

## **EAGLE BEND METROPOLITAN DISTRICT NO. 2**

<http://www.eaglebendmetro.com>

**Regular Meeting**

**Heritage Eagle Bend Clubhouse**

**10:00 am**

**23155 E. Heritage Parkway**

**Aurora, Colorado 80016**

**Date: January 27, 2010**

### **AMENDED MINUTES**

#### **I. Call to Order**

Director Coker called the meeting to order at 10:11 am. Guests were introduced.

#### **II. Declaration of Quorum/Director Qualifications/Disclosure of Conflicts**

Director Coker declared a quorum of the Board and that all Directors have confirmed their qualification to serve. Director Meyer is the Environmental & Sustainability Coordinator for COA in the Planning Department. Director Arellano serves as a Delegate with HEB for District #12. Director Coker serves on the Eagle Bend Homeowners Association Board and on the Aurora Citizens Advisory Budget Committee and Director Rexroat is a member of the HEB Golf Committee.

#### **III. Approval of Agenda**

The Directors added the following items to the agenda: 1.) Year-end financials to be presented by John Simmons; 2.) New IRS regulations re: Director's fees; 3.) Creekside landscaping projects for 2010 presented by Frank Massey; 4.) Independent Contractor Agreement for Audrey Arellano-Davie 5.) Examination of district maps and 6.) Water rights. Director Meyer made a motion to accept the agenda with the additional agenda items for discussion and/or presentation. The motion was seconded by Director Geiger. The motion was unanimously approved.

#### **IV. Approval of Minutes**

##### **A. Date: December 10, 2009**

After review, the December minutes were amended to read, Director Meyer asked that back-up documentation be presented to the Board at the January meeting for the checks that were ratified at the December meeting. Director Rexroat made a motion to accept the December 10, 2009 minutes with the above amendment. Director Arellano seconded the motion. The motion was unanimously approved with the exception of Director Coker who abstained due to his absence at the meeting. Note: John Simmons, Board accountant, agreed to provide back-up information to the Board regarding checks to be ratified at the next appropriate meeting.

#### **V. Financials**

##### **A. Payables**

Mr. Simmons reviewed the ratified check list, check numbers 1401 to 1408. The checks were signed earlier by Director Coker. Director Meyer made a motion to accept the ratified checks with a second by Director Arellano. The motion was unanimously approved.

Mr. Simmons then reviewed the January payables, check numbers 1409-1420. It was requested that check #1414 (\$3000.00) to HEB be held because there is an outstanding HOA bill of \$1,035.67 to Xcel Energy. For the record, Director Arellano stated that HEB personnel informed him they were not going to pay the bill. Director Rexroat told the group that a series of communications with HEB have been sent detailing the shutting down of the wells and the ECCV pipeline. The Metro District does have a late charge policy and Peggy Purcell will be informed to enact this process when necessary. Director Geiger made a motion to approve the payables with checks #1409-1420 with the exception of check #1414 which will be withheld until the HEB HOA account, including late charges is paid in full to the District. The motion was seconded by Director Meyer. The motion was unanimously approved. Mr. Simmons informed the group of the new IRS regulations regarding fees, noting that a 1099 form will still be required. A discussion followed with Director Coker appointing Directors Geiger and Meyer to seek information from the Special District Association etc. and report back to the Board in March with a recommendation regarding such fees. The issue in question is whether board members are statutory employees. Mr. Simmons relayed that the IRS is not dictating what to do and each Board that he

### **A. Payables continued**

works with is in the process of making their independent decision. Director Coker encouraged the Board to submit any office equipment and/or expenses for reimbursement.

### **B. Year-End Financial Statements**

Mr. Simmons then distributed the unaudited Financial Statements dated December 31, 2009. The General, Water Enterprise and Debt Service Fund and their purposes were reviewed. All assets, accounts receivable, pre-pays, current liabilities, bond obligations, and fund balances were reviewed carefully by Mr. Simmons. He pointed out that property taxes were short by approximately \$33,000.00 due to properties being abated. A discussion ensued regarding private and commercial properties currently up for sale. Mr. Simmons made it known to all attendees that the District has been building a substantial reserve as compared with other Districts. He stated that a reserve balance is NOT a legal requirement but monies will be in place should they be needed and consequently the public will not be affected. Mr. Simmons noted that the some bonds will be paid off in 2013 and 2015. Director Arellano stated that the Metro s bond rating category went up to A- versus the previous BBB rating. Director Meyer moved to accept the Financial Statements dated December 31, 2009 as presented by Mr. Simmons. Director Rexroat seconded the motion. The motion was unanimously approved.

