



MINUTES

Cordillera Metro District Cordillera Property Owners Association

June 15, 2018

In Attendance

CMD Board of Directors	CPOA Board of Directors
David Bentley, President	Ed Shriner, President
Cheryl Foley, Treasurer	Rick Smith, Treasurer
John Van Deusen, Assistant Treasurer/Assistant Secretary	Larry Brooks, Secretary
	Jerri More, Assistant Treasurer/Assistant Secretary
	Mike Grier, Vice President (via telephone)

Others Present:

Rachel Oys, general manager; Alan Pogue, legal counsel; Joe Helminski, recreation director; Aubrey Lewis, assistant recreation manager; Clint Forstrom, assistant project manager joined at 9:43 a.m.; Trevor Broersma via telephone, operations director; members of the public: Tracy O'Connor, Debbie Brady, John Warren, Enrique Grisoni, Lois Bruce, Ron Yordi, Margo Boyle, Amy Schweig, Eagle River Water and Sanitation District; and Maureen Mulcahy.

Call to Order

CMD Board of Directors	CPOA Board of Directors
Director Bentley called to order the Regular Meeting of the Cordillera Metropolitan District at 9 a.m.	Director Shriner called to order the Regular Meeting of the Cordillera Property Owners Association at 9:07 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

CMD Board of Directors	CPOA Board of Directors
<p>Director Van Deusen moved to approve the June 15, 2018 Regular Meeting Agenda. Seconded by Director Foley.</p> <p>Upon motion duly made and seconded, the Board unanimously approved the June 15, 2018 Regular Meeting Agenda.</p>	<p>Director Brooks moved to approve the June 15, 2018 Regular Meeting Agenda. Seconded by Director Smith.</p> <p>Upon motion duly made and seconded, the Board unanimously approved the June 15, 2018 Regular Meeting Agenda.</p>

Approval of Consent Agenda

CMD Board of Directors	CPOA Board of Directors
<p>Director Bentley moved to approve the May 18 and May 29, 2018 Meeting Minutes. Seconded by Director Van Deusen.</p> <p>Director Foley requested that the minutes reflect that: (i) in the appointment of a new director by the Board, there is not a requirement to choose the person with the highest votes in a prior election, and (ii) descriptions in the draft minutes for director appointment and election of officers were not under the correct title and needed to be reversed. Legal Counsel Pogue added to correct Director George's comments that it would be unprecedented, not unfair, to appoint someone other than the person with the most votes. Also, a sentence should be added regarding the Rummage Sale vote. She also requested that Director Van Deusen's statement about compensation for the Rummage Sale be clarified.</p> <p>Upon motion duly made and seconded, the Board unanimously approved the May 18, 2018 Meeting Minutes and the May 29, 2018 Meeting Minutes, subject to the noted changes.</p>	<p>Director Brooks moved to approve the May 18 and May 29, 2018 Regular Meeting Minutes. Seconded by Director More.</p> <p>Upon motion duly made and seconded, the Board unanimously approved the May 18, 2018 Meeting Minutes and the May 29, 2018 Meeting Minutes.</p>

Public Comment

John Warren thanked the Boards for approving the solicitation of an outside strategic planning firm to work on the strategic plan. General Manager Oys added that the Strategic Planning Committee had not requested a budget amount or defined a scope of work, but that such will be forthcoming when the proposals are received.

Joint Agenda Items

Eagle River Water and Sanitation District – Water Efficiency Plan Presentation

Representatives from Eagle River Water and Sanitation District presented the District Draft Water Efficiency Plan.

CPOA Director Shriner asked about usage comparisons with other water district users and how full-time and part-time residents compare. ERWSD representatives shared that there is not much difference; most water usage during the summer is for outdoor landscape irrigation.

Director Foley asked about winter and summer rates. The representatives explained the tier system used by ERWSD and shared the base rates.

