

CORDILLERA METROPOLITAN DISTRICT
REGULAR BOARD MEETING MINUTES
FRIDAY, DECEMBER 15, 2017
408 CARTERVILLE ROAD, CORDILLERA, COLORADO

The Regular Meeting of the Board of Directors of the Cordillera Metropolitan District (CMD) was called and held Friday, December 15, 2017 in accordance with the applicable statutes of the State of Colorado.

ATTENDANCE

Present: Judy McBride, President
David Davies, Vice President
Bob Egan, Treasurer
David Bentley, Secretary
Kitty George, Assistant Treasurer/Assistant Secretary

ALSO PRESENT

CPOA Board Members: Ed Shriner, Michael Grier, Jerri More, Rick Smith (via phone) and Larry Brooks (via phone) joined after executive session.

OTHERS PRESENT

Rachel Oys, general manager; Alan Pogue, legal counsel. Jaime Walker, communications manager; Tracy Stowell, executive coordinator; Joe Helminski, recreation director; Kirk Pliske, public safety director; Erin McCuskey, human resource manager; Stephanie Juneau, CFO Systems; and Andrew Larson, CFO Systems. Members of the public: Russ Schmeiser, Barbara Benson, Cassie Gray, John Seltzer, Jane Roberts, Tom Bishop and Patrick Wilhelm joined after executive session.

CALL TO ORDER

Director McBride called to order the Regular Meeting of the Cordillera Metropolitan District at 8:31 a.m.

DECLARATION OF QUORUM/DIRECTOR QUALIFICATIONS

All board members acknowledged receiving notice of the regular meeting at least 72 hours in advance. No conflicts of interest were noted.

APPROVAL OF AGENDA

December 15, 2017 Regular Meeting Agenda

Director Egan moved to approve the December 15, 2017 Regular Meeting Agenda with the addition of the discussion of fishing rights and management of same for 2018. Seconded by Director Davies.

Upon motion duly made and seconded, the Board voted unanimously.

Approved the December 15, 2017 Regular Meeting Agenda.

EXECUTIVE SESSION

8:32 a.m. Director Egan and Director Davies moved to enter Executive Session. Pursuant to Section 24-6-402(4)(b), C.R.S. for the purpose of receiving legal advice regarding Grisoni offer to purchase CMD property with the intent to request county approval on vacating lot line and to receive legal advice from general counsel and special litigation counsel with respect to pending litigation filed by CSMN.

9:59 a.m. Director Bentley and Director Davies moved to conclude the Executive Session.

Present: Rachel Oys and Alan Pogue and Lisa Mickley was present for the CSMN discussion.

No action was taken in executive session.

APPROVAL OF CONSENT AGENDA ITEMS

October 24 Special Meeting Minutes

November 6 Special Meeting Minutes

Director Egan moved to approve the October 24 and November 6, 2017, Special Meeting Minutes. Seconded by Director George.

Upon motion duly made and seconded, the Board voted unanimously.

Approved the October 24 and November 6, 2017 Special Meeting Minutes.

PUBLIC INPUT

Russ Schmeiser noted the wine tasting hosted by the CPOA was a nice affair and a benefit to Cordillera residents. He inquired about the funding request for the Benson appeal for \$100,000. He appreciated the community survey on the topic and the results that support contributing to the effort. He stated that the Benson and CPOA appeals are different cases. The CPOA appeal refers to the decision of the Board of County Commissioners. The Benson appeal argues the validity of the 2009 PUD because of lack of proper notice when it went through the County process. He showed a real estate ad for the Grouse on the Green which stated that the land had many uses including a heliport; he pointed out that the 2009 PUD broadened the uses. He urged the Board to put the funding request on the agenda in the near future.

Director Shriner confirmed that the topic can be put on the agenda. He also explained the heliport is an allowed use on CPOA land not the parcel where the Grouse is located.

Barbara Benson echoed Russ's point. She further mentioned that the new lawsuit brought by CSMN should be seen as a scare tactic.

Cassi Gray is concerned about the amenity loss on the Divide.

Jane Roberts noted that CPOA Director More proposed a new welcome committee at the October meeting. Jane will be meeting with Jaime Walker in January to establish the committee. Director George volunteered to be on the committee.

Tom Bishop sits on the Kensington Board of Directors and was present to support the position of the Kensington Board.

Patrick Wilhelm represented the Kensington Board of Directors and was present to discuss the Short Course.