## **VI. Business**

### **A. Presentation by Laurie Tatlock, Mulhern MRE, Inc Re: Election Process**

Director Arellano introduced Mrs. Laurie Tatlock to the Board and the 3 attendees. Mrs. Tatlock stated that in 1990 MRE formed with the Inverness District and since then supports various Districts such as but not limited to: Cottonwood, Bellcreek and Stonegate. Mrs. Tatlock stated that the Call for Nominations will be printed in the Aurora Sentinel Feb. 4, 2010. Self-nomination petitions are due Feb. 26, 2010. Mrs. Tatlock quickly reviewed the State election calendar. As a reminder, she stated that the election will be a mail ballot process since 70-80% of the residents have already requested mail-in ballots. She noted that if only 3 candidates come forward they would be appointed until the next 2012 election and the March 2, 2010 election could be cancelled. However should three candidates run the election costs would be approximately \$1,100.00. She noted that a full and complete election would cost around \$12,000 which included all consultant time, publishing ballots, postage etc. Should a full election be held, Director Arellano stated that approximately 4,000 ballots would be mailed.

Because of Director Meyer s recommendation, the Board was made aware of the Special District Association and their annual conference which is how Mrs. Laurie Tatlock and Mulhern MRE, Inc were introduced to the Board. The SDA has been an invaluable resource to the Board throughout the year and the annual conference continues to be a great learning opportunity for all.

Director Meyer presented a map (2 sizes) prepared by Nolte Engineering. Director Meyer put forth that Nolte Engineering is able to produce a large scale District map and mount it for \$500-\$700. Director Rexroat made a motion to have Nolte Engineering make this map for the District. Director Meyer seconded the motion. The motion was withdrawn upon further discussion. Various places to display this map and the other smaller maps were suggested by the attendees and the Board. Maps were given to: Mrs. Tatlock (election requirement), Director Coker and one will be filed with the County (state requirement). Director Coker proposed to post the map on the District s website for all residents to access. Director Meyer will complete this task.

### **B. Discussion of Water Operations Manual & Wi-Fi Installation**

Director Rexroat stated the manual is finished on this end however; the COA wants to make some changes. Director Rexroat said there is no need to install the wi-fi immediately but he is planning for the installation in April. The software to be installed will allow the Board to remotely monitor each well and trouble shoot when necessary. An alert can be sent to a pager or a monitoring station. He stated that T-Mobile may be used because of their current wireless system. A RFP for monitoring the wells will be put out to bid with the acceptance of approximately 5 companies who possess the specific qualifications and experience as outlined in the Operations Manual. Director Rexroat stated that he would like to use Layne Western to start up and shut down the wells. It was noted that the ECCV pipeline will have to be manually operated at this time. It was asked by the public if this pipeline could be automated. Director Coker relayed that at this time the ECCV pipeline is accessible only through the locked vaults. The butterfly valve at the lake is used to turn the pipeline on and off. ECCV and Aurora were against automation per Director Rexroat. Daniel Levine will be contacted to help mark the area with proper signage/posts per Director Rexroat.

It was asked whether the HEB HOA would be submitting a bid. In such event, Director Rexroat stated that the HOA communication restrictions make it very difficult to communicate with them regarding the wells. The Metro District is

## **B. Discussion of Water Operations Manual & Wi-Fi Installation continued**

not allowed to speak directly with Roe Sherbert, Maintenance Supervisor, and must communicate only with the manager. It is the HOA's process that the manager has 24 hours to respond to the Metro District along with the HOA President. This lapse of time creates an efficiency problem such as but not limited to: keeping the water well levels at the desired level which in turn effects water expenses and energy charges.

## **C. Update Re: 2010 Mileage Rates**

Director Coker reviewed the revised mileage rate for reimbursement (\$0.50/mile). Director Coker suggested that MapQuest be used by Board members when traveling in order to secure accurate mileage. Director Geiger went on to say that incidental travel is the issue in question. Various ideas were discussed and as is required, all members will individually submit their mileage.

## **D. Discussion of Meeting/Agenda Posting Sites**

Director Arellano reported that he posted the agenda at the following locations: fire station, tire shop, liquor store, bank and the Clubhouse. Director Arellano recommended that the agenda also be posted on the website. Director Meyer said yes he could continue posting the agenda and noted the January agenda was already posted on the Metro's website. Director Geiger read the adopted Annual Administrative Resolution aloud which states the Clubhouse as the official designated posting site.

## **E. 2010 Board Calendar Re: Meeting Dates**

Due to a conflict in dates with the annual SDA conference, the September meeting will be held the second Wednesday, September 8, 2010.

## **F. Water Options**

Director Coker discussed obtaining additional water rights in the future. Kristen Bear, Board legal counsel, has been contacted with a budget of \$2000.00 to investigate this option.