Tracy O'Connor asked a question regarding adding more water restrictions. The ERWSD representatives reminded the audience that water restrictions such as schedules and times are always in effect, so water is not wasted or used in excess. In the next few years, they will be developing more restrictions as well as providing customers recommendations to use water efficiently based on usage.

CPOA Director Shriner asked how ERWSD determined the difference between indoor and outdoor usage. The representatives explained the comparison between summer and winter use.

CPOA Director Brooks asked about the classification difference between multifamily versus single family units. The representatives explained that both are classified as residential.

General Manager Oys commented that yards and flower beds account for higher water usage. Staff and ERWSD can work to educate property owners on usage, restrictions and efficiency.

CPOA Director Smith asked how ERWSD determined irrigated area. Representatives shared that for the test case it was measured, but they plan to use GIS in the future.

General Manager Oys outlined the next steps for the Draft Water Efficiency Plan. Staff will communicate the regulations, share the plan and invite ERWSD to do a presentation on water usage. ERWSD offers residents an audit of water usage to check home water efficiency.

CPOA Director Smith shared that he had an audit conducted; he highly recommends updating the irrigation system at homes. He asked ERWSD how water efficiency gets mandated and monitored. The representatives explained that it is the Water Districts responsibility to help owners waste less water and enforce efficiency through education. CPOA Director Smith suggested that new homeowner packets contain water efficiency information.

CPOA Director Shriner shared that encouraging efficiency falls on CPOA and that someone maybe needs to patrol to get compliance.

Short-Term Rentals

General Manager Oys shared a presentation attached regarding cost-effective solutions to CMD short-term rental monitoring and compliance problems. She received information on Cordillera rental units from Host Compliance.

Director Foley asked how a short-term rental is defined. Mr. Pogue responded that short-term rentals are those found on Airbnb, VRBO and similar services and are often defined as 30 days or less.

CPOA Director Shriner shared that many surrounding communities in the Vail Valley, like Bachelor Gulch, are already monitoring with Host Compliance. Avon, Arrowhead and Singletree are working on policies around short-term rentals. He further commented that short-term rentals have negative impacts on the amenities such as the ACC and the Short Course. The CCR's would need to be changed to regulate short-term rentals. He suggested that insurance should be required as well as restriction on amenity use. He asked legal counsel what is needed to get a ruling by the end of August. He also referred to the community survey noting that not many people rent their homes or intend to do so in the future.

General Manager Oys shared a timeline and Legal Counsel Pogue shared the process for amending the CCRs and policy options concerning the CPOA. Currently, short-term renters have the same privileges as an in-home guest.

Existing rules can be enforced, but additional requirements or limitations would require a change to the CCR's.

CPOA Director Brooks commented that Bearcat prohibits rentals for less than 30-days. Greyhawk and Bentgrass do not have these requirements.

CPOA Director Grier commented that he is not entirely supportive of the amendment. He would favor regulation over a ban. He would like more information on the topic.

CPOA Director Smith explained that the motion was for restrictions, not a ban. Proper language will be necessary for clarity in the CCRs.

CPOA Director Shriner shared a letter from Ron Askew generally stating that restricting or curbing short-term rentals would be bad for the community. He thinks it will be bad for real estate values if short-term rentals are limited.

Legal Counsel Pogue addressed the topic of placing a sales tax on the ballot for short-term rentals. The imposition of a tax could be up to 5.5 percent of sales with the revenues going to transportation or improvements of roads. The tax collected would not go into the general fund. People who are registered Colorado voters can vote on the ballot initiative. If CPOA would decide to ban rentals less than 30 days, a sales tax question may not even be needed. The deadline for placing a question on the ballot is July 31.

Director Bentley asked what other businesses could be affected and if the Club at Cordillera was aware that this may be happening. Legal Counsel Pogue clarified that services are not subject to sales tax, only tangible goods. The golf courses and Bearcat Stables could be affected with their liquor and merchandise sales. Short-term rentals would be subject as well.

