present.

Old Business Minutes

The Board reviewed the minutes of the August 26, 2016 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 26, 2016 Regular Board Meeting as presented.

Community Updates

Mark Wentzlaff, ResortInternet, summarized a work session meeting with District Manager Bryan Webinger. The total number of units cut over from cable to fiber for data and video is 1200 out of 1400 units. ResortInternet will be coordinating with Dave Arnesen, Director of Cable Services, to relocate the Headend Facility in mid-October before ski teams arrive in late October. Service ticket

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volume is half of what it was at this time last year and bandwidth use is up. This is a good combination as it means people are using the system and there are fewer calls. The bandwidth capacity is currently set at 2 GB which is 20% of the total 10 GB capacity. Shoulder season demand on the system is at 5% of the current 2 GB capacity. Mr. Wentzlaff emphasized that ResortInternet encourages customers to contact them if there are any problems so that they can identify and address any issues.

Peter Siegel, Copper Mountain Resort Association, reported that the sign project is ongoing and signs are being updated for example the old B lot is now identified as 10 Mile Circle Lot. Works continues on accessing the transformer next to Pump House 1/3 to power the new street lights and median amenities but Xcel Energy is prohibiting a permanent hookup to the transformer due to identified issues with the transformer and meters. Installing a sub-meter is an option but the District would be billed for use and would get reimbursed by the Resort Association. CDOT installed a touch screen traffic information kiosk in Center Village and inside Copper Station. The Resort has requested that an additional kiosk be located in the East Village. The Resort Association Annual Budget Meeting will be on Saturday, December 3, 2016 from 4:00-5:00 p.m. in the CMCMD Community Meeting Room.

Graeme Bilenduke, Copper Mountain Resort, reported that all of the Copper Point Townhomes have been sold and there is now a waiting list. They are still on schedule for initial occupation in November with completion in February 2017. Work this week includes relocation of the historic cabin and shuttle lane improvements. Upcoming projects include work on the golf cart path, sand/oil vault repairs in Copper Circle and snowmaking is on the horizon. East Village projects and renovations are complete.

Public Comment and Concerns

No public comments and concerns.

New Business Water/Sewer Rate Increase

Bryan Webinger, District manager, explained that unexpected capital projects due to new mandatory state requirements including drilling new wells, expanding well houses and tying into well houses in addition to aging infrastructure, and projected increase in annual operating costs require the District to implement increases to the water, wastewater and tap rates. As a result, the District proposes a rate increase of 15% effective October 1, 2016, 10% effective October 1, 2017, 10% effective October 1, 2018 and 3% annually thereafter.

Director Malmgren then opened the public hearing.

Sandy Kolibaba, Westlake Lodge, asked how customers are billed. Eric Weaver, Marchetti & Weaver, responded that customers are billed based on current and historic water use. The Water and Sewer Base fees are flat fees charged every quarter based on historic water use. Water consumption is determined by meter readings and is billed quarterly. The proposed increase will be approximately \$17.00 per CEU per quarter.

Graeme Bilenduke, Copper Mountain Resort, asked if there will be any incentives for customers using low flow fixtures. Mr. Webinger responded that the District is looking at upgrading meters that would provide real time readings to the property owner and how to provide incentives for low flow fixtures.

Director Malmgren stated that CEUs will be reviewed by the District every five years to update historic use and maintain equity among users. Mr. Webinger stated that a review will be completed in 2017.

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Mr. Weaver noted that the proposed rate increase will take effect on October 1, 2016 for 4th quarter water use and will be billed in January 2017.

Director Broughton asked if there is need to increase tap fees by 15% at this time and proposed that only water and wastewater rates increase until additional data is presented supporting an increase in tap fees. Director Malmgren noted that the Board does not want tap fees to be a hindrance to development and that there is not enough information to justify increasing tap fees. Director Steele suggested leaving the tap fees at the current rate and conducting a study for more information.