## **G. Administrative Issues Re: Consultants**

Director Coker made a motion that Metro District Board members must attend 2 or more hours of the regular meeting in order to receive their fee. Director Meyer moved to approve the motion with a second from Director Geiger. The motion was unanimously approved. A discussion regarding various administrative issues followed with the following outcomes: 1.) Director Coker stated the Board will keep the task of writing and mailing checks to Simmons and Wheeler. 2.) If the President receives a complaint about a specific Director he will speak with the Director in person to problem solve the issue at hand. 3.) Audrey was given the approval to purchase PDF software. 4.) A motion was made by Director Meyer to accept Audrey's Independent Contractor Agreement as drawn up by Kristen Bear. The motion was seconded by Director Geiger. The motion was unanimously approved.

## **H. Creekside Landscaping**

Mr. Frank Massey, President of the Creekside HOA, thanked the Metro Board for their time and help with past projects. Mr. Massey stated that a certified landscaping plan had been drawn up which called for the removal of all sod over the next 2-3 years except for the sod around the swimming pool. Creekside has 149 homes in their community with 2 currently bank owned. Mr. Massey stated that Creekside is financially more stable than 4 years ago. He announced that the gully area by the pool which was causing soil erosion has been solved and will not be asking the Metro Board for any further support to remedy this situation. The gully has been surveyed and discussions are currently being held with Lennar. Mr. Massey asked when all HOA Boards within the District would start pooling their resources to benefit all, versus each individual community working on their own.

Mr. Massey produced a map in order to specifically point out the area of South Aurora Parkway and Irish Drive. The plan calls for all sod to be removed and replaced with approved xeriscape materials with the goal of being reimbursed by the City's rebate plan. Mr. Massey asked the Board to be co-project managers with him on this Project since the Board has extensive landscaping experience. The cost of the project is estimated to be \$50,000- 60,000.00. For the last 3 years ACC Landscaping Company has been contracted by Creekside and it is hoped to continue with ACC. There is an ownership question regarding a specific area located on South Aurora Parkway and city has been contacted to confirm the owner. The Creekside front entry way will be a landscaping project for the future per Mr. Massey. He stated that the trees planted on the Jamison Street medians keep dying because the soil is not conducive to their growth. Mr. Massey stated he would like to begin landscaping the South Aurora Parkway and Irish Drive in March, with planting to begin in April per Director Arellano. Mr. Massey would prefer to continue the current water agreement for 2010 with Creekside taking it over in 2011. For the record Director Coker stated that approximately \$100,000.00 has been spent on xeriscaping the center medians. Again the Metro received a xeriscape rebate from the COA for approximately \$19,000.00!

Director Coker reminded the group of the various HOA's landscaping projects: 1.) Ridgeview's dog run. The City is requiring Ridgeview to spend around \$15,000 to improve the area. Conversations will continue with Ridgeview regarding

## **H. Creekside Landscaping continued**

this project. 2.) HEB's exterior gates and xeriscape. The Metro has worked with the HEB HOA to improve these areas. Director Coker noted that a budget of \$150-200,000.00 has been allocated for landscaping projects. Director Geiger stated that it would make financial sense to do one contract with percentages/ratios outlined for Creekside. Mr. Massey was asked to draft final numbers with a presentation to the Board in February. Directors Arellano and Geiger were charged to work with Mr. Massey.

On an election note, Mr. Massey noted that he would publish candidate(s) information in their newsletter and support the current candidates up for re-election in any way possible.

## **VII. Communications**

### **A. Newsletter**

Director Meyer asked for input regarding the new look of the newsletter. Responses were very positive! Director Meyer stated that he received one letter re: his article on water usage and the resident wrote of concern regarding water on the center medians. Director Coker called the resident and left detailed information however, he has not received any response. It was discussed and decided to print this letter in the upcoming newsletter under Letters to the Editor. The next newsletter will be published April 5, 2010 with the website address printed at the bottom of each page. Director Arellano said he is trying to obtain two articles for April; one from the City and one from ACC regarding water and landscaping. The \$19,000.00 rebate the Metro District received will be included. Director Arellano asked if the newsletter mailing list could be expanded. Director Meyer will add the following as of now: SDA, Simmons & Wheeler, legal counsel, Nancy Doty (Arapahoe County), Carol Spence, financial institutions TBD per Arellano, City Council-At-Large and Ward #6 Councilman and County Commissioner.

### **B. Website**

The website is up and current per Director Meyer.

## **VIII. Public Input**

Public Comments included: Thank you for what you do. I think anyone who would run would be insane! You do a good job. You take it seriously but also have fun. Thanks.

## **IX. Adjourn**

The meeting ended at 1:34 pm.

**The next meeting will be held February 24, 2010**