






# Cordillera Metro District

 **Location:** 408 Carterville, Cordillera  
 **Date:** March 12, 2021  
 **Time:** 8:00 a.m.

## Special Board Meeting

### Approved Minutes

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Due to Governor Polis' declaration of a state of emergency resulting from the COVID-19 pandemic, the meeting was held via webinar.

### Attendance

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Via webinar: David Bentley, President (Term to 2022); Eugene McGuire, Vice President (Term to 2022)(left meeting at 10:30 a.m.); Cheryl Foley, Treasurer, (Term to May 2022); John Van Deusen, Secretary (Term to 2023); and Dan Roberts, Assistant Treasurer/Assistant Secretary (Term to May 2023).

### Others Present via Webinar:

Rachel Oys, general manager; Alan Pogue, legal counsel; Joe Helminski, deputy manager; Tracy Stowell, office manager; Ron Hoppner, information technology administrator; Trevor Broersma, community operations director; Fernanda Bazani, human resources manager; Claudia Wells, finance manager; Barry Smith, director of public safety; Cliff Simonton, community planning manager; Aubrey Lewis, outreach manager; Joanne Kelley, public safety manager; and 57 members of the public.

### Call to Order

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Director Bentley called to order the Special Board Meeting of the Cordillera Metropolitan District at 8:00 a.m.

### Declaration of Quorum/Director Qualifications

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CMD Board members acknowledged receiving notice of the special meeting at least 24 hours in advance. No conflicts of interest were noted.

### Approval of Agenda

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*Director Foley moved to approve the March 12, 2021, Special Meeting Agenda. Seconded by Director McGuire. Upon motion duly made and seconded, the Board approved the March 12, 2021, Special Meeting Agenda.*




### Approval of Consent Agenda Items

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*Director Foley moved to approve the January 8, 2021, regular meeting minutes, the February 23, 2021, special meeting minutes and the ratification of the CMD service agreement with the Cordillera Property Owners Association (CPOA). Seconded by Director Roberts. Upon motion duly made and seconded, the Board approved the January 8, 2021, regular meeting minutes, the February 23, 2021, special meeting minutes and the ratification of the CMD service agreement with the CPOA.*



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## Public Comment

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Public comment included the potential uses of the Water Fund, current costs of construction, financial reporting, and discussion of the fly-fishing management contract. There were requests for community related topics to be addressed by Board members, not through neighbor emails.




## Agenda Items

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**Water Fund Resolution** – Cordillera assessed a water surcharge for water capital and infrastructure. Fees collected have been held in the Water Fund and to date is balanced at \$2.2 million. The surcharge was terminated in May of 2017. The resolution proposed by Director Foley “Water Fund Resolution WHEREAS, the Cordillera Metropolitan District (“District”) entered into the Amended and Restated Water Service Agreement, dated March 25, 2004 between the District, the Edwards Metropolitan District, and the Upper Eagle Regional Water Authority (the “Water Service Agreement”) that, among other things, required the District to fund specified capital improvements (“Required Capital Improvements”) to the Cordillera water infrastructure that provided water services to property owners and properties located within the District’s boundaries; and WHEREAS, the District imposed an \$18.50 per month surcharge on the water bills of all property owners in the District to fund such Required Capital Improvements and established a dedicated capital fund on its books and accounts (the “Water Enterprise Fund”) to record the collection and disbursement of the amounts necessary to fulfill its obligations to fund the Required Capital Improvements; and WHEREAS, the District terminated the monthly surcharge as of May 1, 2017 after the District realized: (i) that it had fully funded the Required Capital Improvements and thus had fulfilled all of its infrastructure funding obligations under the Water Service Agreement several years prior, and (ii) that the balance remaining in the Water Enterprise Fund upon termination of the surcharge in 2017 represented an inadvertent overcollection from property owners; and WHEREAS, the balance of the Water Enterprise Fund attributable to the surcharge is being held by the District, pending a decision on how to best use the money for the benefit of property owners; and WHEREAS, as of December 31, 2020, the estimated Water Enterprise Fund balance was at least \$2,269,491. WHEREAS, the Cordillera Property Owners Association (“CPOA”) is undertaking a large capital improvement plan that contemplates: (i) remodeling and updating of the Cordillera Post Office (to be funded through current operating funds); (ii) renovation and expansion of the Athletic Center at Cordillera (“ACC”), (iii) renovation and replacement of the pools and designated infrastructure at the Trailhead complex, (iv) replacement of the aging tennis/pickleball courts at the ACC, (v) acquisition and/or replacement of certain amenities associated with the Short Course, and (vi) includes preliminary plans for an indoor tennis/pickleball facility and other improvements and amenities (together the “Amenity Improvement Program”), all for the direct and immediate benefit of all property owners within the District; and WHEREAS, the Amenity Improvement Program has been under development for the last several years and the CPOA’s current plans have received overwhelming support from



