

EAGLE BEND METROPOLITAN DISTRICT NO. 2

<http://www.eaglebendmetro.com>

Regular Meeting

Heritage Eagle Bend Clubhouse

23155 E. Heritage Parkway, Aurora, Colorado 80016

Date: August 25, 2010

10:00 am

Minutes

I. Call to Order

The meeting was called to order at 10:05 am by Director Coker. In attendance were Directors: Coker, Arellano, Geiger, Meyer, Rexroat and Recording Secretary Audrey Davie. Members of the public introduced themselves.

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

Director Coker stated that a quorum was present and that all Directors met statutory qualifications. Director Coker stated he is a member of the City of Aurora (COA) Citizens Advisory Budget Committee and four other COA subcommittees. In addition, Director Coker is a liaison to Arapahoe County for the COA. Director Meyer is the Environmental & Sustainability Coordinator for COA in the Planning Department and a District Delegate with HEB HOA. Director Arellano serves as a District Delegate with HEB HOA. Director Rexroat is a member of the HEB Golf Committee. Director Geiger serves on several mountain area boards. Legal counsel has filed all disclosures with the appropriate entities.

III. Approval of Agenda

Director Meyer made a motion to approve the August 25, 2010 agenda. Director Rexroat seconded the motion. The motion was unanimously approved.

IV. Approval of Minutes

A. Date: July 28, 2010

Director Geiger made a motion to approve the July 28, 2010 minutes pending one correction. The motion was seconded by Director Rexroat. The motion was unanimously approved.

V. Approval of Bills and Disbursements

A. Payables

Director Geiger made a motion to approve the payables with check numbers #1497-1507. Director Arellano seconded the motion. The motion was unanimously approved.

VI. Public Input

Ridgeview resident, Jerry Miller, stated the community is continuing their pursuit of a cross walk near the dog park. He reported the COA has reviewed the site however no action has been taken. Jim Stevens, HEB HOA Board member, requested that a letter be sent to the HEB HOA should Amendments 60, 61 and Proposition 101 pass stating the Metro's "increase in water prices". These proposals are on the November 2010 ballot.

VII. Reports of Officers, Committees and Professional Consultants

A. Water

1. Update on Wi-Fi System

Director Rexroat reported the automated system is almost complete. He gave a brief summary of the "Water and Well Report" as prepared by Scott Lehman, Metro District water consultant. Director Rexroat commented that the water levels are remaining at a static level with no major problems. See Mr. Lehman's report for more detail.

A discussion was held regarding an HEB HOA newsletter article which stated the life of the District wells would be approximately 11.5 years. Director Rexroat researched this statement and the information he gathered states wells may operate up to 30 - 40 years. His research concluded that this statement is grossly inaccurate.

1. Update on Wi-Fi System continued

Directors Rexroat and Arellano recently met with Mr. Lehman to discuss the maintenance schedule of the wells to ensure their longevity. Director Rexroat suggested when the 2011 HEB HOA water contract is written he would like the HOA to specify: 1.) How much water they want and 2.) How they want to disperse it. Currently, Jeff Powles, General Manager Heritage Eagle Bend Master Association, Inc. requests the water level to be kept "above the rocks all the time." However, Director Rexroat stated when a heavy rain storm occurs the water collects and flows over the top of the rocks - water conservation is an issue.

2. Update on current water usage - ECCV Pipeline and Wells

See above.

3. Discussion of Irish Tap

Director Arellano reported that \$3200 has been spent for water from this tap. Director Arellano stated that the current operating costs are lower than expected therefore the District may come in under budget. Director Arellano attributed the savings to the consistent monitoring of the valves by Daniel Levine, TerraCare Associates Account Manager and District landscaper. Beginning in 2011 Creekside has agreed to pay the cost of all water consumed from this tap.

Director Rexroat reported that the District has been using HOA water on the center medians at Gartrell and South Aurora Parkway (SAP) located in the Buchanan Filing 9 area. He has emailed Mr. Powles twice to set up a meeting to discuss payment for the water which totals approximately \$3750.

4. Northwest Project

This project is located near the Safeway commercial area. A discussion was held regarding the use of the 1" tap at the northeast corner of Gartrell and South Aurora Parkway (SAP). Mr. Levine reported that adding zones to the irrigation clock operating from this tap would be easy, however upgrading the clocks would be necessary. Once completed, the District would be able to control water usage in this area. In addition, the zones will meet the COA "water window" requirements.

It was noted that plants in Filing 9 are not healthy. Even through the Metro District planted the landscaping material the District has been explicitly told by HEB HOA's landscaping contractor, Cox Professional Landscaping, not to make changes to the clocks which control the watering schedule and valves. A conversation ensued regarding this matter.

Director Coker initiated a discussion regarding license agreements. License agreements clearly identify ownership and maintenance responsibilities of said property; therefore confusion is avoided. Daniel Levine is in the process of securing a license agreement for SAP from the COA with the understanding that the Metro District will be responsible for maintaining the center medians (Note: This is a continuation of current practice). The agreements would be committing the District on a long term basis.

B. Landscaping

1. HEB HOA

Director Arellano reported that the HEB HOA Financial Advisory Committee met last week. Lee Ruterbories, Chairperson of the HEB Facilities and Grounds Committee, reported that his committee recommended to the Finance Committee to move forward with the cost sharing landscape project. Mr. Ruterbories stated the HEB HOA Finance Committee did not support their recommendation. The final decision will be made by the HOA Board of Directors on August 26, 2010. The Board thanked Mr. Ruterbories for his work, dedication and cooperation.