CPOA Director Brooks asked if short-term renters would have to pay the sales tax. To this Legal Counsel Pogue said yes and that Bachelor Gulch, Red Sky Ranch and Eagle Vail all have a sales tax.

Director Foley asked how the tax rate is determined. Legal Counsel Pogue shared that it would be a Board decision to place a question on the ballot stipulating a rate that cannot exceed 5.5 percent. Voters would then have to approve the ballot measure before CMD could implement the tax.

Director Bentley asked how to determine the amount of money that could be collected. Legal Counsel Pogue explained that The Club, Bearcat and short-term rental experts would need to provide an estimate.

CPOA Director Brooks asked about how it would affect the treatment center; he wondered if patients would pay the tax. Legal Counsel Pogue explained that the State exempts long-term rentals, those over 30 days, from the sales tax. The tax would be on sales of goods; it would be independent of property taxes. Director Foley noted that the sales tax of 5.5 percent would be comparable to the State and County taxes.

Director Bentley was reluctant to make a motion to put the tax on the ballot with only three Board members present. He wanted a sound rationale for imposing a tax, identify where the revenue will go, and obtain further information before moving forward. Director Foley agreed.

Director Foley said that a sales tax collected from non-residents could help fund Cordillera roads.

CPOA Director Brooks asked how much the Club at Cordillera pays CMD in taxes.

CPOA Director Shriner noted that tax revenue could aid in paying for additional public safety.

Director Bentley said that the CMD Board can only provide data to voters, but could not advocate for or against a ballot measure to adopt authority to impose a sales tax. He wants to provide accurate communications to the community.

Legal Counsel Pogue explained the CPOA could advocate for the ballot measure, but CMD cannot.

CMD MOTION: Director Foley moved to direct staff to do further research on a sales tax. Seconded by Director Van Deusen.

Upon motion duly made and seconded the Board voted to approve the motion.

Fire Prevention

General Manager Oys shared slides on the fire restrictions, efforts made by staff to educate the community and operational changes surrounding the restrictions.

CPOA Director Shriner asked about weed procedures and if they could add to fire danger. Community Operations Director Broersma explained the weed mitigation processes and did not see any additional increase to the fire danger.

John Warren asked if the road work added to the dangers. CPOA Director Shriner shared that the road construction is almost done but recognized that John's comment was good input.

Director Foley asked about the duration of the restrictions. General Manager Oys shared that they are in place indefinitely and could be made more restrictive at some point. Staff will continue to inform the community.

CPOA Director Brooks mentioned that the golf course needs to help with the messaging. Lois Bruce noted that cigars are for sale at the Club, and there are signs on the carts, but more could be done.

General Manager Oys shared that community operations staff is working on protocols for vehicles that travel through the dry grass to prevent sparks.

Summer Meeting and Event Calendar

General Manager Oys shared a slide detailing all community meetings and events, noting the canceled July 20 Board meeting due to Club events. The next meeting will be July 27 and will be a Special Meeting because the original meeting was July 20.

Director Foley asked if a decision was needed on July 27 on short-term rentals. Legal Counsel Pogue shared that a special meeting following July 27 is acceptable.

Administrative Updates

General Manager Oys shared a slide with administrative updates, including the status of the Community Survey. Survey work is ongoing to filter and sort the data. A June 26 meeting is scheduled to share the preliminary results with the community. Complete survey results will be shared at the July 27 Board meeting.

Communications Manager Jaime Walker and Recreation Director Joe Helminski hosted five firms June 13, providing them with a tour of Cordillera for the Strategic Planning RFQ/P. After the tour, a meeting was held with 12 firms, on the phone and in person, in which staff shared an overview of the community and answered questions. The proposals will be collected and presented to the Strategic Planning committee; then a request will be submitted to the Boards for budget approval.

The Rummage Sale will be September 15 - 16 at the Eagle River Center at the Fairgrounds. Staff helped identify places for donation drop off and storage facilities. Staff is researching improvements for the trash and recycling center at the community operations facility.

