

---

# RECORD OF PROCEEDINGS

---

**Minutes of the Regular Meeting  
Of the Board of Directors  
Copper Mountain Consolidated Metropolitan District  
July 27, 2012**

A Regular Meeting of the Board of Directors of the Copper Mountain Consolidated Metropolitan District, Summit County, Colorado was held on July 27, 2012 at 8:30 a.m., at the Copper Mountain Consolidated Metropolitan District Conference Center, 477 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:

- Tom Malmgren
- Bob Bloch
- Ben Broughton
- Dave Steele
- Karl Anuta

Staff in attendance were:

- Dave Erickson, District Manager
- Mike Koenig, Water & Sewer Manager
- Dave Arnesen, Cable & TV Manager
- Mark Thomson, CMFD Chief
- Steve Boyle, CMFD
- Dan Moroz, Code Compliance Officer

Also in attendance were:

- Jim Reis, Copper Mountain Resort Company
- Eric Weaver, Robertson & Marchetti, P.C.
- Cheri Curtis, Secretary to the Meeting

**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 July 27, 2012, at 8:30 a.m. noting a quorum was present.

**Old Business  
Minutes**

The Board reviewed the minutes of the June 29, 2012 Regular Meeting. Upon motion duly made by Director Broughton and seconded by Director Bloch it was unanimously

**AGREED** to approve the minutes of the June 29, 2012 Regular Meeting with revisions.

**Cash Disbursements  
List**

The cash disbursement list from February through June was presented. The Board questioned expenses which were then clarified by staff.

**Financial  
Report**

Mr. Weaver presented the June 30, 2012 financial summary report, noting the capital and debt service columns have been hidden until all items have been balanced with the audit and entered into Caselle.

Mr. Weaver stated the revenue is tracking with the budget. The District is seeing positive variances overall in expenses and Mr. Weaver explained the large individual variances. Mr. Weaver will continue to clean-up the 2012 financial report and work with Mr. Erickson on the 2013 preliminary budget. Upon motion duly made by Director Anuta and seconded by Director Bloch it was unanimously

**AGREED** to approve the cash distribution and financial reports.

---

# RECORD OF PROCEEDINGS

---

---

## Copper Mountain Consolidated Metropolitan District July 27, 2012 Meeting Minutes

---

### Community Updates

Mr. Jim Reis explained the new bus system was confusing in the beginning, but is working well once residents understood the system. Director Malmgren explained 75% of the bus funding is from the Resort surcharge and the remaining 25% is funded through HOA dues.

Mr. Rodgers and other Summit County staff have agreed to make an appearance at the Resort Company Annual meeting. The Community Dinner is one month away. Notifications of the event were sent with the individual association annual member meeting mailings. The Board suggested the Summit County Commissioners be invited to the Community Dinner.

### New Business

#### Water Usage Rate

##### Updates

Mr. Erickson detailed the steps to date on the District staff's Water Usage Rate Study and the remaining items that need to be completed on the Study, prior to being presented to the Board. Mr. Erickson has updated the analysis of Copper Mountain equivalent use figures in comparison with the water user's actual usage information. Mr. Erickson has compiled the fixed costs and operational variance costs and that will be included in the narrative. Mr. Erickson plans to receive the engineer's comments on the study and present an engineering/staff integrated recommendation for rate modifications to the Board at the August Board meeting.

### August Meeting

The Board agreed to move the August District Board meeting from August 31, 2012 to August 24, 2012 to avoid interference with Homeowners Weekend and all the homeowner activities scheduled on Friday, August 31<sup>st</sup>.

### Clerk/Treasurer Office

Mr. Erickson had been involved with the claimant's appeal to the Department of Labor decision regarding the claimant's initial application for unemployment benefits. The Department has finalized its hearing process on the claimant's appeal and has confirmed its initial decision that the claimant was not eligible for unemployment benefits from the District. The employee has the right to further appeal the decision, but a further appeal is not anticipated.

Mr. Erickson is recommending the District hire an administrative assistant to assist with office tasks. The generalized job description and compensation are available in the District employee files. The job description will be clarified by Mr. Erickson with input from Mr. Weaver. The Board expressed the need to clearly define the position and the job expectations. The Board authorized the Manager to proceed with the advertising and selection process to hire an administrative assistant in the Clerk-Treasurer's Office.

### 2011 Audit

At the request of McMahan and Associates, the District has filed a request with the State of Colorado for a sixty day extension to the deadline to file the District's 2011 audit. The State of Colorado has approved the District's request for a 60-day extension. The field work has been completed and remaining issues are being clarified. McMahan and Associates has indicated they may be able to reduce the cost of future audits due to Robertson & Marchetti's preparation of the field work.

### Robertson & Marchetti Service

#### Proposal

Mr. Erickson will be working with Mr. Weaver on the long-term relationship between the District and Robertson & Marchetti, P.C. and present a recommendation to the Board at the August 24, 2012 meeting.