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property owners; WHEREAS, the CPOA has requested that the District provide property owner and CPOA access to the Water Enterprise Fund in order to allow the CPOA to support and accelerate construction of amenities contemplated in the CPOA's Amenity Improvement Program; and WHEREAS, the District agrees to facilitate property owner and CPOA access to the Water Enterprise Fund in connection with the Amenity Improvement Program; NOW THEREFORE, the District hereby resolves to work with the CPOA to expeditiously identify and implement the most effective and economic mechanism to make the Water Enterprise Fund available to the CPOA (and thereby to all property owners) to help finance and accelerate the Amenity Improvement Program.

Director Foley presented three financial documents including Water Fund historical balance sheet 2012-2020, historical balances of general and capital reserve funds 2011-2021 projected, as well as projected capital expense under reserve study 2019-2038 that she compiled for the Board packet.

On March 9, 2021, CMD Board received a proposal from the CPOA Board of directors to access funds currently held in the Water Enterprise Fund to augment and potentially accelerate its amenities enhancement program; if an appropriate mechanism can be devised that does not create undue tax liability to CPOA. Director McGuire requested more information from CPOA regarding project specifics on their upcoming amenity improvement program.




Board discussion included: what is considered lawful public use; can the Water Fund be legally transferred to the CPOA for amenity capital improvements, what is the highest and best use of reserves, what are the planned and unplanned future CMD infrastructure needs; could there be a need and/or responsibility to fund water specific projects owned by CMD and/or Eagle River Water Sanitation District and how does the community engage in feedback. Director Foley shared that the CMD financial position is healthy and is capable of acquiring additional funds if necessary; that the district does not have planned projects; the CPOA amenity projects are supported by the majority of homeowners; and the Water Fund should be used to support these projects. She expressed concern of being silenced during the Board discussion. Director Roberts stated that the Water Fund is the community's fund; that the community has identified its priorities by supporting the CPOA Board in the election and amenity improvement projects; and the community expectation is to get the projects done. Director Bentley added the Boards should work together and will engage in the discussion pending fiduciary and legal requirements and considerations. Director McGuire discussed the need for additional information and separate legal counsel on this matter prior to continued discussion.

***Director McGuire made the motion to table the Water Fund Resolution. Director Van Deusen seconded. The motion passed 3 to 2 with Director Foley and Director Roberts voting against.***

**District Financing Resolution** – Director Roberts introduced the resolution to authorize exploration of financing options: “Resolved that: The Assistant Treasurer of the Cordillera Metro District (“CMD”), Dan Roberts, along with Bob Donovan and other community members with relevant expertise (as Mr. Roberts may determine



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necessary and appropriate) are hereby authorized to explore alternative credit facilities for the CMD, including but not limited to a line of credit, and to bring their recommendations to the full CMD Board of Directors for review and approval.”

Board discussion included: Director Roberts highlighted his role on the CPOA Finance Committee and noted this is separate. Bob Donovan clarified that exploration of various financing options identified would be presented formally to the CMD Board for consideration. Director Foley noted this would give financial flexibility to the district. Director Bentley requested that the general manager be included in correspondence and meetings. Director Roberts said he would include other people as necessary and appropriate.

***Director Foley made the motion to approve Dan Roberts to explore a line of credit options for the CMD with Bob Donovan. Director Roberts seconded. Upon motion duly made and seconded, the motion passed unanimously.***

**Public Hearing** – Pursuant to Section 32-501, et seq., C.R.S. on Petition to Exclude Real Property submitted by Starview Realty Investments, L.P.

*Director Bentley opened the hearing at 10:37 a.m. and made the motion to continue at the May 14 Regular Board Meeting. Director Foley seconded. Upon motion duly made and seconded, the motion passed.*

**Management Team Report** – Director Foley requested that the trash and recycling dumpsters be made available to Cordillera property managers. She also requested information on the district’s current insurance coverage as well as an organization structure at the next scheduled Board meeting on May 14.

### **Adjournment**

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*Director Van Deusen moved to adjourn the Special Meeting of the Cordillera Metro District at 10:54 am. Seconded by Director Roberts. Upon motion duly made and seconded, the Board adjourned the Special Meeting of the Cordillera Metro District.*