Traffic calming speed bumps were installed at Club Cottage Drive and on Fenno near the Trailhead. Public safety has started talking with bikers as they enter the community. Eagle County Sheriff's

Office will provide traffic calming support during the paving efforts. A request was made of the Sheriff's Office to estimate the cost of additional presence during the months of July and August.

CPOA Director Smith asked for more signage especially on the downhill lane from the ACC. Community Operations Director Broersma offered that his staff can move speed signs to be visible earlier. CPOA Director Smith also suggested downhill striping and slow signs for bikers. Enrique Grisoni suggested another speed bump below the Trailhead.

Director Foley inquired about a stop sign at the Trailhead. To this Community Operations Director Broersma shared that the Traffic Study determined there is not enough traffic year-round to warrant a stop sign at the driveway.

General Manager Oys is looking into a liquor license for facilities and events.

Citadel encountered similar struggles with staffing the overnight shift as well; therefore we have recruited and are hiring the positions internally.

Staff met with and requested a scope of work from Stephanie Palmer, S3 Partnerships, LLC, to conduct a community risk assessment and emergency planning.

General Manger Oys shared that as of January 31, there was \$440,000 outstanding CPOA dues; as of the meeting, \$160,000 was collected with another \$40,000 expected in the coming weeks. There are 21 past-due accounts with one property owner owning six of those accounts.

The audit will take place onsite the week June 25.

CMD Agenda Items

Upper Eagle Regional Water Authority Agreement

Legal Counsel Pogue started the discussion by summarizing the letter in the Board packet.

Ron Yordi provided a history of the water fund. He shared that in 2003 there were three metro districts and, at the time, ERWSD and CMD did not have a water agreement. Thus, CMD agreed to collect money on behalf of Squaw Creek Metro and take over their water fund. CMD paid for a study which identified three main items that had to be fixed by the developer. There was no legal requirement for CMD to fix the issues, but CMD addressed issues related to safety on the Divide; projects were started in 2004 and finished in 2010. An \$18.50 fee per user was instituted in 1994, not 2004. CMD has no obligation to use the money for water and the Water Authority does not have the authority to decide how the money is spent. In 2017 the CMD Board eliminated the \$18.50 water surcharge per user.

Director Foley would like to see the 2004 agreement to get more details and make an informed decision.

Legal Counsel Pogue clarified that if there is a water infrastructure project, the property owners will pay for it either with the water fund or through rate increases. The water utility is obligated to maintain and develop the infrastructure. CMD does not need to pay for a project up front.

General Manager Oys clarified that no action is needed. The Water Agreement was added to the agenda to educate all Board members on the topic. Director Bentley asked to wait to discuss changing the Restricted Water Fund to a non-restrictive fund until all Board members are present.

Emergency Access Easement Agreement

Legal Counsel Pogue shared there is a select group of people who want seasonal access from Territory Trail to Eagle. There are some easement issues with the proposed road. CMD went to the County and the BLM for consideration of the proposed route since it is on both County-owned and BLM-owned land; some of the road that is on County land would be on designated open space. The County has indicated that a public road is not wanted, but emergency egress may be acceptable. He noted that Cordillera would have to pay for any improvements to the road including any pavement for fire truck access.

Director Bentley stated his view of the position of the County. They are not interested in summer access, only emergency access. He asked the Board if the members want legal counsel and staff to continue pursuing CMD options.

Director Van Deusen stated that the future of Cordillera is at the Summit and access to the road would benefit and market Cordillera to future buyers.

Board members asked legal counsel and staff to continue negotiating the proposed easement with the County and to return to the board with the best easement they could negotiate for Cordillera.

Dog Park Rules and Regulations

General Manager Oys shared a slide on the dog park rules and regulations. Legal Counsel Pogue provided the Board with their options. He noted that some WECMRD funds were used to construct the ice rink.