### Employee Rental Housing Policy

The District's employee housing unit at Togwotee (Unit 104) is now available for rent. One employee has expressed interest in a short term rental beginning September 1, 2012 with the

---

## RECORD OF PROCEEDINGS

---

---

### Copper Mountain Consolidated Metropolitan District July 27, 2012 Meeting Minutes

---

possibility of long term agreement. Mr. Erickson asked the Board for clarification as to whether or not the District Board wants to extend the rental offer to non-district employees working at Copper Mountain or hold the unit for only district employees at this time. Director Broughton is in favor of renting to current employee. The Board agreed their preference would be for long term agreement with an August 1, 2012 move in date, but, regardless, the unit should be held open and kept available for rental only to district employees.

#### **General Election**

The deadline to submit a ballot issue for the November 6, 2012 election is today, July 27, 2012. Mr. Erickson has contacted Summit County to determine the preliminary assessed values for the District for 2013. Summit County is anticipating an 11% decrease in assessed values for the District. Mr. Erickson has reviewed the anticipated fund balances at the end of 2012, together with anticipated 2013 General Fund revenues and expenses, and believes the District will have sufficient funds for 2013 operations. Mr. Erickson does not believe the District needs to consider a mill levy increase for 2013 but suggested the Board look at the need for an election in 2013 for the 2014 budget. Director Anuta recommended the District place a de-brucing question on the ballot in the 2013 election, or the 2014 election at the latest. The Board agreed not to proceed with a TABOR Ballot Question in the November, 2012, General Election.

#### **Staff Reports**

**Water and Wastewater Director:** Mr. Koenig has signed the Colorado River Cooperative Agreement for the District. He also advised that the Bio-Solid Agreement with Climax had been reviewed by the District's general legal counsel and the attorney's modifications thereto had been forwarded to Climax Mine for their final review and approval. The Board questioned authorizing staff to sign these agreements on behalf of the Board. It was confirmed that the Board authorized Mr. Koenig to execute both the Colorado River Cooperative Agreement and the Bio-Solids Agreement after review and approval by the District's general or special legal counsel(s), as appropriate. The Board re-confirmed it's instructions to staff to formulate a policy for review and adoption by the Board to clarify district staff's ability to execute contracts on behalf of the Board in the future.

With the current drought conditions, voluntary water restrictions are in place. The District's water attorney and hydrologist are working on establishing triggers for mandatory water restrictions. Director Broughton questioned whether or not mandatory water restrictions should in place at this time, and Mr. Koenig advised that he believes the District should enact mandatory water restrictions at this time. Mr. Koenig advised that currently 60% of water users are in compliance of the voluntary water restrictions; the Board directed Mr. Koenig to contact the 40% of water users that are not in compliance to encourage compliance with the voluntary water restrictions.

The Board questioned the need to replace twenty-five master meters which the Water & Sanitation Department advise are still operating but that should be replaced because of their age and the requirements of best operating practices for water utility systems. The Board further questioned if these 25 meters adversely affected the water rate study report. Mr. Koenig reported his department will be replacing meters over time to spread out the costs to the District, as the meters cost \$800 each with remote reading capabilities. Mr. Erickson explained that the manner in which staff utilized the water meter use data in the Rate Study mitigated any material adverse impact the older meters might have on the study's final results and recommendations. The Board questioned whether meetings have been schedule with Copper Resort and other organizations to receive input on the water usage rates. Mr. Erickson stated there have been some discussions only with the Woodward facility, and that meetings and discussions with other users will occur once the District has something more definitive for presentation of a viable future rate policy.

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

---

## RECORD OF PROCEEDINGS

---

---

### Copper Mountain Consolidated Metropolitan District July 27, 2012 Meeting Minutes

---

**AGREED** to require mandatory water restrictions, if recommended by the District's water counsel.

Bio-monitoring will be conducted at the end of the quarter.

Director Malmgren reported the Climax mine is holding a grand re-opening for the mine. Tours of the mine are available and the Governor of Colorado is scheduled to be in attendance. Security for the grand re-opening will be provided by Freeport-McMoRan.

- **Engineer's Report:** There was no Engineer's report.
- **Cable TV/HSIS:** Mr. Arnesen advised that in order to correct color/pixilation problem with certain HD channels on the District's CATV network, new "floodgate" processing equipment has been ordered and installed at the Headend HD channels. The installation of this new equipment has effectively eliminated the picture quality problems. He also advised that fiber optic cable has been installed to Woodward in order to relieve internet traffic on the District's cable system network.
- **Summit Fire Authority:** The Summit Fire Authority (SFA) Mutual Aid Assistance Agreement draft was presented to the Board. Mr. Erickson has been working with the District's legal counsel, Darryl Farrington, on the agreement in order to address concerns and comments raised by Director Anuta and the Board and to incorporate further changes advised by Darryl Farrington. Director Anuta requested Mr. Erickson guarantee Lake Dillon Fire suggested language revision to the Agreement are not included in the Final Agreement executed by the parties. Director Bloch wants to make certain that other parties to the Agreement understand that additional changes in the present draft are changes required by the District's legal counsel.