CMD AND CPOA JOINT ITEMS

Short Course Ponds and Water Feature

Patrick Wilhelm presented data on the Short Course water leak, noting that since the end of the golf season nearly 300,000 gallons of water were lost from the irrigation ponds, which is almost an acre foot. The pond was at six feet and has dropped to two feet. The leak in the upper pond and spillways lose almost 25,000 gallons a day. Fixing the ponds will reduce the annual water cost paid to Wind Rose—approximately \$33,000 per year—potentially saving \$2000-\$5000 annually. The \$33,000 is the full cost of delivery of 42-acre feet. The boards may not need the full 42-acre feet if the ponds were fixed.

Mr. Wilhelm continued by noting that Wind Rose does not want to be wasteful or negatively impact the environment. If the decision was made not to fix the leaks, the empty ponds would need to be repurposed so as not to pose a liability and environmental concerns. Kensington Green authorized and budgeted \$34,000 to fix the leaks, even though the ponds and spillways are not owned by Kensington. The \$34,000 would be used for re-landscaping. He also suggested using a portion of the District's water fund for the project.

CPOA Director Shriner noted that he, Director Bentley and Trevor Broersma, operations director, met with the Kensington Board after the October board meeting. Landscaping was brought up during the meeting when line items costs were discussed and landscaping was estimated to cost \$34,000.

General Manager Oys explained that during the budget meetings, staff presented \$350,000 as the total projected cost for the project and kept it as a placeholder in the CPOA budget for further board discussion.

Legal Counsel Pogue, explained that the perspective shared in the Harvey Curtis & Associates letter (attached) was that the water features and ponds are public amenities and therefore the Metro District could use the water fund to fix them. There have been discussions with the Eagle River Water and Sanitation District and the Water Authority on how the water fund could be used in the next three years. Some of the items on the Water District's list are more important to the community than others.

Director McBride agreed pointing out that there was approximately \$1.8 million in the fund some of which should be used to provide for community needs particularly the fire delivery system for the Summit neighborhood.

Director Egan explained that legally, the Metro District is not directly responsible to pay for any of the items on the Water District's list of improvements. However, if the Metro District wanted to expedite a project, the money could be used. Legal Counsel Pogue concurred.

CPOA Director Shriner proposed that the CPOA pay for the cost to repair of the lower pond since it directly affects the Short Course. The rest of the project is aesthetics and a Kensington Green amenity. He asked if the Metro District could participate. He suggested that perhaps the Boards should consider the Short Course becoming a CMD asset as the asset might function as a tax benefit under CMD. He noted that the Boards were aware of the leak last year and postponed work.

Both CPOA Director Shriner and General Manager Oys noted that it is not cost effective to do the project in phases or in fragments because the mobilization fee is expensive.

Director McBride asked why the CPOA should not pay for the whole project, given that there is a placeholder in their budget for it.

CPOA Director Shriner responded that it is a very expensive project for one portion of the community. There is a belief that the water fund has to be used for water projects; learning that this might not be the case allows the money to be used for the repairs. The CMD can expend funds for the benefit of the whole community, regardless from what fund. The question is whether this project benefits the whole community or just Kensington.

Director McBride remarked that it is reasonable to consider whether or not fixing the water feature for Kensington is a qualified public purpose. If the Boards decide it is a public purpose, then the water fund money could probably be used. However, careful consideration should be given to using this money in a way that does not benefit the whole community. If the growth continues in the Summit neighborhood, most of the fund will be needed for the water/fire delivery system which will benefit all. She contended that since the CPOA has the money for the pond repair, and the ponds and water feature are on CPOA property, CPOA should fund the project.

Director Davies questioned the cost and if the quote is reliable. Pointing out that there are ways to pay for the project other than through the water fund. He would like an opinion from an attorney that the ponds and water feature are a public amenity and qualify for water funds. He also asked the representatives of the Kensington Green board if their contribution was allocated in their budget and if their dues were increased for the contribution. Patrick Wilhelm responded that the Kensington contribution was from their general fund and that there was not an assessment for the \$34,000 contribution.

Director Bentley suggested that that fixing the ponds and water feature are necessary to protecting property values.

Director McBride suggested the Board consider amending the CMD budget in order to contribute without using water fund money. She was opposed to using water fund money to pay for the project. She proposed to make adjustments to the Service Agreement with CPOA.

CPOA Director Smith contended that CPOA should shoulder the responsibility and that it is appropriate for CMD to participate in the interest of the community. He believes the Kensington contribution amount is reasonable. Directors Bentley and George concurred.

Director Egan offered that the underlying questions are whether the golf course should remain and if the boards want to continue to spend \$400,000 per year to operate it. To this CPOA Directors Shriner, Smith and Grier asserted that the course is a community amenity and should not be eliminated. The job of the Boards is to protect property values which necessitates maintaining and improving community assets. CPOA Director Grier further made the point that when the cost is amortized, it is reasonable expense and a relatively low cost to keep the amenity.

Director Bentley moved to have CMD share the cost to repair the short course ponds and water feature with CPOA capping the CMD contribution at \$150,000.