Directors Foley and Van Deusen suggested posting the rules and regulations and including a sign stating that the park is for Cordillera property owners only. They requested removing the language referring to food, treats and alcohol from the proposed rules.

CPOA Director Shriner suggested adding the language "user assumes all risk."

CPOA Agenda Items

Trailhead Pool Assessment

The discussion started with an outline of the capital improvements that are necessary regardless of the proposed remodel. The upgrades are essential for facility upkeep. Staff uses Facility Dude to plan projects.

General Manager Oys asked for a decision to allow staff and OLC to start the process for the pool to be open for next summer.

Director Shriner commented on specific items in the OLC presentation. He suggested fewer flowers and more xeriscape.

Director Grier would like clarification on existing capital items when compared to OLC's proposal.

Bob McDonald with OLC clarified that option one addresses the pool needs; option two includes improvements to the playground.

Director Brooks would like to see the project move forward, not with a patchwork of fixes, but a comprehensive overhaul to make a greater amenity. There is a safety issue with the current state of the pool. Perhaps dues could pay for it.

Director More is in favor of options one and two but not option three.

Director Smith noted that the facility is a liability; it needs baseline maintenance to ensure the safety of the community.

Director Shriner clarified that the costs are estimates; bids have not been received.

Bob McDonald confirmed that the project has not gone to bid and the numbers could change. He is confident in the assessment but apprehensive to commit to the construction process provided. He recommended a contingency of up to 10 percent.

Director Grier agrees that the facility needs to be brought up to code and that option one is a stopgap. However, he had concerns about the use of the facility and how it relates to property values. There are many upcoming projects. He has reviewed studies that show how amenity costs can outweigh the benefits. The studies demonstrate that amenities could be a turn-off for homebuyers due to the future upkeep. People are more likely to buy in a gated community because of safety. The community survey results indicate that people want security. He would like to see all three options go out to bid.

Director Shriner wants the ability to veto specific items.

Director Smith agrees. He continued by noting that Cordillera is a premier community, consistent with the mission, so the project should be done right not value engineered. He suggested even designing the facility for offseason use.

General Manager Oys asked for board direction so OLC can seek bids. A special meeting may need to be called. Director Grier asked to have options one, two and three clearly outlined so the board can pick.

CMD Director Foley asked for the baby pool to stay rather than zero entry to the main pool.

Short Course Pond Improvements

A CPOA Board discussion ensued regarding the need for more funds for insurance on the project. Legal Counsel Pogue clarified that the company is getting additional insurance, but the Board is paying for it.

Director More did not like the contactor's behavior. Director Grier concurred and thought it odd that a company in this business does not have adequate insurance. He questions their warranty.

Director Shriner asked about the second bid and if the other company would be better. He noted concerns about spending property owner money. To this Director Grier reminded the board that the second bid was much higher. Based on the company's excellent reputation, the project should continue.

CPOA MOTION: Director Smith moved to allow General Manager Oys to sign a contract with an \$11,500 increase. Seconded by Director More.

Upon motion duly made and seconded, the Board voted to approve the motion.

CPOA Election

General Manager Oys noted that the CPOA election is August 17 at 2 p.m. during the Annual Meeting of the Membership. There is one open seat. Self-nominations are due by July 3.

Adjournment

CMD Board of Directors	CPOA Board of Directors
Director John Van Deusen moved to adjourn the Regular Meeting of the Cordillera Metro District. Seconded by Director Foley.	Director Smith moved to adjourn the Special Meeting of the Cordillera Property Owners Association. Seconded by Director More.
Upon motion duly made and seconded, the Board unanimously agreed to adjourn the Regular Meeting of the Cordillera Metro District at 2 p.m. Friday, June 15, 2018.	Upon motion duly made and seconded, the Board voted unanimously to adjourn the Special Meeting of the Cordillera Property Owners Association at 2 p.m. Friday, June 15, 2018.

Next Meeting

July 27, 2018