Chief Thomson's goal is to present final draft of the Agreement to Board for approval at August meeting. If there are not significant changes presented, the Board is prepared to execute the Agreement. Upon motion duly made by Director Broughton and seconded by Director Bloch, it was unanimously

**AGREED** to allow the District Chairman to execute the Summit Fire Authority Mutual Aid Assistance Agreement, if there are no significant changes.

- **Fire Chief:** Chief Thomson introduced Dan Moroz, the Code Compliance Officer. Mr. Moroz is working with Assistant Chief Boyle on re-initiating the HOA building inspection process. Mr. Moroz has been well received in the community.

The fire danger in Summit County has been reduced to moderate with assistance from the afternoon rain. Director Broughton questioned if other local entities are lifting their fire restrictions. Chief Thomson indicated the Forest Service has rescinded their fire restrictions and the Summit County BOCC has lifted fire restrictions in unincorporated areas of Summit County.

A draft of the 2013 Summit County Communications budget has been distributed for review. The draft shows a slight decrease in CMCMD's contribution.

A draft of the 2013 SFA Hazmat budget has been distributed for review. The draft budget includes a 5% increase for the County and Towns. The District's contribution will remain the same for 2013. CMCMD should anticipate a 2.5% contribution increase in 2014.

Chief Thomson gave an update on activities of the Summit County Fire Authority. He also advised that the Agreement for the Mutual Aid Incident Management Team has been distributed to the affected parties, and the proposed Agreement will be presented to the District Board at a future meeting.

The District has entered into an agreement with Safe Built Colorado, Inc. to provide Fire Code Plan Review and Inspection Services for the Climax Mine Discharge Water Treatment Plant

---

---

## RECORD OF PROCEEDINGS

---

---

### Copper Mountain Consolidated Metropolitan District July 27, 2012 Meeting Minutes

---

---

project. CMCMD is required to provide code enforcement for unincorporated areas in Summit County per the International Fire Agreement, and, as such, this WWTP project falls to the District to review and approve. Safe Built Colorado's costs will be covered by permit fees paid by Climax Mine and, therefore, will not be a burden to Copper Mountain taxpayers.

Assistant Chief Boyle attended the Wildfire Council meeting in July. The Council is holding Ready Set Go meetings for wildfire mitigation planning. Pandora is being used for emergency planning. Chief Thomson has invited Dan Schroeder to the Community Event planned for August, 2012. Fire precautions are necessary in Lewis Ranch and Chief Thomason noted there is a need and cost to educate the community as to the importance of instituting such fire precautions. Director Anuta stated there is an advantage by completing fire mitigation if there is a wildfire, noting completion is the key. Mr. Koenig and Chief Thomson have looked at the Lewis Ranch pump house and the need for wildfire mitigation around that facility. CMCMD staff has acknowledged the need to take care of issues on District property. Chief Thomson stated the next update of the Fire Code will include fire-wise that will assist in setting up a better fire protection for homes in potential wildfire areas.

The District has been hosting a Community "Party" event every August in past years, and the event has had a different name each year. Chief Thomson suggested the Board come up with a consistent name for this annual event. The Board agreed to call it the "Copper Mountain Metro District Village Party". The event will be held from 4:00 p.m. to 7:00 p.m. on August 30, 2012. The annual volunteer pancake breakfast will be staged on September 1, 2012 from 6:30 a.m. to 9:30 a.m. at Jacks.

The Bylaws of Volunteer Pension Plan have been distributed for comment. After comments are incorporated, the Bylaws will be presented to Volunteer Pension Board for review, modification and adoption.

Assistant Chief Boyle recently responded to a structure fire in Leadville. CMCMD has a verbal agreement with Leadville's Fire Department. Director Broughton recommended establishing a written Mutual Aid Agreement with Leadville using boiler plate agreements already in place to facilitate the approval process.

The Climax Mine has a Fire Brigade and is willing to work and train with Summit County fire authorities.

**Other  
Business**

It was noted Copper Mountain has seen lots of activity this summer and things are going well.

**Adjournment**

There being no further business to come before the Board, by motion duly made by Director Anuta and seconded by Director Broughton, it was unanimously agreed to adjourn the Regular Meeting of the Copper Mountain Consolidated Metropolitan District Board of Directors this 27th day of July, 2012 at 10:55 a.m.

Respectfully Submitted,

BY: \_\_\_\_\_

Thomas J. Malmgren  
President to the Board

ATTEST: \_\_\_\_\_

Karl Anuta  
Vice-President of the Board