Director McBride amended the motion. She moved to have the CMD agree to amend the 2018 service agreement to decrease CPOA's contribution by \$150,000. Seconded by Director Davies.

Upon motion duly made and seconded, the Board voted three to one in favor of the motion; Director Egan opposed. Director George recused herself noting her ownership status at Kensington and her position on the Kensington board.

Approved amending the 2018 service agreement to decrease CPOA's contribution by \$150,000.

JOINT CMD AND CPOA AGENDA ITEMS

2018 Meeting Schedule

It was decided by both boards to hold meetings on the third Friday of each month beginning at 9 a.m. Special attention shall be paid to when The Club at Cordillera's member/member tournament is scheduled as to not conflict.

Director Davies moved to hold CMD board meetings the third Friday of each month beginning at 9 a.m. Seconded by Director Bentley.

Upon motion duly made and seconded, the Board voted unanimously. **Approved** the 2018 meeting schedule: the third Friday of each month beginning at 9 a.m.

Management Team Report

With the decision to hold meetings monthly, management team reports will be provided to board members the Monday before the meeting.

General Manager Oys introduced new members of the Cordillera staff: Erin McCuskey is the human resource manager, Carol Perea is the post office assistant, and Stephanie Juneau with CFO Systems has been helping in the finance department.

Although not in the management team report, staff is concerned about the feasibility of creating an ice rink this year. The high-season for the rink is the week between Christmas and new year with a full season being four to five weeks. It takes about two weeks of consistently below freezing temperatures and snow to produce the ice. Given the warm temperatures and lack of snow, staff is running out of time for it to be ready for high-season. General Manager Oys asked

for permission that staff make a decision about whether or not to have an ice rink. This request was granted.

CPOA Director Shriner briefly mentioned the idea of Cordillera managing its own trash service. He also pointed out that he has a different number for the RETA, \$1,362,000 not counting vacant lots. CFO Systems has helped to collect the delinquencies which has been a problem for years. He noted that the public safety report described a disturbing confrontation between a property owner and a bicyclist, where the homeowner was threatened with a gun. Public Safety Director Kirk Pliske pointed out that in a situation like this, property owners should call 911 and the Sheriff's office will respond along with Cordillera Public Safety.

CMD ITEMS

Approval of 2017 Budget Amendment

Director McBride opened the public hearing on the CMD's 2017 Budget Amendment.

General Manager Oys presented the 2017 budget amendment (attached).

Financial Consultant Steve Thompson described the equestrian center fund transfer. Even though the Cordillera Equestrian Center fund was closed in 2016, the fund balance was not transferred to the general fund until 1/1/2017 after the adoption of the 2017 budget; therefore, there has to be an appropriated expenditure on the balance sheet in governmental accounting.

General Manager Oys discussed the changes in budgeted health insurance costs for 2017. The workers comp increased to \$112,975. Workers comp is based on a three-year aggregate and the district is seeing costs decrease; currently there are no workers comp claims.

Director McBride closed the public hearing on the 2017 Budget Amendment

Director Egan moved to approve the 2017 Budget Amendment. Seconded by Director Davies. Upon motion duly made and seconded, the board voted unanimously. **Approved** the 2017 Budget Amendment.

2017 Audit Engagement with McMahan and Associates

General Manager Oys asked to retain McMahan and Associates for the annual audit.

Director Davies moved to approve the 2017 Audit Engagement with McMahan and Associates. Seconded by Director Egan. Upon motion duly made and seconded, the Board voted unanimously. **Approved** the 2017 Audit Engagement with McMahan and Associates.

Annual Administrative Matters Resolution

This is the resolution that gives the authority to staff and to legal counsel to execute the day to day operations of the Metro District.

Director Egan moved to approve the Administrative Matter Resolution. Seconded by Director Davies. Upon motion duly made and seconded, the Board voted unanimously. **Approved** the 2017 Administrative Matters Resolution.

2018 Election Resolution

This resolution is calling the 2018 election. Staff will prepare for the election for three seats.

Director Egan moved to approve the 2018 Election Resolution. Seconded by Director Bentley.

Upon motion duly made and seconded, the Board voted unanimously. **Approved** the 2018 Election Resolution.

ADJOURNMENT

Director Davies moved to adjourn the Regular Meeting of the Cordillera Metropolitan District. Seconded by Director Egan.

Upon motion duly made and seconded, the Board voted unanimously to **Adjourn** the Regular Meeting of the Cordillera Metropolitan District at 12:35 p.m. Friday, December 15, 2017.

Respectfully submitted

A handwritten signature in black ink that reads "Jaime Walker". The signature is written in a cursive, flowing style.

Jaime Walker
Communications Manager