2. Creekside

Director Arellano reported that Creekside is still trying to rectify their erosion issue, per his conversation with Frank Massey, President of Creekside HOA. Director Arellano relayed that a decision regarding the proposed cost sharing landscape project with Creekside will be forthcoming within the next two weeks.

3. Northwest Project

Daniel Levine is working on a design for this project which will be presented at the next Board meeting. The land survey indicated that this particular area is an "E470 multi-use nonexclusive area". A license agreement may be filed which would hold the District responsible for the maintenance of this area. The cost of the license agreement would be approximately \$474.

4. South Aurora Parkway

Mr. Levine reported that he was granted approval of the initial license agreement from COA. He noted that some of the language needs to be modified so that it is absolutely clear the Metro District will be responsible for maintaining the landscaped areas. Mr. Levine stated that TerraCare is working on installing uniform perennial beds on the tips of the center medians to unify the look of the community. Battery operated clocks were also installed therefore allowing the District to control the water schedule and water usage.

C. Communications

1. Newsletter

Director Meyer assigned each Director an article for the upcoming newsletter: Director Geiger - finances, Director Rexroat - water, Director Arellano - landscaping, and Director Coker – operations. Director Meyer stated he is modifying the newsletter and website to be more “user friendly”. All articles are to be submitted 9/26/2010. The newsletter is scheduled to be mailed out October 1.

On another matter, Director Meyer was charged with purchasing a large scale map of the community; which will be referenced during future meetings. The map will provide the necessary visual when pinpointing the location of the District’s projects.

2. Website

Minutes will be loaded to the website after their approval at each board meeting.

D. Financials

1. Update on assessed valuation

John Simmons, District Accountant, reported that the preliminary number from the assessed values in the county decreased approximately 1.3%. He is researching the reason for the decrease and has contacted the county for an explanation. As the 2011 budget process begins, Mr. Simmons reminded the Board they must establish and adopt mill levy rates. He stated that with the assessed values decreasing this would impact the budget with a loss of approximately \$40,000-50,000 in tax revenue. However, “That will be not harm the general or debt fund,” stated Mr. Simmons. Regulatory deadlines are: **1.)** October 31 preliminary proof of 2011 budget must be completed; **2.)** December 13, 2010 mill levies must be certified; **3.)** December 15, 2010 County must be notified of mill levy and **4.)** January 31, 2011 budget must be filed with the State.

A short discussion was held regarding the mill levy, residential assessed values and taxes. Also discussed were District bonds and the repayment schedule. Director Geiger pointed out that principal payments on all three bonds will be paid out until 2035 per the current financial statement. It was mentioned that the debt could be restructured beginning in 2014-2015 depending on series.

2. Discussion re: 2011 Budget

Director Geiger will analyze the 2009-2010 budget in order to make program recommendations for 2011. He will be contacting each Board member regarding their specific projects.

E. Operations & Services

A lengthy discussion regarding the easement from the south well to the pond area was discussed. Should the Metro District incur a problem with the pipeline and have to dig it up; the neighboring homeowner does not have legal right to this land. The District is under no obligation to repair the surface should this situation occur but they must notify the homeowner of said problem. Director Rexroat will speak with Scott Lehman to remap this area.

F. Legal

No discussion was held.

G. Erosion

1. Creekside

Director Geiger stated he reviewed the plans submitted by Creekside’s engineers and questions whether the erosion situation will be solved as currently presented.

VIII. Unfinished Business

A. Discussion re: Proposition 101 and Amendments 60 & 61

Director Geiger distributed copies of a draft resolution entitled a “*Statement of Resolution Opposing Amendments 60, 61 and Proposition 101 by the Eagle Bend Metropolitan District #2*”. This Statement was reviewed and approved by Kristen Bear, legal counsel. State Senator, Nancy Spence, spoke to the Board on June 23, 2010 against Proposition 101 and Amendments 60 & 61 and gave explicit examples of how these proposals would drastically affect the citizens of Colorado. See Minutes from June 23, 2010 for more detail. The Board

A. Discussion re: Proposition 101 and Amendments 60 & 61 continued

may only take a position through a currently established practice and/or procedure such as the District's newsletter or website. Director Geiger stated that the Metro District revenues will be affected should these proposals pass therefore limiting projects for 2011.

Director Geiger made a motion to adopt the "*Statement of Resolution Opposing Amendments 60, 61 and Proposition 101 by the Eagle Bend Metropolitan District #2*" and publish the Statement of Resolution in the October 2010 newsletter as well as post the Statement on the District's website. Director Meyer seconded the motion. The motion was unanimously approved.

A discussion was held regarding the "town hall" informational meeting for all Eagle Bend HOA's and residents to become more informed about Proposition 101 and Amendments 60 & 61 before the November election. Ann Terry at SDA has been contacted as a possible presenter but has not responded to date. Directors Geiger and Meyer were charged at the last Board meeting with arranging this forum. Jerry Miller - Ridgeview, Bruce Simner - HEB HOA, Frank Massey - Creekside and Bob Simmons - Commercial area will be contacted to be liaisons for this meeting.

B. Disclosure of Conflict Forms

Director Geiger will contact legal counsel regarding this issue.

IX. New Business and Special Orders

A. No new business presented.

X. Adjournment

The meeting ended at 12:27 pm.

The next meeting will be held September 8, 2010