Director Steele asked if the District is monitoring Regulation 31 and possibly reducing capacity of facilities to save money. Steve Tamburini, Tetra Tech, replied that the District needs to count on complying with Regulation 31 as the regulation does not provide for exemptions. Tetra Tech is looking at ways to potentially decrease impact of the regulation.

Director Malmgren asked if there were any further comments. There being none the public hearing was closed.

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

AGREED to adopt Resolution 2016-09, 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 provided there is no increase in tap fees until further study and effective October 1, 2016 not October 1, 2015.

Staff Updates

Mr. Webinger reported that well #4 is having additional cleaning. The goal is to start construction on Well House 2 expansion in February 2017. GWUDI testing of well #1 is complete and being reviewed by the state. Well #1 can still be used until the state makes a decision. Farley Park has been restored with the assistance of Copper Resort and the Resort Association. The District is looking at a temporary cover for well #4.

Summit County Ambulance Service is looking at increasing cost share revenue.

The 2017 budget and employee evaluations are underway.

Director Steele asked that District staff consider transferring property easement to ownership of property that Well House 2 is located on. Mike Rothberg, Tetra Tech, commented that it is best if public utilities are located on land owned by the District.

Mr. Webinger congratulated Ed Pankevicius, Corey Williams and Dave Smith for passing water certification tests.

Ed Pankevicius, Chief Plant Operator, stated that the Water and Sanitation Department has been working with a consultant to streamline processes and recommend updates in technology that will save the District time and money.

Robert Martin, Public Works Director, stated that he appreciates the Water and Sanitation crew and is looking forward to working with them. The Lewis Ranch pump house roof may need to be replaced in one area where it is leaking. A temporary repair has been applied and will be reevaluated in the spring. Mr. Martin is working on the waterless urinal issue in the Metro District Building.

Dave Arnesen, Director of Cable Services, clarified that the Master's cable pedestal will be relocated from a shared driveway, not replaced.

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Dan Moroz, Fire Marshall, reported that AT&T will install a new transmitter at Copper and that plans are being redrafted due to identified fire code violations. The transmitter will improve cell phone reception at Copper Mountain.

Missy Stabile, Clerk-Treasurer, presented 2017 health insurance information and recommended that the District remain with the Colorado Health Pool (CHP), the District's current health insurance provider, in addition to offering employer paid dependent insurance coverage and an option for employees to purchase supplemental life insurance. The District's health, vision and life insurance costs will remain the same as 2016 and dental will increase by 3%.

Director Kravec cautioned employees on group rate supplemental insurance and advised employees to compare rates before enrolling.

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

AGREED to continue with the current Employee Health Benefits Plan for 2017 with the addition of employer paid dependent life insurance and optional employee paid supplemental life insurance.

The Board asked Mrs. Stabile to send instructions to initiate District email accounts.

Financial

A Financial Report for August 31, 2016 was prepared by Marchetti & Weaver and provided to the Board for review prior to the meeting. Eric Weaver informed the Board that the preliminary 2017 budget is included with the August Financial Report and a there will be a high level review of the 2017 budget at the October Board Meeting. All capital expenses are moved into each corresponding category and are no longer separated. Mr. Webinger is considering 3% merit raises plus cost-of-living which will depend on individual employee evaluation review.

Mr. Weaver stated that there is nothing new to report year-to-date. As previously reported, the Fire Department is over in personnel costs due to wildland deployment but will be covered by state reimbursements. Both new apparatus should arrive before year end and will be paid for using US Bank loans. Board action will be required to issue Water and Sanitation bonds. The Copper Mountain assessed property valuation decreased for 2017 but the approved mill levy increase will take effect in January of 2017.

Public Budget Hearings will take place at the October 28, 2016 Board Meeting and will continue at the November 18, 2016 Board Meeting.

Director Malmgren commented that water testing lab fees have increased significantly due to GWUDI procedures and compliance.

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

AGREED to accept the August 31, 2016 Financial Statement and cash disbursement report as presented.

Other Business

None presented.

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.

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Director Malmgren adjourned the Regular Meeting of the Copper Mountain Consolidated Metropolitan District Board of Directors the 30th day of September, 2016, at 10.11 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